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PUBLIC INVESTMENT POLICY

Office of Economic Development

Working with you to create jobs

CITY OF JACKSONVILLE, FLORIDA

Commitment to Excellence

In Collaboration with the Special Economic Development Incentives Committee of the City Council

Council Member John Crescimbeni, Chairman

<u>December 4, 2015</u>

Revised Draft

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Public Investment Policy Introduction

The foregoing Public Investment Policy (PIP) is intended to be a tool used by the Office of Economic Development (OED) staff to make fact-based decisions regarding projects to ensure that individual project goals are aligned with the goals of the organization, its mission and objectives. The PIP sets forth minimum standards and eligibility criteria based on uniquely created investment programs. The fundamental basis to any proposed project is whether public investment is a material factor in the completion of a project ("but for" test). Projects will be evaluated on whether they provide a return on investment (ROI) to the City (see the following section). Projects will also be evaluated against standard underwriting criteria and an assessment of the public investment risk associated with the project.

Mission (draft)

To enhance the quality of life for all of Jacksonville by developing and executing policies that strengthen the economy, broaden the tax base, and create opportunities for advancement of the workforce and local small business enterprises.

Objectives

I. Recruit and expand high wage job opportunities in targeted industries throughout Jacksonville.
II. Promote private capital investment that results in an increase in the commercial tax base.
III. Redevelop economically distressed areas by encouraging private capital investment and *higher* wage job opportunities within those areas.
IV. Advocate for small business/entrepreneurial growth and expansion.
V. Encourage downtown development in accordance with the Downtown Investment Authority's Master Plan.
VI. Maintain an overall system of accountability that allows a high level of confidence in our stewardship of public funds.

Public Investment Guidelines

The OED encourages economic based jobs – those that generate goods and services that are exported outside the community to bring new dollars into the community, thus expanding community wealth and prosperity. Projects that create service oriented jobs – those that recycle and exchange local dollars already in the community – will be considered only if the project is located in a designated economically distressed area. Specific incentives have been established for commercial projects in those designated areas.

The OED staff negotiates the final public incentives based upon an assessment of whether public investment is warranted due to the competitive nature of the project and/or a financial gap for the project to commence and succeed, in Duval County. This assessment is done by a thorough due diligence, underwriting, and public investment risk analysis. The project analysis process may also consider multiple "public purpose" elements that may not be applicable for every project. Not all projects will receive the maximum eligibility as the intention of the PIP is to work within a set of limitations to overcome a company's financial impediments to relocation, expansion and success.

Within this PIP there is a focus on targeted industry categories. These categories were developed in collaboration with the State of Florida and economic development partners. They include: Finance & Insurance; Life Sciences; Logistics & Distribution; Headquarters; Information Technology; Aviation and Aerospace; Advanced Manufacturing; and the Energy Sector. These industries may change from time to time and therefore, any reference to these industry sectors in any program are meant to pertain to the listing as recorded by the State. See Exhibit A for the current Targeted Industry Category list.

Return on Investment Formula

Economic benefit is the direct, indirect, and induced gains in City revenues which result from the City's public investment in a project.

Return on investment (ROI) measures the economic benefit against the public investment for a project. This measure does not address issues of overall effectiveness or societal benefit; instead, it focuses on tangible financial gains or losses to City revenues that are derived from an investment in a specific project.

The ROI is not intended to evaluate whether the State's investment is appropriate, nor does it distinguish the State's investment over any other financial vehicle.

General ROI Measurements:

- Greater Than One - the project more than breaks even; the direct return to the City produces more projected revenues than the total cost of the public investment.
- Equal To One - the project breaks even; the return to the City in additional direct revenues equals the total cost of the public investment.
- Less Than One, But Positive - the project does not break even; however, the City generates enough revenues to recover a portion of its cost for the public investment.
- Less Than Zero - the project does not recover any portion of the public investment cost, and the City revenues are less than they would have been in the absence of the program because taxable activity is shifted to a nontaxable activity.

OED's evaluation takes into account the number of jobs to be created, the anticipated wages and corresponding personal income, and the projected ad valorem revenues. As warranted, the impact on other economic generators such as the JAXPORT, will be considered.

For all projects requesting public investment, OED will calculate a City ROI. ROI formulas for public investments can incorporate many different aspects. However, the City of Jacksonville chooses to take a conservative approach to our ROI formula, which will be as follows:

Projected City Ad Valorem Taxes (10 years)	A
Payroll Induced Taxes (10 years)	B
Total Direct City Revenue	A + B = C
Total City Investment	D
City's ROI	C/D = E

A: Projected City ad valorem taxes. For OED's calculation of ROI, we project the direct revenue impacts to the City in the form of ad valorem taxes, both real and tangible personal property. An analysis may be done to include the impact to the Duval County School District, Florida Inland Navigation District, and St. Johns River Water Management District taxes generated by the projects. However, our standard ROI calculation includes only the direct ad valorem taxes projected to be paid to the City from the project, for a period of 10 years.
B: Payroll infused into the local economy (induced taxes). This impacts the economy through the direct spending of the employee salary in local businesses such as grocery stores, gas stations, movie theaters, restaurants, etc. Each of these businesses employs people in and around the community and result in their employees' ability to purchase local goods and services. For ROI calculation purposes, OED will calculate the estimated payroll at project completion. It will be assumed that on average, 20 percent of the total payroll will be spent within the City of Jacksonville on goods and services from which the City receives a 1 percent sales tax. (Total number of employees, multiplied by average wage, multiplied by 20 percent factor, multiplied by 1 percent sales tax rate.)
C: Sum of A and B, total direct City revenue.
D: City investment is the total maximum commitment of the City's funding toward the project.
E: City's ROI.

OED's goal is to have the ROI on a project exceed the ratio of 1:1. If this is the case, especially considering the conservative nature of the ROI formula being used, it should be evident that the public funding for the project is a sound financial investment. We recognize that some large and very competitive projects may not produce an ROI of 1:1 using the conservative 10-year horizon. In those cases, OED will calculate the estimated period of time it will take for the project to achieve an ROI of 1:1 and include that within the project summary. There will also be a justification statement as to why OED supports the project in lieu of the fact that a longer period than normal will be required to achieve the desired ROI level.

Additional Considerations

While not an exhaustive list, the items below are things which are not reflected in the ROI calculation and are difficult to quantify, but may be considered when evaluating potential public investments.

1) **Downtown Development and Redevelopment.** The success of Downtown Jacksonville is an important element of the City's overall vitality. In an effort to continue to attract new investment and businesses, a project could be given additional positive consideration if choosing a Downtown location.
2) **Potential impact of the company's primary business on JAXPORT.** JAXPORT is considered a primary engine affecting Gross Domestic Product (GDP); which is a key indicator when evaluating the health of an economy. JAXPORT is also a large generator of jobs and a key

element in the decision for some companies to locate in Jacksonville. Therefore, projects that benefit JAXPORT could be given additional positive consideration.

3) **Potential impact of the company on economically distressed areas in Duval County.** Typically, in these areas of Duval County the cost for services outpace the revenue generated to pay for the aging infrastructure (example: storm water) and demanding services (example: police). In order to reverse this trend and reduce the burden on the City, the OED will engage in community redevelopment efforts and encourage companies to locate to these areas. Projects located in economically distressed areas may be given additional positive consideration. As further described within this PIP, projects meeting certain criteria and locating in designated economically distressed areas are eligible for "bonus" incentives.
4) **Potential secondary and tertiary businesses supporting a company.** Generally, companies locating to or expanding in Duval County require support from local businesses. This support ranges from an office requiring paper to a manufacturing company needing electrical maintenance and repair work associated with their machinery. Each business sector has a job multiplier which varies based upon its needs. While this is certainly a positive impact created by most projects, due to the differing theories on how to accurately calculate these impacts, we have excluded it from our standard calculation.

Mega Projects

A "Mega Project" is an extremely large project (i.e., over 500 jobs, $200 million in private capital investment, etc.). Projects of this magnitude require an extremely competitive offering which would go above and beyond normal incentives addressed in this policy. If and when a project of this size arises, it would be handled on a case by case basis, and a custom offer would be formulated.

COUNTYWIDE

Jacksonville, in partnership with the State of Florida, works with existing targeted industry businesses seeking to expand and actively recruits new targeted industry businesses to all areas of the city (see Exhibit A for a list of current targeted industries). These industries are targeted, as they generally pay higher wages and provide benefits to their employees. They tend to be in growth industries and some include high levels of private capital investment. The attraction of these new businesses to the community support local small businesses and result in indirect job growth and additional private capital investment. Higher wages add to the amount of disposable income available to be spent within the community, which generates more local spending, indirect job creation and corresponding tax revenues. Increasing wages help support local small businesses and result in additional home ownership within the City of Jacksonville.

The following programs are available to eligible projects anywhere within Duval County. These programs are primarily focused on projects that have high wage job creation (above average) or significant capital investment that will enhance the non-residential tax base.

Local Countywide Programs

Frequently used State Programs

<u>Recapture Enhanced Value (REV) Grant (also listed under Economically Distressed Area Programs)</u>
Existing Program (future funded)

<u>Objective</u>

A "REV" grant is designed to bring private capital investment and redevelopment into a nonresidential project site. Utilizing a "base year" assessed property value (from the Property Appraiser's database) for the project, a certain percentage of the city's portion of the incremental increase in ad valorem taxes on real and/or tangible personal property paid by the project above the base year amount is available as a REV grant to incent the project (the "increment").

<u>Criteria</u>

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must create at least 10 new full-time jobs.
- Wages must be greater than or equal to 100 percent of the State of Florida average wage, determined by the Department of Economic Opportunity.
- The company must commit to a minimum of $3 million in private capital investment.
- The standard grant will be up to 50 percent of the increment and up to 10 years. However, in some instances large number of jobs (over 100) and high capital investment (over $10 million) may dictate that the OED present a project with a higher percentage and/or longer period of time for the grant.
- If there is investment in public infrastructure, the grant amount may increase to cover a significant portion of the cost of the public infrastructure component of the project. However, the infrastructure shall not exceed 20 percent of the total proposed private capital investment.
- A REV grant is paid annually to the developer AFTER construction of the project that creates the increment is completed and the tangible personal property becomes taxable, and the taxes are paid.
- In lieu of any other funding source, the REV grant may be utilized to fund the City's required match to any State program requiring such a match.
- In most instances, REV grant recipients will be required to maintain a specific number of jobs throughout the grant payment term.
- For criteria for REV grants within an economically distressed area, see page 22.

Industrial Revenue Bond (IRB)
Existing Program (no funding required)

Objective

The OED is the agency within the City of Jacksonville designated as the Industrial Development Authority. In this capacity, the OED is authorized to be the conduit issuer of tax-exempt bonds to finance the expansion or relocation of a development project as outlined in Chapter 104 Part 3 of the City of Jacksonville's Ordinance Code. These bonds are considered "conduit debt," therefore the City has no financial liability.

Criteria

- Applicants must retain either Bond Counsel or a Tax Attorney to review project scope and determine its eligibility to receive tax-exempt bond financing pursuant to federal, state and local regulations.

- Project assistance is determined by the needs and parameters of the project as determined by a TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) hearing. A TEFRA hearing is mandated by the IRS to provide a reasonable opportunity for interested parties to express their views, either orally or in writing, on the issuance of bonds and the nature of the improvements and projects for which the bond funds will be allocated.

- Industrial Revenue Bonds (IRB's) are conduit financing instruments and although the bonds are issued by the City; there is no recourse against the issuing body.

- No conduit bond issued will be sold in the public bond market without a minimum rating from at least one of the three major bond rating agencies of "A" or better without regard to modifiers.

- Note: the applicant must pay a nonrefundable application fee of $15,000; and an issuance fee of 0.25 percent of the principal amount of the bond issue upon closing.

Disabled Veterans Hiring Bonus
New Program (future funded)

Objective

According to the latest statistics from the Department of Veteran Affairs, Jacksonville has the largest concentration of military personnel, retired military members, veterans of all military services, and women veterans in the State of Florida. Veterans, transitioning military men and women, and their families are our neighbors and co-workers, and their collective contributions to our city help to define who we are as a community.

This program is intended for the hiring of disabled veterans and builds upon existing federal and state veteran hiring programs. According to the Veteran's Administration's definition, "disabled veteran" means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Department of Veterans Affairs or a military department.

Criteria

- The company is required to be in a Targeted Industry Category (Exhibit A). (*If the company is investing $5 million or more, the company may get a waiver of this criterion*).
- The company must create at least 20 new full-time jobs, provided that those companies would not otherwise be creating those jobs in Duval County (competitive location).
- Wages must be greater than or equal to 60 percent of Duval County's average annual wage, determined by the Department of Economic Opportunity.
- Those companies located in Duval County that meet the above criteria and hire employees that qualify as a disabled veteran in accordance with the Veteran's Administration's definition (see above) are eligible for $2,000 per employee hired.
- Incentives will be paid over a four-year period so long as the company can demonstrate proof of employment each year and proof that the employee is a qualified disabled veteran.
- The maximum payout by the City will be $100,000 paid out over the aforementioned four-year term.

