

Downtown Investment Authority Budget Information

Council Auditor's Office

May 13, 2024

**FY 2023/24 Council Approved Budgets
Downtown Investment Authority**

	General Fund GSD	Public Parking	Downtown Northbank CRA	Downtown Southbank CRA	Total
Revenue					
Property Taxes	\$ -	\$ -	\$ 14,095,607	\$ 7,266,048	\$ 21,361,655
Permits, Fees and Special Assessments	-	107,752	-	-	107,752
Charges for Services	-	3,520,299	-	-	3,520,299
Fines and Forfeits	-	361,624	-	-	361,624
Miscellaneous Revenue	9,500	106,809	3,707,799	366,990	4,191,098
Transfers from Other Funds	-	438,540	-	-	438,540
Transfer from Fund Balance	-	310,583	-	-	310,583
Total Revenue	\$ 9,500	\$ 4,845,607	\$ 17,803,406	\$ 7,633,038	\$ 30,291,551
Expenditures					
Personnel	\$ 1,386,281	\$ 2,186,389	\$ -	\$ -	\$ 3,572,670
Operating	1,126,922	1,904,908	6,567,259	5,868,814	15,467,903
Supervision Allocation	(1,366,886)	124,037	922,935	319,914	-
Capital Outlay	2	324,262	7,750,000	1,050,000	9,124,264
Debt Service	-	-	1,985,712	366,810	2,352,522
Grants, Aids, & Contributions	-	-	75,000	25,000	100,000
Transfers to Other Funds	-	-	2,500	2,500	5,000
Other Uses	-	306,011	500,000	-	806,011
Total Expenditures	\$ 1,146,319	\$ 4,845,607	\$ 17,803,406	\$ 7,633,038	\$ 31,428,370
Full-Time Employees	12	36	-	-	48
Part-Time Hours	200	4,160	-	-	4,360

Downtown CRA Real Property Taxable Values

Area	Fiscal Year					% Change FY 23/24 vs. FY 19/20
	2019/20	2020/21	2021/22	2022/23	2023/24	
USD1B Downtown Northbank West	\$ 731,623,119	\$ 774,077,727	\$ 805,165,720	\$ 968,552,764	\$ 1,094,059,157	49.54%
USD1C Downtown Northbank East	\$ 490,853,879	\$ 510,604,413	\$ 484,341,591	\$ 521,552,016	\$ 633,411,392	29.04%
USD1A Downtown Southbank	\$ 522,225,979	\$ 606,000,801	\$ 619,226,435	\$ 724,961,736	\$ 764,972,926	46.48%
Total	\$ 1,744,702,977	\$ 1,890,682,941	\$ 1,908,733,746	\$ 2,215,066,516	\$ 2,492,443,475	42.86%

**FY 2023/24 Council Approved Budgets
Downtown CRA's
Net Ad Valorem Revenue to CRA Calculation**

	Northbank West USD1B 1981	Northbank East USD1C 1984	Southbank USD1A 1980
Base Year			
Preliminary Real Property Taxable Values	\$ 1,094,059,157	\$ 633,411,392	\$ 764,972,926
Less Real Property Taxable Value in Base Year	214,636,423	201,743,546	89,127,781
Real property Taxable Value Incremental Increases	<u>\$ 879,422,734</u>	<u>\$ 431,667,846</u>	<u>\$ 675,845,145</u>
Real Property Taxable Value Percentage Changes	409.7%	214.0%	758.3%
Operating Millage Rates	11.3169	11.3169	11.3169
Collection Rate	95.0%	95.0%	95%
Net Ad Valorem Revenue to CRA	\$ 9,454,722	\$ 4,640,885	\$ 7,266,048

CITY OF JACKSONVILLE

**DOWNTOWN
INVESTMENT
AUTHORITY**

What is the DIA?

Created in 2012, in response to nearly 5 years of decline in values and no new construction, to ensure:

Focused Effort on Downtown

Continuity in Execution of Plan

Governing Board of Business Leaders

(to assume implementation of Downtown Community Redevelopment Plans created in the 1980's)

- **A Community Redevelopment Agency governed by State Statute, and**
- **a City Department governed by CH 55 of the ordinance Code:**



DIA Vision

Downtown Jacksonville is a dynamic, resilient, people-friendly, urban center that capitalizes on the importance of the River and is the premier location for business, sports & entertainment, culture, and urban living in the heart of the Southeastern U.S.