Local Training Grant (Florida Flex/QRT Bonus)
New Program (requires funding)

Objective

The workforce demands of companies can be the determining factor in whether a company decides to expand or relocate within a region. Often times, the company has performed a considerable amount of investigation and statistical gathering to reduce the amount of risk that it can find the necessary workforce in an area. While Jacksonville has a well-qualified and trained workforce in general, a number of qualified workers lack some of the very specific skills for which a company may be looking. It is the goal of this program to:

1. Provide Jacksonville a competitive advantage over other regions.
2. Continue to compete nationally by developing a better trained workforce.
3. Provide the newly created workforce an opportunity to expand their skill sets and ensure a better qualified and more easily employed individual.
4. Complement Career Source, Duval County Public Schools and private-sector programs.

Criteria

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must create at least 50 new full-time jobs, provided that those companies would not otherwise be creating those jobs in Duval County (competitive location).
- The company must be participating in the State of Florida's Florida Flex Grant Program and adhere to the training program requirements.
- The company is eligible for up to $2,000 per employee hired.
- Incentives will be paid within a four-year period (expires after four years) so long as the company can demonstrate that the employee has met all training requirements of the State's Florida Flex Grant Program.
- The maximum payout by the City will be $200,000 paid out within the aforementioned four-year term.

Closing Fund

New Program (requires funding)

Objective

In the past, the City has been presented with the opportunity to submit proposals on very large projects. The competition for these projects from other states and municipalities is substantial, with many of the other short-listed sites off-setting the companies' risks with larger incentives. While Jacksonville is a premium location for a company to locate or expand, the competition still remains. This fund would provide Jacksonville an opportunity to aggressively compete for a project that was deemed to be highly desirable, but also highly competitive.

Criteria

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must either:
    - create at least 200 new full-time jobs, provided that those companies would not otherwise be creating those jobs in Duval County (competitive location) or;
    - commit to a minimum of $30 million in private capital investment.
- This program must be combined with other local incentive and State programs.
- This incentive can be used to meet the State's matching requirements.

Frequently Used State of Florida Programs

State incentive programs constantly evolve. These programs comprise the vast majority of incentives that a company may receive as a part of any relocation or expansion package. The programs offered include tax credits, infrastructure grants, workforce training programs, and cash grants.

If a program requires local funding, the match payments to the incentivized company are directed through the State, thus requiring the local government to make the payment to the State once the Department of Economic Opportunity has determined that the company has met its obligations for that budget year.

Program	Description	Local Match Required?	Page No.
Qualified Targeted Industry (QTI)	A tool available to encourage quality job growth in targeted high value-added businesses.	Yes – 20% of the per job incentive offered by state	15
Quick Action Closing Fund (QACF)	Provides a discretionary grant to close a competitive gap for projects creating jobs and investment.	Yes – 50% match	16
Florida Flex Grant Program	Provides grant funds for customized training for new and existing/expanding businesses that are creating new high-quality jobs.	No	17
High-Impact Performance Incentive (HIPI)	Negotiated incentive used to attract and grow major high impact facilities in Florida.	No	18
Capital Investment Tax Credit (CITC)	Used to attract and grow capital-intensive industries.	No	19
Economic Development Transportation Fund (Road Fund)	Designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision.	No	20

A brief summary of each frequently used program is included on the following pages. For a complete listing of State of Florida programs and eligibility requirements, visit the Department of Economic Opportunity's website: www.Floridajobs.org.

Qualified Targeted Industry (QTI)

Objective

Qualified Target Industry Tax Refund (QTI): The Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Pre-approved applicants who create jobs in Florida paying 115 percent or more of the State of Florida average wage, receive tax refunds of $3,000 per net new Florida full-time equivalent job created. For businesses paying 150 percent of the average annual wage, add $1,000 per job; for businesses paying 200 percent of the average annual salary, add $2,000 per job; businesses falling within a designated high impact sector or increasing exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund, add $2,000 per job; projects locating in a designated Brownfield area (Brownfield Bonus) can add $2,500 per job. The local community where the company locates contributes 20 percent of the total tax refund. No more than 25 percent of the total refund approved may be taken in any single fiscal year. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

Quick Action Closing Fund (QACF)

Objective

The Quick Action Closing Fund (Closing Fund) is a discretionary grant incentive that can be accessed by Florida's Governor, after consultation with the President of the Senate and the Speaker of the House of Representatives, to respond to unique requirements of wealth-creating projects. When Florida is vying for intensely competitive projects, Closing Funds may be utilized to overcome a distinct, quantifiable disadvantage after other available resources have been exhausted. The Closing Fund award is paid out based on specific project criteria outlined in a performance-based contract between the company and the State of Florida. Wages must be greater than or equal to 125 percent of the State of Florida average wage. Sanctions are applied to companies who fail to meet or maintain performance goals.

Florida Flex Grant Program (FKA: Quick Response Training Program)

Objective

Florida Flex Grant Program – an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility – community college, area technical center, school district or university – is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training.

Reimbursable training expenses include: instructors'/trainers' wages, curriculum development, and textbooks/manuals. This program is customized, flexible, and responsive to individual company needs. To learn more about the Florida Flex Grant Program, visit CareerSource Florida.

High-Impact Performance Incentive (HIPI)

Objective

The High Impact Performance Incentive is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors designated by the Florida Department of Economic Opportunity (DEO). In order to participate in the program, the project must: operate within designated high-impact portions of the following sectors– clean energy, corporate headquarters, financial services, life sciences, semiconductors, and transportation equipment manufacturing; create at least 50 new full-time equivalent jobs (if a R&D facility, create at least 25 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least $50 million (if a R&D facility, make a cumulative investment of at least $25 million) in a three-year period. Once recommended by Enterprise Florida, Inc. (EFI) and approved by DEO, the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

Capital Investment Tax Credit (CITC)

Objective

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility. Projects must also create a minimum of 100 jobs and invest at least $25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations. The level of investment and the project's Florida corporate income tax liability for the 20 years following commencement of operations determines the amount of the annual credit.

Economic Development Transportation Fund "Road Fund"

Objective

Economic Development Transportation Fund: The Economic Development Transportation Fund, commonly referred to as the "Road Fund," is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to $3 million. The award is made to the local government on behalf of a specific business for public transportation improvements.

ECONOMICALLY DISTRESSED AREAS

Economically distressed areas are determined from an analysis of the unemployment rate, the median household income, residential real estate values and percentage of residents living in poverty within each census tract in Duval County.

Economically distressed areas are considered to be those areas with three or more distress criteria being evident from census tract data (Exhibit B), and/or designated Community Redevelopment Areas (CRAs) (Exhibit D). For a detailed map of economically distressed areas in Duval County, see Exhibit C. Census tract data, and those areas deemed to be economically distressed, will be reevaluated every five years.

Projects located within an economically distressed area and/or a designated CRA may be eligible for the programs below.

Economically Distressed Areas Programs

<u>Recapture Enhanced Value (REV) Grant within an Economically Distressed Area</u>
Existing Program (modified) (future funded)

<u>Objective</u>

A "REV" grant is designed to bring private capital investment and redevelopment into a nonresidential project site. Utilizing a "base year" assessed property value (from the Property Appraiser's database) for the project, a certain percentage of the city's portion of the incremental increase in ad valorem taxes on real and/or tangible personal property paid by the project above the base year amount is available as a REV grant to incent the project (the "increment").

<u>Criteria</u>

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must create at least 10 new full-time jobs.
- Wages must be greater than or equal to 60 percent of Duval County's average annual wage, determined by the Department of Economic Opportunity.
- The company must commit to a minimum of $1 million in private capital investment.
- The standard grant will be up to 50 percent of the increment and up to 10 years. However, in some instances large number of jobs (over 100) and high capital investment (over $10 million) may dictate that the OED present a project with a higher percentage and/or longer period of time for the grant.
- **In a defined economically distressed area, the grant amount may go up to 75 percent of the increment (Exhibits B and C).**
- If there is investment in public infrastructure the grant amount may increase to cover a significant portion of the cost of the public infrastructure component of the project. However, the infrastructure shall not exceed 20 percent of the total proposed private capital investment.
- A REV grant is paid annually to the developer AFTER construction of the project that creates the increment is completed and the tangible personal property becomes taxable, and the taxes are paid.
- In lieu of any other funding source, the REV Grant may be utilized to fund the City's required match to any State program requiring such a match.
- In most instances, REV grant recipients will be required to maintain a specific number of jobs throughout the grant payment term.
- For criteria for REV grants outside of an economically distressed area, see page 9.

Commercial Development Area Program

Economically distressed area only. Existing Program (requires funding)

Objective

The Commercial Development Area program is designed to retain and attract businesses in commercial corridors located in economically distressed areas, and/or designated CRAs (exclusive of Downtown) by providing loans to finance the purchase of machinery and equipment and/or leasehold improvements.

Criteria

- The company must be located within a designated economically distressed area (Exhibit C) or a designated CRA (Exhibit D), exclusive of Downtown.
- Project must be located in a commercial corridor and must have a letter of recommendation from the Planning Department which states that the project is consistent with the established goals of the applicable planning document.
- The maximum amount of public investment is 20 percent of total proposed project cost (up to $100,000). The amount of public investment is determined by the impact to the area and the financial needs of the project. All assistance will be in the form of low interest loans. These loans may be structured in the form of a forgivable loan with certain milestones (job creation, machinery purchased, expansion goals reached, total sales, etc.) being met.
- Funds may be used for leasehold improvements (including professional fees associated with the design and permitting of the proposed construction activities), purchasing machinery and equipment, purchasing furniture and fixtures (for retail buildings located on the first floor of commercial buildings providing a needed product/service), and professional fees and soft costs associated with closings and documentation of small business loans.
- Eligibility is subject to standard underwriting criteria.

<u>Façade Renovation Grant Program</u>

Economically distressed area only. Existing Program (requires funding)

<u>Objective</u>

The Façade Renovation Grant Program is designed to provide commercial or retail façade renovation funding assistance for existing businesses in targeted areas. In these areas, the insufficient infrastructure coupled with degrading structures has become an obstacle to business location and expansion. The collateral/equity in the buildings in these areas do not translate into enough to get traditional financing/loans to make improvements and thus the buildings continue to degrade. The public investment in the facades of structures in strategic areas not only will provide the gap in equity to get traditional financing for upgrades; it has the potential to translate into enhanced sales and/or customers for many of the businesses in these areas. Furthermore, these renovations can help in reducing blight and creating positive momentum toward community redevelopment.

<u>Criteria</u>

- The company must be located within a designated economically distressed area (Exhibit C) or a designated CRA (Exhibit D), exclusive of Downtown.

- The company must be located within a commercial corridor meeting all required zoning.

- The property must be in good standing with the City and have no outstanding liens or violations.

- The program matches dollar for dollar façade renovation costs up to a maximum of $10,000 in City funding.

- Funds may be used for renovation of the front and sides of buildings visible to public streets (including painting, cleaning, staining, masonry repairs, repairing or replacing cornices, entrances, doors, windows, decorative details and awning) as well as the installation of signage. Funds may not be used for residential property, building permits, acquisition of property, machinery or equipment, working capital, inventory or refinancing of existing debt.

- Businesses eligible for the Façade Renovation Grant Program must strive to utilize City approved JSEB's for renovation work associated with this grant.

- Business structures receiving Façade Renovation Grant funds must be in compliance with all existing city, state, and federal building codes and regulations and permitting requirements as a prerequisite to the receipt of funds.

- Grant eligibility is limited to one address per year.

Tax Increment District (TID) Infrastructure Development
Existing Program (funded within CRA)

Objective

TIDs have been formed as part of Community Redevelopment Areas (CRAs) per Florida Statute Chapter 163. Currently, there are five CRAs in the City: the JIA CRA, the KingSoutel CRA, the Downtown Northbank CRA, the Downtown Southbank CRA and the Arlington CRA.

The TID Infrastructure Development program is designed to attract economic development to these targeted areas of the city by providing infrastructure improvements to create opportunities for businesses that will create new jobs and increase the tax base within the CRA.

Criteria

- The company must be located within a designated CRA (Exhibit D).
- The project is deemed to be in accordance with the adopted CRA Plan.
- The company must create at least 20 new full-time jobs.
- The company must commit to a minimum of $1 million in private capital investment.
- The maximum amount of public investment is 25 percent of total proposed project cost. The amount of public investment is determined by the impact to the area and the financial needs of the project.
- Project funding subject to available funds within that TID.
- Projects are subject to approval by CRA boards, if applicable.
- Projects that receive assistance from the TID Program may also be eligible for other public investment programs.

Local QTI Bonus

New Program (future funded)

Objective

Currently, there are portions of Duval County that have high unemployment with low average wages and low property values (representing a depressed/degrading real estate market). This incentive is being proposed to attract greater private sector investment; to expand the opportunity for individuals in this area to gain high wage employment; and lower the overall unemployment rate in Duval County by providing jobs at a wage level that is rarely available in these areas of the community.

Criteria

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must be located within a designated economically distressed area (Exhibit C).
- The company must create at least 10 new full-time jobs, provided that those companies would not otherwise be creating those jobs in Duval County (competitive location).
- The project must quality for the State's QTI Program, and obtain the necessary approvals from both the State and local entities. The City will add a 100 percent local match bonus to be paid under the same terms as the approved QTI grant. This does not affect the State contribution in any way.
- Projects that qualify for this program are not eligible to use the Economically Distressed Area Targeted Industry Program.

Economically Distressed Area Targeted Industry Program

New Program (future funded)

Objective

Currently, there are portions of Duval County that have high unemployment with low average wages and low ad valorem (representing a depressed/degrading real estate market). This incentive is being proposed to attract greater private sector investment; to expand the opportunity for individuals in this area to gain employment; and lower the overall unemployment rate in Duval County by providing jobs at a wage level commensurate with skill and education/training levels.

Criteria

- The company is required to be in a Targeted Industry Category (Exhibit A).
- The company must be located within a designated economically distressed area (Exhibit C) or a designated CRA (Exhibit D), exclusive of Downtown.
- The company must create at least 10 new full-time jobs.
- Wages must be greater than or equal to 60 percent of Duval County's average annual wage, determined by the Department of Economic Opportunity.
- In most instances, Economically Distressed Area Targeted Industry Program recipients will be required to maintain a specific number of jobs throughout the payment term.
- Award amount up to $2,000 per job.
- Incentives will be paid over a four-year period – only after COJ verifies the wages and hires were met.
- The maximum payout by the City will be $1 million paid out over the aforementioned four-year term ($250,000 max per year).
- Cannot be used if company qualifies for the Local QTI Bonus program.

NORTHWEST JACKSONVILLE PROGRAMS

The City of Jacksonville administers the Northwest Economic Development Trust Fund (NWJEDF), which provides capital for project development within the defined Northwest Jacksonville area. See Exhibit E for a map of the boundaries.

The following programs are available to companies locating in Northwest Jacksonville.

Business Infrastructure Grant/Loan (BIG)
***Northwest Jacksonville** Existing Program (funded)*

Objective

The City of Jacksonville desires to promote growth within the Northwest area. Unfortunately, sometimes this area does not have the infrastructure to accommodate the desired growth. The BIG program is designed to attract economic development to the Northwest area by providing access to capital for infrastructure improvements to commercial businesses that increase the tax base.

Criteria

- The company must be located within Northwest Jacksonville (Exhibit E).

- The maximum amount of public investment is 25 percent of total proposed project cost (up to $250,000). The amount of public investment is determined by the impact to the area and the financial needs of the project.

- Grants are limited to 10 percent of the total proposed project cost (up to $100,000).

- The minimum loan amount is $25,000.

- Funds may be used for infrastructure improvements including but not limited to road construction, water and sewer lines, fencing, sidewalks, entryways, lighting and handicap accessibility to the project site. Projects that receive assistance for the construction of roads or for water or sewer utilities may be eligible for other public investment programs.

- Eligibility is subject to standard underwriting criteria.

Large Scale Economic Development Fund
***Northwest Jacksonville** Existing Program (funded)*

Objective

The Large Scale Economic Development Fund targets commercial projects that add to the tax base, project new employment in excess of 50 persons or makes a significant economic impact within a targeted area.

Criteria

- The company must be located within Northwest Jacksonville (Exhibit E).
- The company must create at least 50 new full-time jobs.
- The company must commit to a minimum of $1 million in private capital investment.
- The maximum amount of public investment is 25 percent of total proposed project cost (up to $2,000,000). The amount of public investment is determined by the impact to the area and the financial needs of the project.
- Grants are limited to 10 percent of the total proposed project cost (maximum of $600,000). Grant amounts are also determined by a project's wage levels.
- The minimum loan amount is $25,000.
- Funds may be used for acquisition of land or buildings, infrastructure related costs, new construction and renovation of commercial buildings ("hard" costs only).
- Eligibility is subject to standard underwriting criteria.

Small Business Development Initiative (SBDI)
***Northwest Jacksonville** Existing Program (funded)*

Objective

The SBDI was established to stimulate small business investment within the defined Northwest Jacksonville targeted area of the city, increase the tax base in that area and create access to jobs for area residents.

Criteria

- The company must be located within Northwest Jacksonville (Exhibit E).
- The maximum amount of public investment is 25 percent of total proposed project cost (up to $250,000). The amount of public investment is determined by the impact to the area and the financial needs of the project.
- Grants are limited to 10 percent of the total proposed project cost (up to $50,000). Grant amounts are also determined by a project's wage levels and number of jobs to be created.
- Funds may NOT be used for working capital, furniture and fixtures, office equipment and other non-capital related expenses.
- Eligibility is subject to standard underwriting criteria.

DOWNTOWN

The success of Downtown Jacksonville is an important element of the city's overall vitality. The OED works in partnership with the Downtown Investment Authority (DIA) to bring economic development to Downtown. The following programs are administered by the DIA.

Downtown Programs

DIA Downtown Historic Preservation and Revitalization Trust Fund (DHPTF) (Funded)

The intent of the DHPTF is to foster the preservation and reuse of unoccupied, underutilized, and deteriorating historic buildings located in Downtown Jacksonville. The DHPTF is a permanent trust fund containing all donations and contributions of money, including gifts and grants received by the City for use in furthering the goals of this fund, as well as all funds as may be appropriated from time to time by Council and all fees, fines, and civil penalties as may be designated for deposit into the fund from time to time by Council. The DIA and the Historic Preservation Section of the Jacksonville Planning and Development Department (the "Historic Preservation Section") review all applications for grants and loans to be paid out of the fund; provided, however, that all grants or loans over $50,000 require City Council approval. Grant funds for exterior rehabilitation and restoration shall not exceed 50 percent of the total costs.

To receive assistance from the fund, the owner of a historic building, or his or her agent, shall submit a design application to the Historic Preservation Section for approval. The Historic Preservation Section shall review the application for eligibility. Only historic buildings located within the Downtown area as depicted in the Downtown Historic Preservation and Revitalization Trust Fund Guidelines and which meet one of the following criteria shall be eligible to make application for assistance from the fund:

1. The building is a local landmark, designated by the City pursuant to Chapter 307, *Ordinance Code*; or
2. The building is a contributing structure to a local historic district, designated by the City pursuant to Chapter 307, *Ordinance Code*; or
3. The building has been declared a potential local landmark, as defined in Chapter 307, *Ordinance Code*, however final local landmark designation must be obtained from the Council prior to final approval of the application.

DIA Retail Enhancement Grant Program (Funded)

The Downtown Retail Enhancement Grant Program (the "Program") is designed to create momentum in the critical task of recruiting and retaining restaurant and retail businesses and creative office space in the Northbank Core Retail Enhancement Area. The project must be consistent with the Downtown Master Plan and the Downtown Overlay Zone. In the first phase of the Program, the DIA will allocate $750,000.00 in recoverable grants to any property or business owner with qualified projects to assist with paying some of the costs associated with renovating or preparing commercial space for retail, salon, restaurant, gallery or other similar use for occupancy as identified above. Funds may be used to retain existing businesses or to recruit new businesses to the Northbank Core Retail Enhancement Area.

The following identifies specific goals for the Program:

- Expand the local property tax base by stimulating new investment in older, Downtown properties;
- Expand state and local sales tax base by increasing sales for new or existing shops; and
- Attract new and retain existing business to/in Downtown by decreasing renovation costs incurred for modernizing retail space in older, commercial properties in the Northbank Core Retail Enhancement Area.

To advance recruitment and marketability, the recoverable grant ("Grant") provides an incentive to improve the interior appearance and utility of street level storefronts, which will in theory attract retail and restaurant owners and draw more customers to the Downtown area.

Desired Retail Businesses

The following is a list of desired retail and other businesses. The list below is not all inclusive but serves as a guide only:

- Business incubators
- Education/academia
- Information technology offices
- Apparel stores including accessories (purses, scarves, hats)
- Shoe stores
- Toy stores
- Hobby stores, craft store and supplies
- Art supplies, framing stores
- Pet stores and supplies
- Specialty food stores/delicatessens
- Restaurants
- Coffee/Tea shops
- Gift Stores
- Book stores
- Stationery stores
- Kitchen/home accessories
- Small appliances
- Electronics
- Sporting goods
- Entertainment venues
- Jewelry stores
- Florists
- Specialty retail apparel such as bridal, formal gown, tuxedo, costume. (does not include rental)
- Art Galleries
- Office supply stores
- Pharmacies

General Program Requirements

The DIA has set aside $750,000.00 for the Program. The DIA will award Grant funds on a first-come, first-served basis. All rehabilitation work and design features must comply with all applicable city codes, ordinances, the established Downtown Design Review Board Guidelines, the Downtown Master Plan and the Downtown Overlay Zone. Work must follow plans and specifications as approved by the DIA and must be completed within six (6) months from the date of permitting. All applicable licenses and permits must be obtained, including all permits required by the City of Jacksonville's Planning Department, Development Services Division.

Applicants will be required to execute a grant agreement and other security documents, including but not limited to, a forgivable promissory note and subordinate mortgage (as to a property owner applicant or property owner/tenant applicant) and a forgivable promissory note and personal guarantee (as to a tenant applicant). If a property owner applicant does not have a prospective tenant at the time of the Grant award, at the discretion of the DIA, the property owner applicant may be required to execute a non-forgivable promissory note, subordinate mortgage and personal guaranty (the specific loan terms to be determined by the DIA). All loan closing costs (e.g., recording fees and documentary stamp taxes) shall be included in the Grant amount awarded.

The Grants shall be recoverable and amortized over a period of five (5) years. The principal amount of the Grant will diminish 20 percent each year for a period of five (5) years. If the grantee does not default on the Grant terms during the required five (5) year period, the Grant will be closed.

In addition to the requirements above, applicant projects will be subject to the following Program requirements:

- Projects must be located within the Northbank Core Retail Enhancement Area (the area designated in the attached map).
- Remodeling, renovation, rehabilitation, installation, and additions to the interior and exterior of the commercial building are eligible for Grant funds. Grant funds shall be used to modify and improve buildings and shall not be used for normal maintenance repair.
- Mixed-use projects improving multiple floors can qualify for funds; provided the ground floor will be used for retail and renovations to the ground floor are part of the project renovation scope.
- Generally, renovation projects must exceed $10,000 before DIA will consider the project for grant funding.
- Maximum Grant award shall be $20 for every square foot leased or occupied by the proposed tenant or business. The amount of incentive dollars awarded shall not exceed 50 percent of the total construction costs.
- Grantee must remain in the location for five (5) years and must create or retain for five (5) years during the term of the agreement two (2) or more full time equivalent jobs.
- Existing retailers who need to modernize the location or business owners at the end of their lease term who are considering moving from Downtown can qualify for grant funds.
- Applicants proposing to use Grant funds to help relocate from one Downtown building to another are not eligible to receive Grant funds unless the proposed move is necessary for business

expansion that includes job creation, involuntary displacement from current space that is unrelated to financial or operating disputes, or similar circumstances.

- Applicants proposing to construct new buildings are not eligible to receive Grant funds. Other non-eligible projects include adult entertainment venues, single-serving package stores, business-to-business companies, non-profit and government agencies.

Eligible Grant expenditures include:

- Interior demolition or site preparation costs as part of a comprehensive renovation project.
- Permanent building improvements, which are likely to have universal functionality. Items including but not necessarily limited to demising walls, exterior lighting, code compliant restrooms, electrical wiring to the panel, HVAC systems.
- Improvements to meet Fire and Life Safety codes and/or Americans with Disabilities Act requirements.
- Exterior improvements including signs, painting, or other improvements to the outside of a building.
- Sanitary sewer improvements.
- Grease traps.
- Elevator Installation which services the retail.

Ineligible Grant expenditures include:

- Temporary or movable cubicles or partitions to subdivide space.
- Office equipment including computers, telephones, copy machines, and other similar items.
- Renovating space on a speculative basis to help attract new tenants. (Note: This provision can be waived pursuant to the recommendation of the Program review committee and approval by the DIA Governing Board).
- Moving expenses.
- Working capital.

Funding Requirements

The Grant offers a maximum grant award of $20 for every square foot leased or occupied by the proposed tenant or business (as recommended by DIA staff, the Retail Enhancement Review Committee (defined in Article VI below) and approved by the DIA Board). The amount of incentive dollars awarded shall not exceed 50 percent of the total project construction costs. The application may be made by the property owner, the tenant or jointly by the property owner and the tenant.

The applicant's verified expenditures for the improvements must at least match the amount of the Grant funding (a minimum of $1 to $1 ratio). The amount of the Grant shall not exceed the $20 for every square foot leased or occupied by the proposed tenant or business.

The grant will be given on a reimbursement basis only. Prior to reimbursement, the applicant must hold a current occupational license to do business in the City. Acceptable proof of payments for materials, supplies, and labor shall be in the form of "paid" receipts and/or invoices. Reimbursement shall be disbursed per an established disbursement schedule approved by the DIA or via one-time lump sum payment at the time of completion and final inspection and acceptance by the DIA.

Application Requirements

A completed and signed application by the applicant will be presented to the Retail Enhancement Review Committee. With the application, each applicant must provide:

- A copy of the property tax bill or deed to confirm ownership of the property.
- A legally valid and binding new lease for a period of at least five years with use restricted to an allowable retail use. If the tenant is paying for the improvements, the lease must provide for a minimum of free rent, discounted rent, or equivalent thereof in lieu of the property owner having to share the cost of the improvements.
- A detailed written description and scaled elevation drawing depicting the size, dimension, and location of the improvements and modifications, with samples when applicable.
- A legally binding agreement with a licensed and qualified contractor.
- Unless the property owner is the applicant, a notarized statement from the property owner authorizing the construction and improvements.
- Evidence that the applicant is prepared to do business by including with the application the following required items:

    - Business Plan to include:
        - Concept and target market
        - Advertising/marketing plan
        - Source of cash/capital and cash flow analysis
        - Summary of management team's skills and experience
        - Number of job positions created
    - Three-year projected operating pro-forma
    - Design for the storefront and interior
    - Plan for merchandising (inventory levels, brands)
    - Minimum one-year corporate (as to a property owner applicant) and three year's personal tax returns (as to a tenant applicant) (exceptions will be considered for start-ups to accept three year's personal tax returns).

Project Evaluation Criteria and Application Approval

All eligible applications, as presented by DIA staff, will be considered on a case-by-case basis by a review committee comprised of three members from the DIA Board ("Retail Enhancement Review Committee") appointed by the DIA Chairman. The Retail Enhancement Review Committee will make recommendations based on the DIA staff's evaluation of the project utilizing the Project Evaluation Criteria below. A minimum score of twenty-five (25) points must be obtained by the applicant in order to be eligible to receive a recommendation from the Retail Enhancement Review Committee. The DIA Chief Executive Officer (CEO) will present recommendations of the Retail Enhancement Review Committee to the DIA Board at a regularly scheduled monthly meeting for approval or denial of the application. Notification of Grant funding approval or denial will be sent to the applicant by the DIA staff promptly.

Applicants will be encouraged during the Grant review process to reuse, rehabilitate or restore historic architectural elements to retain the charm and character of older buildings and incorporate design principles sensitive to neighboring building structures.

The primary criteria for approval will be the feasibility of the business plan. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market research, growth potential and job creation. Financial need or gap financing analysis must be included in the business plan.

The Project Evaluation Criteria and allocated points are listed below:

1. Business Plan (see point breakdown below) – (up to 30 points)

    - Plan shows good short-term profit potential and contains realistic financial projections (up to 5 points)
    - Plan shows how the business will target a clearly defined market and its competitive edge (up to 10 points)
    - Plan shows that the management team has the skills and experience to make the business successful (up to 5 points)
    - Plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture (up to 5 points)
    - Number of job positions created in excess of the required two (2) positions (up to 5 points)

2. Expansion of the local property tax base by stimulating new investment in older, Downtown properties (up to 5 points and an additional 5 points if the property is a historic property – maximum of 10 points)

3. Expansion of the state and local sales tax base by increasing sales for new or existing shops (up to 5 points)

Maximum of 45 points; Minimum score of 25 points needed to have the proposed project referred to the Retail Enhancement Review Committee for funding consideration.

<u>Review and Award Procedure</u>

1. Applicant complete and submit application form with all required supporting documents to the DIA CEO. Processing of the application will not commence until the application is deemed complete.

2. Applicant schedules a meeting with DIA staff to review the project.

3. DIA staff will review the project and provide comments to the applicant relating to any application requirement deficiencies.

4. If the application requirements have been met, the DIA staff, including the DIA CEO, will evaluate the project utilizing the Project Evaluation Criteria and present the application, project budget, and recommended Grant amount to the Retail Enhancement Review Committee for review and approval.

5. If the application and Grant amount is approved by the Retail Enhancement Review Committee, the committee will recommend that the application move forward for consideration by the DIA Board at the next regularly scheduled Board meeting.

6. DIA Board approves, modifies, or rejects Retail Enhancement Review Committee's recommendation. If approved or modified, DIA staff is directed to work with the Office of General Counsel to prepare a grant agreement, utilizing the form approved by the DIA, and other applicable security documents for signature by the applicant. The agreement shall identify the approved scope of work and amount of the Grant.

7. Applicant or contractor(s) must secure a building permit and approval from the Downtown Design Review Board for the complete scope of work, and contractors must be registered with the City.

8. Upon completion of the project and final approvals of all required inspections, the applicant may request reimbursement of eligible expenses. Reimbursement for improvements will require proof of payment (lien waivers, contractor affidavit).

9. A request for reimbursement payment in accordance with the approved disbursement schedule or upon completion of the project and final inspection and acceptance by the DIA a one-time lump sum payment will be submitted to the DIA staff for approval. The payment request will be processed within thirty (30) business days from receipt.

DIA Sale-Leaseback Incentive (Not funded)

The sale-leaseback incentive provides an alternative to a traditional arrangement whereby the DIA and its partners could pay for the development of a new build-to-suit facility or renovation of an existing building for a specific employer and charges a rental rate substantially below market rents. Under a sale-leaseback arrangement, the DIA would sell a build-to-suit facility to an investor-developer for an amount above construction cost. The DIA would receive a bonus cash payment from the investor who will own the building. In turn, the DIA would sign a long-term fixed lease (15-20 years) on the facility at a rate that would provide the investor-developer a market rate of return, which would then sub-lease to an employer for the same period at Downtown Jacksonville's rental rate.

The sale-leaseback investor will pay the community more than the brick and mortar cost of the building as the investor is paying for the building on the basis of the long-term lease commitment of the DIA. The DIA then has one of three options:

1. It takes the cash bonus from the investor-developer for itself;
2. It passes the bonus on to the company as a cash grant or forgivable loan; or
3. It reduces the rent to the company by the amount of the cash bonus.

By investing the cash bonus into an interest-bearing account, the DIA may further reduce rents by the amount of the interest generated. Because the DIA has master-leased the entire building, it may not be obligated to pay real estate taxes. This benefit can be passed on to the DIA's tenant as an additional inventive.

DIA Commercial Revitalization Program (CRP) (Self-funding)

The Commercial Revitalization Program provides for real estate tax recovery grant for the incremental improvements made for new, renewal, or expansion leases involving office or retail space in Downtown Jacksonville.

For leases of 3 or 4 years a 3-year real estate tax recovery grant equal in the first year to the lesser of:

- 75% of the actual tax liability, and
- $2.50 PSF with a 2-year phase-out thereafter

For leases of 5 years or more, a 5-year real estate tax recovery grant equal in the first three years to the lesser of:

- 75% of the actual tax liability, and
- $2.50 PSF with a 2-year phase-out thereafter

Leasehold expenditures for improvements must be at least (a) $5 PSF for new and renewal leases of less than 10 years; (b) $10 PSF for renewal leases of 10 years or more involving only previously occupied space; and (c) $35 PSF for new leases of 10 years or more and renewal leases of 10 years or more involving expansion space. Lease must not be a sublet or license agreement. Lease must provide that (a) any recoveries of real estate taxes will be passed through to tenant and (b) required leasehold improvement expenditures will be made. Tenant must not have accessed CRP previously for any space, except that, if tenant expands into new space and continues to occupy space for with CRP was accessed, tenant can receive benefits on expansion space. Not available to businesses that relocate from one part of Downtown Jacksonville to another. This Program cannot be used for a space that has an outstanding Retail Enhancement Program recoverable grant.

Applications must be filed before lease is signed. For a new lease, evidence of leasehold improvement expenditures and number of new employees must be submitted to the DIA within 60 days of rent commencement. For a renewal lease, evidence must be submitted to DIA within 14 months of lease commencement and evidence of number of employees must be submitted to DIA within 60 days of rent commencement.

Example: A financial services firm with 300 employees signs a 10-year lease for 100,000 SF in Downtown Jacksonville at $30 PSF. Without benefits, its annual real estate tax liability would be $10 PSF, or $1,000,000.

Year	CRP Recovery Percent*	CRP Property Tax recovery
1	75%	$ 250,000
2	75%	$ 250,000
3	75%	$ 250,000
4	50%	$ 166,667
5	25%	$ 83,333
Total (Nominal) Tax Recovery		**$ 1,000,000**

As shown above, CRP would result in an aggregate recovery of $1,000,000 in real estate taxes over 5 years.

* CRP Recovery Percent is the percentage of the initial year's benefit that is available each year.

DIA - Downtown Residential Rental Incentive Program - "Live, Work, & Play Downtown" (Not funded)

Program Subsidy:
- The Program will provide a monthly subsidy of $200.00 per month. Funds will be provided on a first come first served basis until exhausted.
- Towards the rental of a unit located in the Jacksonville Downtown area (Downtown Northbank or Southside CRA).
- The subsidy can be renewed annually for 2 additional years if the recipient remains qualified, for a maximum term of 3 years of subsidy.

Program operation:
- The program will act as a rental voucher.
- The tenant will provide the voucher to the rental owner/property manager.
- The Property Manager will request the payment on the voucher for the incentivized unit.
    - The payments will be made quarterly in arrears.
    - The Property Manager will receive 105 percent of the rental voucher amount reflecting the lost time value of the payment and as an incentive to accept the voucher program.

Program Eligibility:
Prospective tenants will need to apply to receive a "pre-approval "letter which they can take to Downtown rental properties demonstrating the subsidy commitment from the DIA and the time remaining on their subsidy clock. To qualify the recipient must document that they meet the following criteria:
- Have not have lived in the Jacksonville Downtown area in the past 2 years;
- Have a household income < 150 percent of the Jacksonville AMI (currently $66,450 for a household size of 1 person in the Jacksonville MSA);
- Are employed in the Downtown Jacksonville area (Downtown Northbank or Southside CRA) if seeking the $50.00 workforce housing bonus amount.
- An additional $50.00 bonus per month can be received if the rental unit is located in a DIA designated Strategic Housing Area (an "SHA").

The recipient will also need to meet the following requirements between "pre-approval" and the actual payment on the voucher incentive:
- Provide proof of an executed residential lease located in Downtown Jacksonville.
- Execute a funding agreement with the DIA, recognizing among other item: noncompliance with the program may result in the DIA taking action to recapture and recover any unqualified subsidy provided (including collections and attorney's fees); and that termination of the recipients subsidy will not affect the requirements under the lease for the unit with the landlord that full market rent on the unit must be paid.

DIA will market the program to the development and apartment management community in an effort to create programmatic buy in, and to better estimate the appropriate size of the program. The DIA will seek out employer matching funds from companies with a substantial workforce located in Downtown Jacksonville to help reduce the outlay of DIA funds.

DIA Multi-Family Housing REV Grant (Self- funding)

The following has been modeled after the OED REV Grant Incentive Program:

- The program provides for a recovery of a portion of the incremental increase in ad-valorem taxes, on real and tangible personal property, which is produced as a result of the multi-family housing development.

- The amount of the grant is determined by the number of units developed, plus
  - the number of those units set aside for workforce housing specific to Downtown Jacksonville (the "Downtown Northbank and Southside CRA"), the amount of green- space and cultural amenities the development provides, and the amount of retail/commercial space included in a mixed use development.

- Program eligibility: To be eligible for the program the development must either (1) provide units for workforce housing specific to Downtown Jacksonville, or (2) provide mixed income affordable housing.

  - To qualify a unit as workforce housing the unit must meet the following criteria:

    - Set aside for a resident earning < 150% AMI (currently $66,450 for a household size of 1 person); and
    - The resident must work in Downtown Jacksonville; and
    - The project must set aside a minimum of 5% of the units for workforce housing to qualify under the workforce housing option.

  - To qualify as an affordable mixed income project the project must meet the following criteria:

    - Provide a minimum of 20% of the units as set aside for households with an income < 80% AMI; and
    - The project cannot have more than 40% of the units as set aside for households with an income < 80% AMI.
    - The project must also leverage at least one (1) additional affordable housing financing method, e.g., LIHTCs, Tax Exempt Bonds, SHIP Funds, HOME funds, etc.

  - The DIA will confirm compliance with the eligibility requirements and additional commitments made by the Developer with quarterly reviews of rent rolls and annual audits and additional monitoring as needed.

REV Grant Parameters: The grant will be for an amount no greater than 75% of the City/County portion of the incremental increase in taxes for a fifteen (15) year period. The precise REV Grant size will be determined by the following factors:

- 5% for every 20 units produced in Downtown Jacksonville (not to exceed a factor of 30%); plus
- The % of total units set aside for Downtown workforce housing times 2 (not to exceed a factor of 20%); plus

- The % of the total number of units set aside as affordable housing units (see definition above) times 0.5 (not to exceed a factor of 20%); plus
- 10% for a mixed use development with a minimum of 2,500 square feet of retail/office/commercial space; plus
- 10% for the development of green space and amenities for residents; plus
- 10% if the Developer documents they are working with an employer of Non-profit organization to provide other housing incentives for Downtown; plus
- 10% for a project located in a DIA designated Strategic Housing Area (an "SHA").

Grant Process: For Grant amounts at or below the 75% and for 15 years or less:

1. The DIA staff would take the application from the prospective grantee, and make a recommendation based upon the MF REV Grant Factors; and
2. The DIA Board would evaluate the staff recommendation and pass a resolution approving a grant amount and time frame to be agreed to by the Applicant and the DIA as part of a Redevelopment and REV Grant Funding Agreement.

Or For Grant amounts above the 75% or for a time period longer than 15 years:

1. The DIA staff would take the application from the prospective grantee, and make a recommendation based upon the MF REV Grant Factors;
2. The DIA Board would evaluate the staff recommendation and pass a resolution proposing the grant legislation be presented to the City Council; and
3. City Council would hear the DIA Board proposed legislation and after debate pass an ordinance with a grant amount and time frame to be agreed to by the Applicant and the DIA as part of a Redevelopment and REV Grant Funding Agreement.

DIA Market Rate Multi-Family Housing REV Grant (Self-funding)

The following has been modeled after the OED REV Grant Incentive Program:

- The program provides for a recovery of a portion of the incremental increase in ad-valorem taxes, on real and tangible personal property, which is produced as a result of the multi-family housing development.
- The amount of the grant is determined by the number of units developed, plus
- The amount of green- space and cultural amenities the development provides, and the amount of retail/commercial space included in a mixed use development.
- Program eligibility: To be eligible for the program the development must develop at least 25 new multi-family rental housing units in Downtown.
- The DIA will confirm compliance with the eligibility requirements and additional commitments made by the Developer with quarterly reviews of rent rolls and annual audits and additional monitoring as needed.

REV Grant Parameters: The grant will be for an amount no greater than 75% of the City/County portion of the incremental increase in taxes for a fifteen (15) year period. The precise REV Grant size will be determined by the following factors:

- 5% for every 25 units produced in Downtown Jacksonville (not to exceed a factor of 30%); plus
- 15% for the development of City-owned lazy / underutilized assets; plus
- 10% for a mixed use development for each 2,500 square feet of retail/office/commercial space (not to exceed 20%); plus
- 10% if the Developer documents they are working with an employer or Non-profit organization to provide other housing incentives for Downtown; plus
- 15% for the development of green space and amenities for residents; plus
- 15% for a project located in a DIA designated Strategic Housing Area (an "SHA").

Grant Process: For Grant amounts at or below the 75% and for 15 years or less:

1. The DIA staff would take the application from the prospective grantee, and make a recommendation based upon the MF REV Grant Factors; and
2. The DIA Board would evaluate the staff recommendation and pass a resolution approving a grant amount and time frame to be agreed to by the Applicant and the DIA as part of a Redevelopment and REV Grant Funding Agreement.

Or For Grant amounts above the 75% or for a time period longer than 15 years:

1. The DIA staff would take the application from the prospective grantee, and make a recommendation based upon the MF REV Grant Factors;
2. The DIA Board would evaluate the staff recommendation and pass a resolution proposing the grant legislation be presented to the City Council; and
3. City Council would hear the DIA Board proposed legislation and after debate pass an ordinance with a grant amount and time frame to be agreed to by the Applicant and the DIA as part of a Redevelopment and REV Grant Funding Agreement.

DIA Downtown Down-Payment Assistance Program (DPA) (Not funded)

- Provides Down Payment Assistance to potential home owners for purchasing a primary residence in Downtown Jacksonville (Within the Downtown Northbank or Southside CRA).
- To qualify for the DPA incentive program buyers would need to have household incomes $\leq$ 150% AMI (currently $66,450 for a household size of 1 for the Jacksonville MSA).
- Buyers would be eligible for up to $20,000 in DPA.
  - The DPA will be in the form of a 0% interest rate, no payment, junior (2^{nd}) lien mortgage.
  - The program will fund up to 10% of the purchase price
  - Borrower would be required to contribute a minimum of 2.5% of the purchase price.
  - Combined the owner would have 12.5% equity in the home.
  - The loan would be due on sale, transfer, refinance, or if additional debt is secured with the equity in the property.

- Loan Repayment & Shared Equity DPA Component
  - Loan repayment on the DPA loan will begin after the affordability period ends.
  - The affordability period will match the term of the 1st Mortgage Loan, and be secured by a Junior (2nd) Mortgage.
  - At the end of the affordability period, the payments begin on the Junior Mortgage, as determined by a previously executed Promissory Note.
  - The Junior Mortgage can be forgiven when payments are scheduled to begin at the discretion of the DIA Board.
  - If the property is sold, refinanced, title to the property is transferred, or additional debt is secured by the equity in the property the Borrower would have to repay the principal amount of the Note (the DPA assistance) plus a percentage of any equity the homeowner has in the property.
  - The percentage of equity sharing is directly related to the percentage of 1st lien security (LTV) the DPA loan provided.
  - Any repayments of principal on a DPA loan, recoveries of DPA loan funds, and all Shared Equity payments shall be returned to the DPA Loan Fund for the purpose of making new DPA Loans.

- For example:
  - Household seeks to Purchase a $150,000 owner occupied condo/townhome/single family detached unit in Downtown Jacksonville.
  - The Borrower contribution requirement of $3,750 (2.5% of the purchase price).
  - The DIA provides $15,000 of assistance through a Shared Equity DPA loan (10% of the purchase price)
  - The Mortgage (1st Lien) Lender Provides $131,250 in Financing.
  - If homeowner sells the property in year 10 for $75,000 gain, the Homeowner would owe the DIA $21,000 from the sale proceeds as follows:
    - The original $15,000 DPA Loan
    - Plus 10% of the gain of $60,000 ($75,000-$15,000= $60,000) on the sale = $6,000

The DIA recommends funding an initial pool of DPA loans with a commitment of $1,500,000 to assist an average loan size of $15,000 on 100 units of owner occupied housing.

MISCELLANEOUS

Incentives Process

Application

Companies applying for incentives from the City of Jacksonville (Office of Economic Development - OED) must submit an application using the Enterprise Florida's Inc. (EFI) application form. The OED will review the application and complete its due diligence to see if the project qualifies for public investment. If the OED recommends public investment, staff will begin vetting the proposal with the Administration advocating the merits for City funding. After gaining consensus, OED staff will prepare a project summary and legislation for consideration by the Mayor and City Council. The project summary and legislation may be submitted under a confidential code name, per Florida Statute 288.075, to protect the identity of the company until plans are finalized.

Approval

The project summary will provide an overview of the project and outline the return on investment calculation used to evaluate any public investment in the project. The legislation will outline the approved programs and terms, as well as cap the maximum public investment for the project.

Economic development project legislation requires an introduction (a bill placed on the agenda) at a City Council meeting. At a subsequent meeting of a standing committee (typically Finance Committee) the legislation will be presented and voted upon by the Committee (making a recommendation to the full City Council). Finally, at the following City Council meeting, the legislation will be voted upon by the full City Council. If the local public investment is less than $300,000, approval may be obtained in one meeting.

OED staff will make themselves available to meet with City Council members to discuss projects prior to their presentation to the City Council and its committees. The legislation will grant authority to the OED through the Office of General Counsel (OGC) to negotiate in good faith with the company and Florida Department of Economic Opportunity (DEO) to finalize the contract language within the bounds of the adopted legislation of the City Council.

Agreements

Local agreements for hybrid state/local programs should have consistent definitions and compliance terms with state agreements developed by DEO. As necessary, the City of Jacksonville's General Counsel will work with DEO's legal team to coordinate agreements to ensure common language and intent is established.

Announcements

Companies may not make any commitments or public announcements to move forward with a project until both the State and the City incentives approval is obtained. All public announcements must be coordinated with EFI and OED.

Compliance

The City of Jacksonville's Office of Economic Development (OED) is responsible for coordinated administration, monitoring, compliance review, incentive program development and financial processing. The OED compliance program is designed to promote transparency, adherence to economic development agreement regulations and ordinances, manage financial obligations, and assess return on investment performance. This is accomplished in coordination with our partner departments (Finance Department, Office of General Council, and City Council Auditor's Office). The functional activities of the compliance program consist of the following process components:

Economic Development Agreements (EDA) – EDAs should clearly outline the compliance requirements, performance timing parameters and reporting requirements. Project meetings are held regularly with project managers, partners and Office of General Council (OGC) staff. Negotiated agreements which involve our Qualified Targeted Industry (QTI) programs are coordinated in conjunction with the State of Florida's Department of Economic Opportunity (DEO) representatives for review and approval, certification, and funding obligations. DEO conducts annual incentives compliance with all active projects to ensure job creation and capital investment requirements are met before any payments are made. The OED compliance documentation process is coordinated with the state to ensure the integrity of the data and streamline the process for the companies.

Reporting Requirements – Active company participants of the economic development programs are required to submit, at a minimum, an Annual Survey Report outlining agreement performance parameters (i.e., job creation, average wages, capital investment, project progress summaries and other agreement commitments) until the completion of the project (final payout of incentives). These reports require certification by a senior officer and/or other authorized officials attesting to the information's authenticity and accuracy. Project records are subject to audit and are required to be maintained to support pertinent agreement provisions.

Review and Monitoring – Actual project results are reviewed and monitored periodically to determine whether compliance with the economic development agreement requirements is being achieved. Project progress reports are required and evaluated prior to disbursement of incentive funds. Project reports are generated to summarize yearly incentive cost estimates. Periodic site visits may be conducted to evaluate a project's compliance and strengthen business relationships with a company in order to continue growth and investment opportunities.

Payment Processing – Economic development projects approved for incentive payments are reviewed and project work schedules are prepared to calculate grant commitments based on performance. These schedules are reviewed and approved by OED and the City Finance Department's Compliance Office. Payment calculation schedules are also provided to company participants for review and confirmation. Once approved, payment information is submitted to the Finance Department for payment processing.

Management Oversight – Website updates including job creation statistics, private capital investment, estimated ad valorem revenues, project completion timelines, and reporting requirement are posted annually.

EXHIBITS

Exhibit A

ENTERPRISE FLORIDA

Qualified Targeted Industries for Incentives

MANUFACTURING
CORPORATE HEADQUARTERS
RESEARCH & DEVELOPMENT
GLOBAL LOGISTICS

CLEANTECH

- Biomass & Biofuels Processing
- Energy Equipment Manufacturing
- Energy Storage Technologies
- Photovoltaic
- Environmental Consulting
- Sustainable Building Products

LIFE SCIENCES

- Biotechnology
- Pharmaceuticals

MEDICAL DEVICES:

- Laboratory and Surgical Instruments
- Diagnostic Testing

INFOTECH

- Modeling, Simulation and Training
- Optics and Photonics
- Digital Media
- Software
- Electronics
- Telecommunications

AVIATION / AEROSPACE

AVIATION:

- Aircraft and Aircraft Parts Manufacturing
- Maintenance Repair and Overhaul of Aircrafts
- Navigation Instrument Manufacturing
- Flight Simulator Training

AEROSPACE:

- Space Vehicles and Guided Missile Manufacturing
- Satellite Communications
- Space Technologies
- Launch Operations

HOMELAND SECURITY / DEFENSE

EQUIPMENT:

- Optical Instruments
- Navigation Aids
- Ammunition
- Electronics

TRANSPORTATION:

- Military Vehicles
- Shipbuilding and Repair

TECHNOLOGY:

- Computer Systems Design
- Simulation and Training

FINANCIAL / PROFESSIONAL SERVICES

FINANCIAL SERVICES:

- Banking
- Insurance
- Securities and Investments

PROFESSIONAL SERVICES:

- Corporate Headquarters
- Engineering
- Legal
- Accounting
- Consulting

EMERGING TECHNOLOGIES

- Cloud IT
- Marine Sciences
- Materials Science
- Nanotechnology

OTHER MANUFACTURING

- Food and Beverage
- Automotive and Marine
- Plastics and Rubber
- Machine Tooling

Businesses able to locate in other states and serving multi-state and/or international markets are targeted. Call Centers and Shared Service Centers may qualify for incentives if certain economic criteria are met. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration. All projects are evaluated on an individual basis and therefore operating in a target industry does not automatically indicate eligibility.

For additional information about Florida's business advantages, please visit Enterprise Florida's website at www.enterpriseflorida.com or call 407-956-5600.

Rev. 10/13

Exhibit B

Economically Distressed Areas

Community Redevelopment Areas (CRAs)
By definition, those sections of the community that have been previously designated as CRAs are identified as areas of focus for economic development. Therefore, all CRAs, except where specifically excluded, are included in the economically distressed area definition for the purposes of the PIP (see Exhibit D).

Determining Factors for all Other Areas in Duval County
For purposes of this analysis the following data (2013) was utilized to identify economic distress. Those census tracts with three or more of these factors are deemed to be an economically distressed area:

1. Income percentage of residents living below poverty (defined as family income equal to or less than $28,960 [federal definition]) equal to or greater than 20 percent (Duval County average is 16.9 percent).
   - 47 of 174 census tracts in Duval County have 20 percent or more of its residents living below poverty.
2. Unemployment rate of residents equal to or greater than 9.5 percent or 125 percent of Duval County average of 7.6 percent.
   - 52 of 174 census tracts in Duval County have unemployment equal to or greater than 9.5 percent.
3. Median household income is equal to or less than $28,993 or 60 percent of Duval County average of $48,323.
   - 26 of 174 census tracts in Duval County have median household income equal to or less than $28,993.
4. Median housing value for a single family home is equal to or less than $90,840 or 60 percent of Duval County average.
   - 30 of 174 census tracts in Duval County have single family home values equal to or less than $90,840.

Census Tract Breakdown
Highlighted cell = meets distressed factor(s) listed above. Any census tract that meets three or more factors is considered to be an economically distressed area.

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
County Total 174	County Average 16.9%	County Average 7.6%	County Average $48,323	County Average $151,400	
140.01	0	0.4	$68,244		No
146.01	3.3	1.4	$84,848		No
168.07	4	1.5	$53,688		No
144.09	1.2	1.6	$86,215		No
143.3	5.5	1.9	$95,030		No

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
139.05	5	2.3	$97,965		No
143.33	2.4	2.7	$61,098		No
132	21.5	2.8	$44,107	$156,300.00	No
139.02	14.7	2.9	$51,993		No
142.02	13.2	3	$46,964		No
143.37	9.7	3	$57,235		No
164	8.8	3.2	$58,242		No
144.1	4.2	3.2	$62,857		No
142.03	7.3	3.3	$54,696		No
138	17.8	3.4	$35,549		No
165	6.5	3.6	$82,875		No
166.04	9.6	3.7	$45,865		No
154	20.5	3.8	$34,307	$89,200.00	No
143.32	5.5	3.8	$48,804		No
167.11	1.1	3.8	$88,297		No
168.03	0.8	3.8	$93,623		No
7	5.4	3.9	$62,591		No
171	15.9	4	$37,319		No
23	10.2	4	$45,750		No
141.01	2.3	4	$70,208		No
144.13	3.6	4	$77,167		No
167.25	7.8	4.1	$42,883		No
141.02	5.7	4.1	$47,188		No
103.01	16.7	4.1	$48,487		No
145	15.9	4.2	$47,525		No
22	9	4.4	$66,685		No
101.03	3.1	4.5	$74,424		No
144.12	2.4	4.5	$81,893		No
135.02	14.1	4.6	$52,212		No
130	5.5	4.6	$113,571		No
159.25	15.3	4.7	$41,056		No
143.28	6.4	4.7	$68,696		No
146.04	13	4.8	$38,853		No
144.08	12.1	4.8	$48,041		No
102.02	8.8	4.8	$54,511		No
8	1.8	4.9	$45,163		No
147.02	20.3	4.9	$65,833	$164,900.00	No

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
119.03	5.8	5	$70,915		No
144.06	5.4	5	$87,361		No
168.04	1.7	5	$100,268		No
168.06	0.8	5.1	$69,629		No
159.24	7.4	5.2	$44,511		No
21.02	4.7	5.4	$54,779		No
144.11	2.8	5.5	$54,206		No
167.22	14.2	5.6	$50,809		No
137.23	12.5	5.6	$57,243		No
139.06	3.1	5.6	$65,050		No
167.28	3.7	5.6	$74,606		No
134.03	18.1	5.7	$35,609		No
143.31	10.4	5.7	$44,238		No
127.04	14.8	5.8	$50,417		No
159.23	6.9	5.8	$63,343		No
142.04	13.1	5.8	$64,842		No
150.01	7.1	5.9	$55,833		No
10	35.6	6	$11,779	$67,200.00	Yes
101.02	10.4	6	$68,773		No
149.01	8.4	6.1	$48,559		No
101.01	6.4	6.1	$63,894		No
143.11	20.1	6.2	$38,214	$96,600.00	No
127.03	10.2	6.2	$51,698		No
156	10.5	6.4	$44,911		No
167.29	8.7	6.4	$52,722		No
106	7.1	6.6	$51,109		No
131	7.4	6.8	$46,750		No
25.02	6.9	6.8	$51,534		No
140.02	1.9	6.8	$59,659		No
143.36	5.4	6.8	$66,738		No
143.35	3	6.8	$74,271		No
160	10.4	6.9	$41,225		No
143.26	5.4	6.9	$63,558		No
151	10.3	7	$41,296		No
143.12	12.9	7	$55,231		No
137.27	4.5	7	$74,357		No
104.01	33.2	7.1	$31,875	$103,500.00	No

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
24	7.6	7.1	$75,938		No
168.05	1.3	7.1	$96,953		No
172	14.4	7.2	$23,190	$139,900.00	No
147.01	15.1	7.2	$40,365		No
120	20	7.2	$46,234		No
167.27	6.3	7.3	$40,317		No
167.26	7.2	7.3	$50,825		No
149.02	8.8	7.4	$48,239		No
166.03	3.1	7.5	$63,542		No
157	10.3	7.6	$29,792		No
161	20.9	7.7	$31,698	$123,300.00	No
135.04	20.8	7.8	$38,795	$102,100.00	No
155.01	18.2	7.8	$40,804		No
102.01	13.3	7.8	$53,196		No
143.34	5.8	7.9	$67,228		No
168.01	3.2	7.9	$79,659		No
137.21	11.5	8	$52,150		No
119.02	15.2	8	$59,116		No
158.02	27	8.1	$37,198	$117,200.00	No
173	10.5	8.1	$49,805		No
144.04	11.3	8.2	$46,568		No
139.01	11.6	8.3	$39,618		No
21.01	11.8	8.3	$47,143		No
113	34	8.4	$26,250	$101,800.00	No
168.08	7	8.4	$43,350		No
127.02	14.6	8.4	$47,917		No
112	8.5	8.5	$40,068		No
105	15.2	8.5	$48,195		No
3	33.9	8.6	$23,571	$72,500.00	Yes
110	19.4	8.7	$33,832		No
28.02	26.6	8.8	$21,482	$69,800.00	Yes
133	21.2	8.9	$39,201	$89,200.00	No
103.03	10.4	8.9	$41,462		No
103.04	9.6	8.9	$46,151		No
129	4.2	8.9	$49,566		No
116	34.7	9.1	$19,537	$77,100.00	Yes
2	31.1	9.1	$26,209	$62,900.00	Yes

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
148	14.1	9.2	$27,034	$176,400.00	No
143.38	13.7	9.3	$45,500		No
135.03	17.1	9.3	$48,760		No
159.22	11.4	9.4	$37,308		No
144.01	12.2	9.4	$46,880		No
143.29	4.6	9.4	$70,682		No
111	24.1	9.5	$33,960	$84,200.00	Yes
159.26	11.8	9.6	$41,860	$131,200.00	No
29.02	46.4	9.7	$17,267	$55,600.00	Yes
150.02	8	9.9	$65,000		No
27.02	16.3	10	$26,727	$75,100.00	Yes
155.02	31.7	10.3	$27,349	$65,400.00	Yes
166.01	24	10.3	$29,880	$124,600.00	No
163	29.9	10.3	$31,949	$102,900.00	No
158.01	11.8	10.3	$45,284		No
123	5.5	10.5	$35,458		No
137.26	6.6	10.5	$57,604		No
12	21.3	10.6	$36,458	$146,400.00	No
135.21	19.8	10.6	$40,071		No
29.01	41.3	10.8	$20,224	$69,900.00	Yes
104.02	23.3	10.8	$33,652	$85,900.00	Yes
1	15.1	10.9	$27,823	$83,600.00	Yes
108	15.8	10.9	$29,104	$84,200.00	No
162	19.9	10.9	$34,375		No
174	42.7	11.1	$17,857	$59,800.00	Yes
153	11.6	11.1	$33,859		No
117	21.9	11.1	$39,205	$116,500.00	No
107	19.3	11.3	$31,839		No
126.01	28	11.3	$34,138	$126,500.00	No
152	15.6	11.3	$35,391		No
139.04	21.1	11.5	$30,106	$106,900.00	No
6	35.7	11.6	$27,255	$128,000.00	Yes
11	19.9	11.7	$33,388		No
125	31.4	11.8	$35,107	$108,400.00	No
14	25.6	12	$28,309	$83,900.00	Yes
121	26.2	12	$37,688	$93,900.00	No
167.24	8	12.1	$47,563		No

Census Tract	Income Percentage Below Poverty Level	Unemployment Rate	Median household income (dollars)	Median Housing Value	Distressed Area (3 or more distress criteria present)
134.04	29.5	12.3	$40,304	$121,200.00	No
119.01	10.7	12.5	$48,409		No
146.03	12.2	12.6	$42,105		No
15	47	12.7	$18,177	$73,600.00	Yes
13	41.4	13.1	$21,399	$80,500.00	Yes
114	19.3	13.1	$33,548		No
115	32.8	13.2	$23,880	$74,600.00	Yes
128	25.9	13.2	$43,318	$87,400.00	Yes
25.01	39.1	14	$25,057	$73,700.00	Yes
16	45.3	14.5	$21,274	$86,900.00	Yes
28.01	29.7	14.6	$22,943	$71,700.00	Yes
126.02	11.7	14.7	$40,380		No
26	50.2	14.8	$17,907	$54,200.00	Yes
122	35.1	15	$30,281	$86,400.00	Yes
134.02	27.9	15.9	$37,321	$87,200.00	Yes
135.22	21.9	16.9	$45,650	$119,500.00	No
27.01	42.6	17.3	$26,903	$71,000.00	Yes
124	3.7	17.3	$41,269		No
109	25.4	20.9	$41,955	$108,200.00	No
174	9.7	10.9	$17,857	$59,800.00	Yes
118	27.3	22.8	$25,750	$85,900.00	Yes

Exhibit C

Economically Distressed Areas (as defined in Exhibit B):

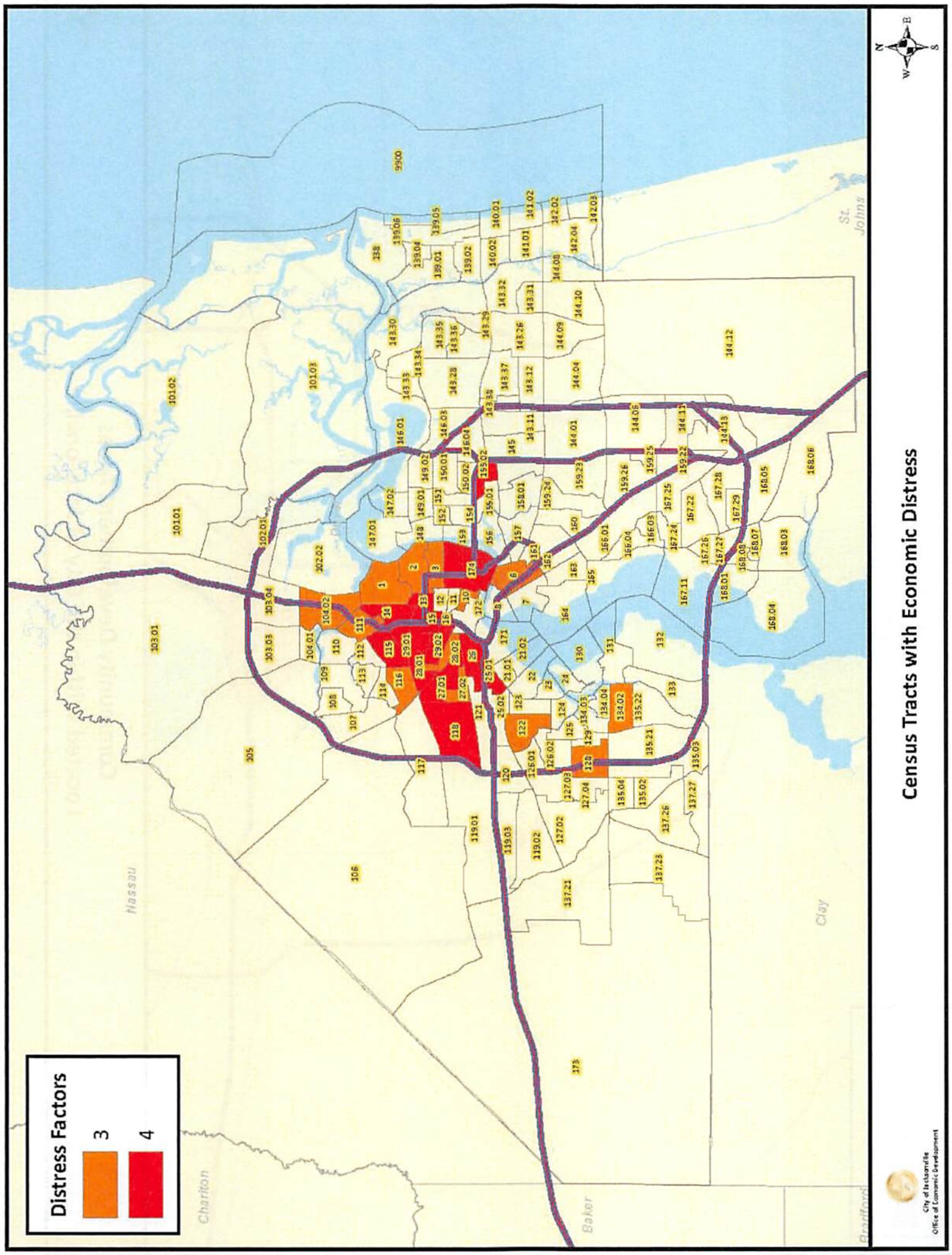


Exhibit D

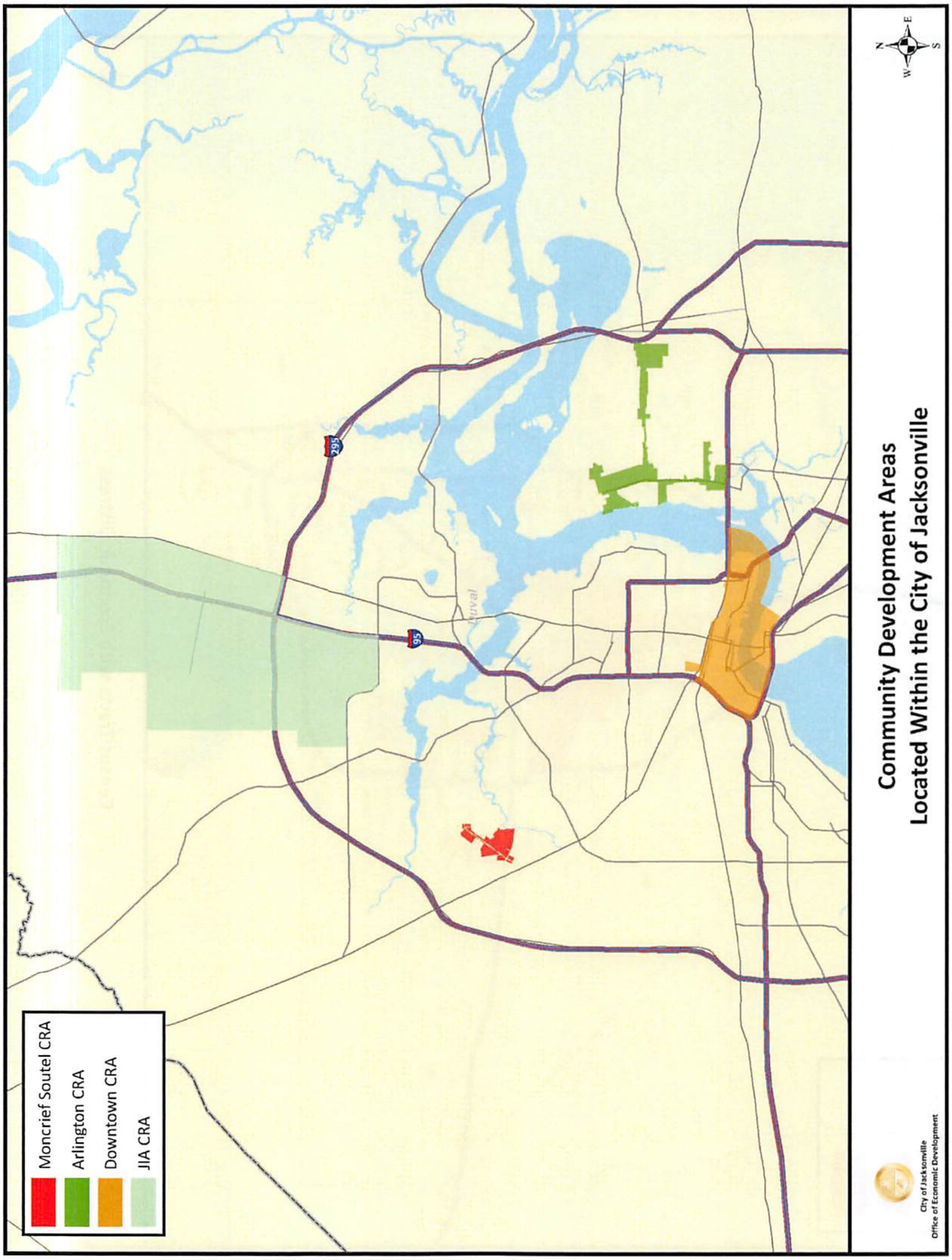
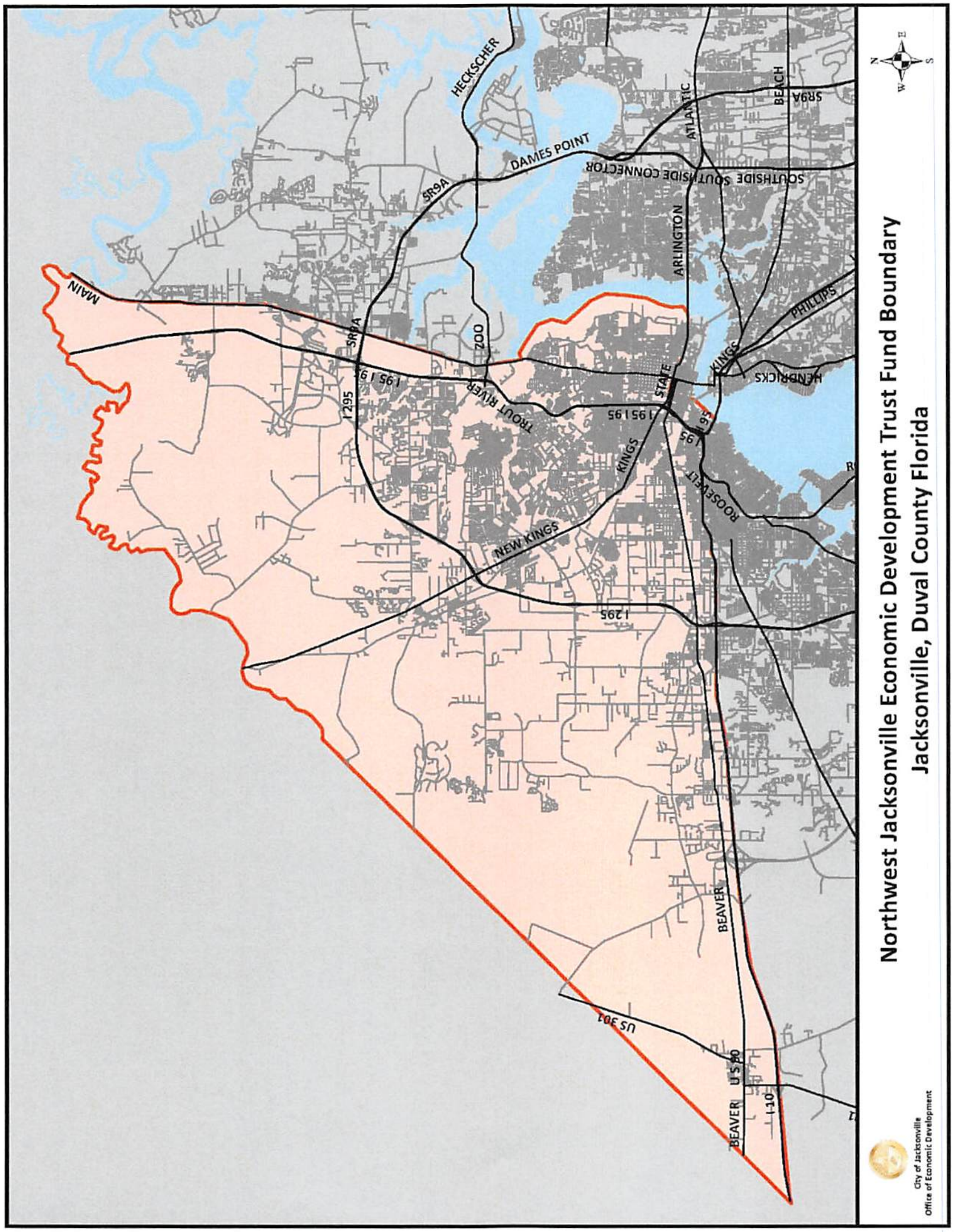

Community Development Areas
Located Within the City of Jacksonville
Moncrief Soutel CRA
Arlington CRA
Downtown CRA
JIA CRA
295
95
N
E
S
W

Exhibit E


Northwest Jacksonville Economic Development Trust Fund Boundary
Jacksonville, Duval County Florida
City of Jacksonville
Office of Economic Development
MAIN
HECKSCHER
DAMES POINT
SR9A
SOUTHSIDE CONNECTOR
SOUTHSIDE
ATLANTIC
BEACH
ARLINGTON
ZOO
I 295
I 95
TROUT RIVER
STATE
KINGS
PHILLIPS
HENDRICKS
ROOSEVELT
NEW KINGS
BEAVER
US 301
US 90
I-10

4/15/16

Office of Economic Development
Proposed Local Program Comparison
Draft PIP

Program	Countywide	Economically Distressed Areas
REV Grant		
Minimum Jobs	10	10
Minimum Capital Investment	$3,000,000	1,000,000
Minimum Wages	100% State Ave. Wage	60% Duval County Ave. Wage
Percent	Up to 50%	Up to 75%
Term	10 years	10 years
Industrial Revenue Bond (IRB)	Per IRS	Per IRS
Disabled Veterans Hiring Bonus		
Minimum Jobs	20	20
Minimum Wages	60% Duval County Ave. Wage	60% Duval County Ave. Wage
Local Training Grant		
Minimum Jobs	50	50
Closing Fund		
Minimum Jobs OR;	200	200
Minimum Capital Investment	$30,000,000	$30,000,000
Commercial Development Area Program		
Project Location	N/A	Must be within a commercial corridor, exclusive of Downtown
Façade Renovation Grant Program (Match)		
Project Location	N/A	Must be within a commercial corridor, exclusive of Downtown
TID Infrastructure Development		
Project Location	N/A	Only within a CRA
Minimum Jobs	N/A	20
Minimum Capital Investment	N/A	$1,000,000
Local QTI Bonus		
Minimum Jobs	N/A	10
Award Amount	N/A	Up to 100% local QTI match bonus
EDA Targeted Industry Program		
Project Location	N/A	Exclusive of Downtown
Minimum Jobs	N/A	10
Minimum Wages	N/A	60% Duval County Ave. Wage
Award Amount	N/A	Up to $2,000 per job
Business Infrastructure Grant/Loan (BIG)		
Project Location	N/A	Northwest Jacksonville only
Large Scale Economic Development Fund		
Project Location	N/A	Northwest Jacksonville only
Minimum Jobs	N/A	50
Minimum Capital Investment	N/A	$1,000,000
Small Business Development Initiative (SBDI)		
Project Location	N/A	Northwest Jacksonville only

CITY OF JACKSONVILLE FLORIDA

4/15/16

Jacksonville Sports & Entertainment

JACKSONVILLE Film & Television
A Division of Sports and Entertainment

Film and Television Job and Business Creation Incentive Program

Goal

Create a performance based Film and Television Job and Business Creation Incentive Program that is targeted to attract high impact productions to Jacksonville that exceed $500,000 in qualified county expenditures*. This incentive is being proposed to expand high wage employment and stimulate the local economy. According to the DEO Bureau of Labor Market Statistics, the average Florida 'film and entertainment' wage in 2014 was $72,000.

Criteria

- Eligible companies will be those companies who spend a minimum of $500,000* on qualified expenditures* in Duval County.

- A qualified production** that is certified by the Office, is eligible for a reimbursement of up to 15 percent of its qualifying expenditures, in the County, on a filmed entertainment program that demonstrates a minimum of $500,000 in total qualified expenditures for the entire run of the project, versus the budget of a single episode, within the fiscal year October 1 to September 30.

- The maximum reimbursement that may be made with the respect to any filmed production is $150,000.

- A qualified production, a qualified relocation project, or a company must provide all production related information on employment, proposed total production budgets, planned expenditures in the County which are intended for use exclusively as an integral part of pre-production, production, or post-production activities. The Sports & Entertainment Office must verify the information.

- Applicant must spend a minimum of 80% of projected expenditures, otherwise the application maybe voided.

- See scale below offering a qualified production up to 5% / 10% & 15% for specified direct qualified expenditures up to:

$500,000 – 749,999 = 5%
$750,000 – 999,999 = 10%
$1,000,000 + = 15%

See attached Program Evaluation document.

* "Qualified expenditures" means production expenditures incurred in this county by a production company for:

1. Goods purchased or leased from, or services, including, but not limited to, insurance costs and bonding, payroll services, and legal fees, which are provided by a vendor or supplier in this county which is registered with the Department of State or the Department of Revenue, has a physical location in this county, and employs one or more legal residents of this county. This does not include rebilled goods or services provided by an in-county company from out-of-county vendors or suppliers. If services provided by the vendor or supplier include personal services or labor, only personal services or labor provided by residents of this county, evidenced by the required documentation of residency in this county, qualify.

2. Payments to legal residents of this county in the form of salary, wages, or other compensation up to a maximum of $100,000 per resident. A completed declaration of residency in this county must accompany the documentation submitted to the department for reimbursement.

** "Production" means a theatrical, direct-to-video, or direct-to-Internet motion picture; a made-for-television motion picture; visual effects or digital animation sequences produced in conjunction with a motion picture; a documentary film; a television pilot program; a presentation for a television pilot program; a television series, including, but not limited to, a drama, a reality show, a comedy, a soap opera, a telenovela, or a miniseries production; or a direct-to-Internet television series; or by the entertainment industry. One season of a television series is considered one production. The term does not include a weather or market program; a sporting event or a sporting event broadcast; a gala; a production that solicits funds; a home shopping program; a political program; a political documentary; political advertising; a gambling-related project or production; a concert production; a local, a regional, or an Internet-distributed-only news show or current-events show; a sports news or a sports recap show; a pornographic production; or any production deemed obscene under chapter 847. A production may be produced on or by film, tape, or otherwise by means of a motion picture camera; an electronic camera or device; a tape device; a computer; any combination of the foregoing; or any other means, method, or device.

"Production Company" means a corporation, limited liability company, partnership, or other legal entity engaged in one or more productions in this county.

4/15/16

Office of Sports and Entertainment
Proposed Local Program
Draft PIP

Program	Status	Description
Countywide Programs		
Film & Television Jobs & Business Creation Program	New	Designed to bring high impact productions to Jacksonville that exceed $500,000 in qualified expenditures. This program is to provide Jacksonville a competitve advantage over other Florida counties and cities.

4/15/16

Quick Action Closing Fund
2012-2015 Projects

Project	Ordinance #	QACF State Max Funding
Deutsche Bank 2012	2012-487	$145,000
L & J Diesel (Loan)	2012-682	$100,000
Digital Risk	2013-184	$2,000,000
Bank of America	2013-371	$4,850,000
Deutsche Bank 2013	2013-183	$140,000
Advent	2013-758	$90,442
General Electric Oil and Gas	2014-551	$2,500,000
Adecco Group, NA	2014-229	$370,000
Anheuser Busch Co.	2015-395	$2,400,000
Fanatics	2015-267	$530,000
Macquarie Global Services	2015-446	$500,000
Deutsche Bank 2015	2015-544	$1,000,000
TOTAL		**$14,485,442**

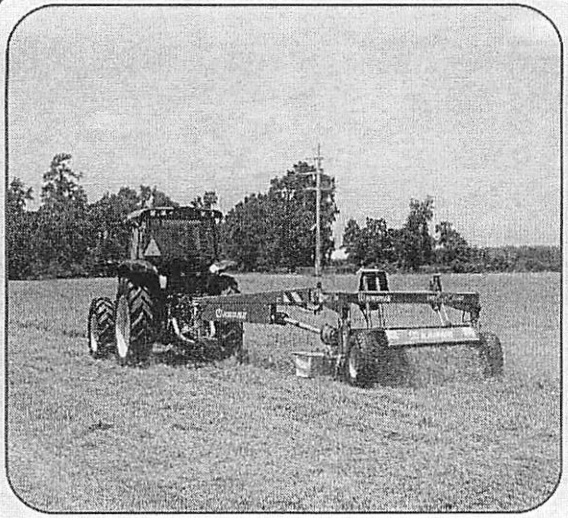
4/15/16

Exhibit A
Description of Project Parcel

Those certain parcels of land located in Jacksonville, Florida, and identified by the following real estate numbers:

	Market Value	Assessed Value
019536-0010;	8,248,386	30,131
019547-0100;	657,451	2,750
019547-0000;	152,039	1,571
019546-0250;	402,058	738
019546-0150;	437,451	1,267
019546-0050;	434,620	448
019546-0200;	662,548	383,051
019546-0100;	569,111	1,648
019546-0000;	577,606	1,061
019546-0650.	182,625	147,298
	12,323,895	569,963

Difference of 11,753,932
× 11.4419 mills
$134,487.31
× 60%
80,692.38 × 12 years = $968,308.63
× .96 (4% DISCOUNT For November payment)
$77,464.68 × 12 = $929,576.22



Tangible Personal Property

In Florida, tangible personal property such as machinery, tools and all equipment used for income-producing purposes must be reported to and assessed by the county Property Appraiser for taxation. **The deadline to file a tangible personal property return is April 1.**

State law provides an exemption up to $25,000 off the value of tangible personal property; however a return must be timely filed. If a tangible return is **not** filed by April 1, the property owner is **not eligible** to receive the exemption. For forms or more information regarding tangible personal property, visit www.duvalpa.com or call (904) 630-1964.

Exemption for Real Property Dedicated In Perpetuity for Conservation

Land "dedicated in perpetuity for conservation purposes" can be exempt from property taxes according to Florida law (see Statutes 196.26 and 196.011). For more information, contact the Agricultural Specialist at (904) 630-2594.

4/15/16

Jim Overton
Property Appraiser
Duval County, Florida

For forms or more information, contact:

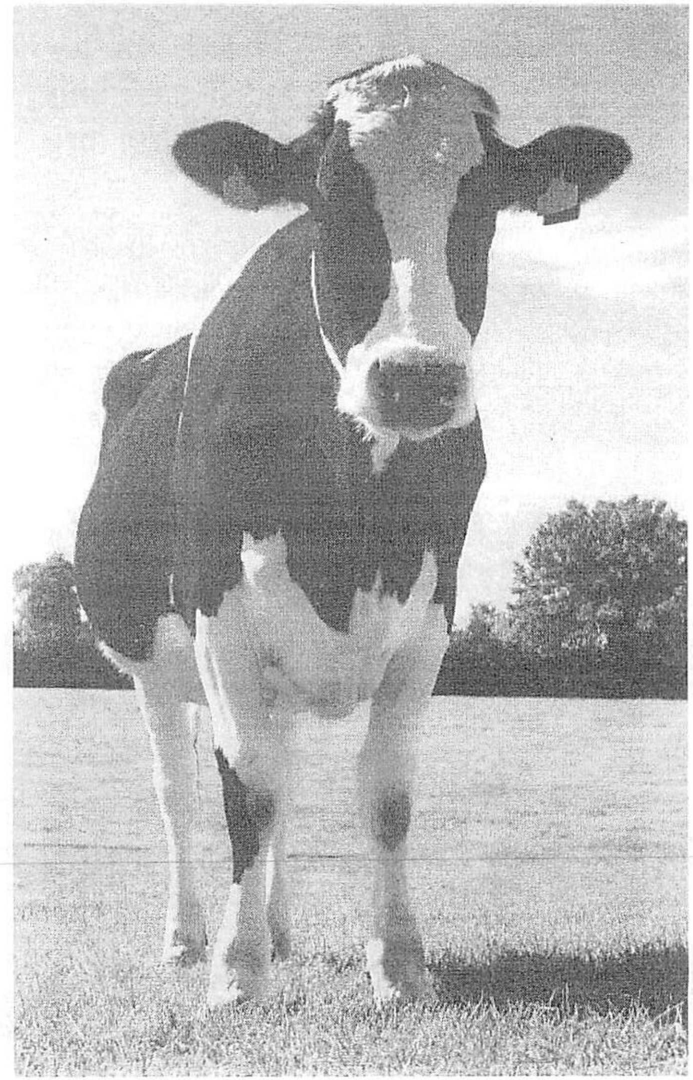
Duval County Property Appraiser's Office
Agricultural Specialist
231 East Forsyth Street, Room 360
Jacksonville, Florida 32202
(904) 630-2594

www.duvalpa.com

2-2012

Duval County, Florida
Office of the Property Appraiser

Greenbelt/Agricultural Classification



What is Greenbelt?

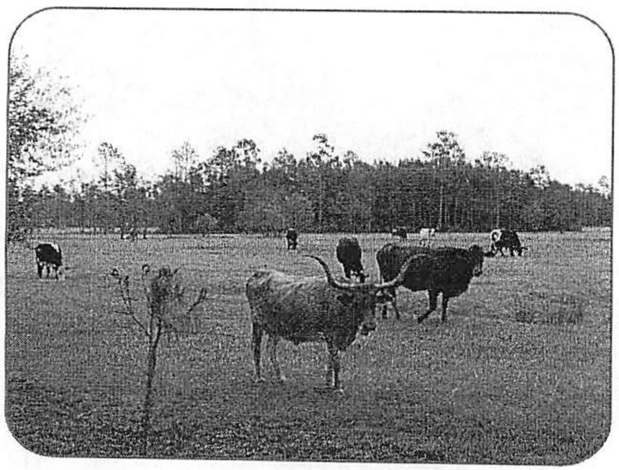
The term *"greenbelt"* refers to lands receiving an Agricultural Classification by the Property Appraiser's Office as defined by state law (Florida Statues 193.461). The Agricultural Classification typically results in a significant tax savings for the property owner, due to a lower value assessment.

Qualification

The property owner must apply for an Agricultural Classification. The Property Appraiser's Office must determine that the property is used for ***"bona-fide agricultural purposes"*** - good faith commercial agricultural use of the land.

Some of the factors considered include:

- Size of the land, as it relates to a specific agricultural use;
- Efforts made to care for the land as it pertains to the agricultural endeavor such as fertilizing, tilling, mowing, reforesting or other accepted agricultural practices;
- Other factors applicable through state law (Chapter 12D-5.004) such as:
  - opinions of appropriate experts in the fields
  - business or occupation of owner
  - economic merchantability of the agricultural product
  - gross sales from the agricultural operation
  - zoning and other factors



How to Apply

The deadline to file for a greenbelt/agricultural classification is March 1. Late applications may be accepted; however a petition to the Value Adjustment Board is necessary and must be filed by the 25th day following the mailing of the Notices of Proposed Property Taxes in mid-August. **Petitions to the VAB must be accompanied by a $15 fee and a copy of the date-stamped denied application.**

All properties applying for a greenbelt/agricultural classification will be inspected prior to approval/disapproval of the application. (The Property Appraiser may require additional information.) Properties which qualify will be inspected at least once every five years after the initial inspection.

Annual Renewal

Once a greenbelt/agricultural classification has been granted, it will be renewed automatically each year. A receipt will be mailed to property owners in January to verify the use of the land. **It is the responsibility of the property owner to notify the Property Appraiser's Office of any changes to the land or improvements such as the addition of barns or other structures. In addition, the property owner must notify the Property Appraiser of any change in use.** A property receiving an agricultural classification for which it is not eligible could be subject to back assessments for years in which the classification was wrongly granted. If an application is denied or an existing classification is removed, the property owner will be notified by certified mail on July 1 (or later for late-filed applications).

Home and Non-Agricultural Uses

Homesites and land used for non-agricultural purposes are not eligible for the agricultural classification. Property owners may apply for a homestead exemption if the home is the owner's primary residence. The presence of a home, however, does not disqualify adjacent or surrounding property otherwise eligible for an agricultural classification.

Leases

When property is leased for agricultural purposes, the same criteria are used in granting or denying the application. It is the responsibility of the owner of the property to ensure that the lessee is complying with all laws that govern the agricultural classification. If a written lease exists, the owner should submit the lease in its entirety with the application.

The Property Appraiser's Office must reclassify lands if:

- The use of the land has been diverted from an agricultural to non-agricultural use;
- The agricultural use is inactive and the land is no longer being utilized for agricultural purposes; or
- There is a change in ownership and the new owner fails to apply for the agricultural classification.

Any landowner who is denied an agricultural classification by the Property Appraiser's Office may appeal to the Value Adjustment Board.