DIA Mission

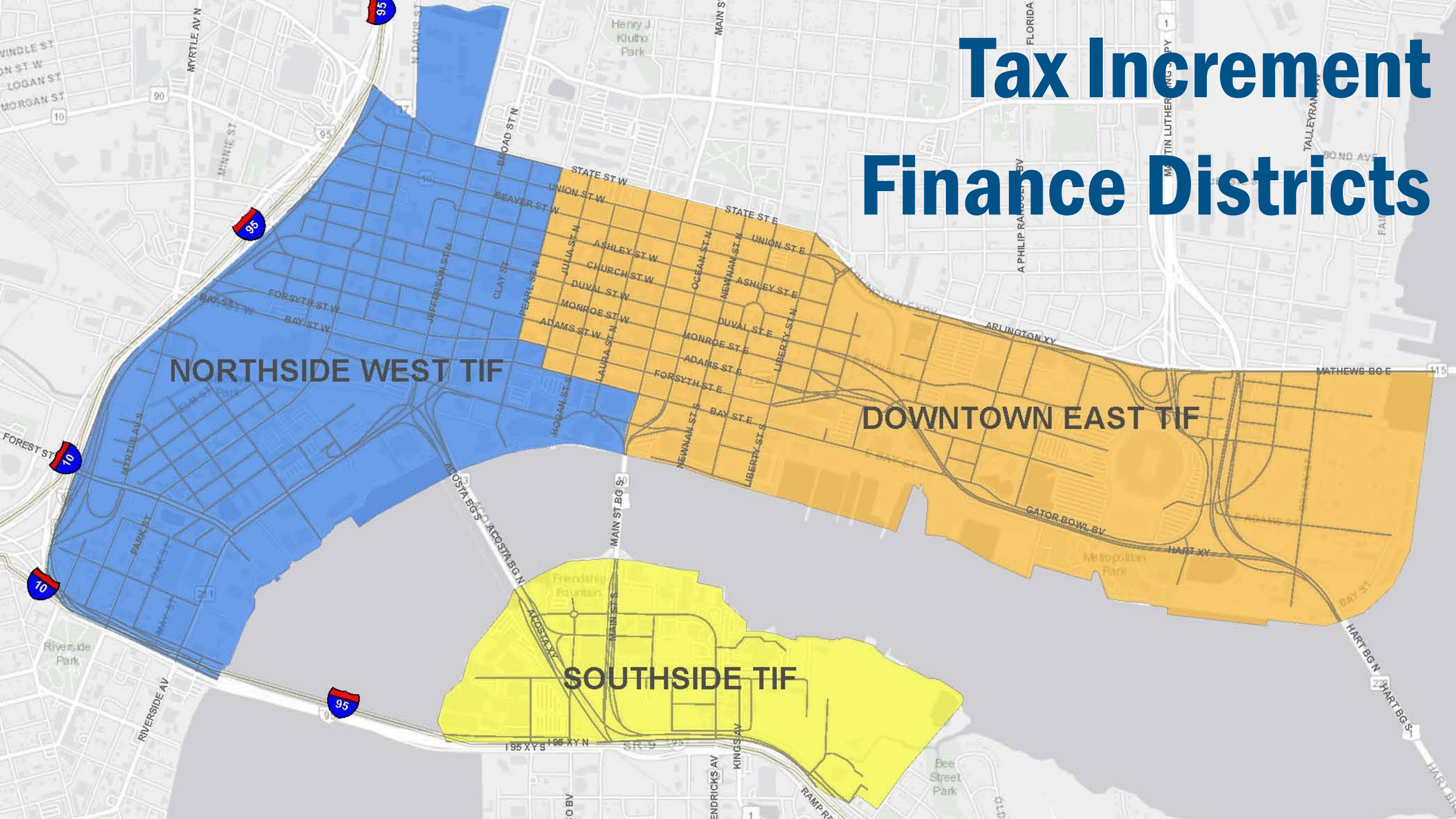
To drive growth in business and investment, create a vibrant urban living environment, and enhance quality of life in Downtown Jacksonville through the transparent and responsible leveraging of public investments, assets, infrastructure, and policy.

Tax Incremental Finance Districts

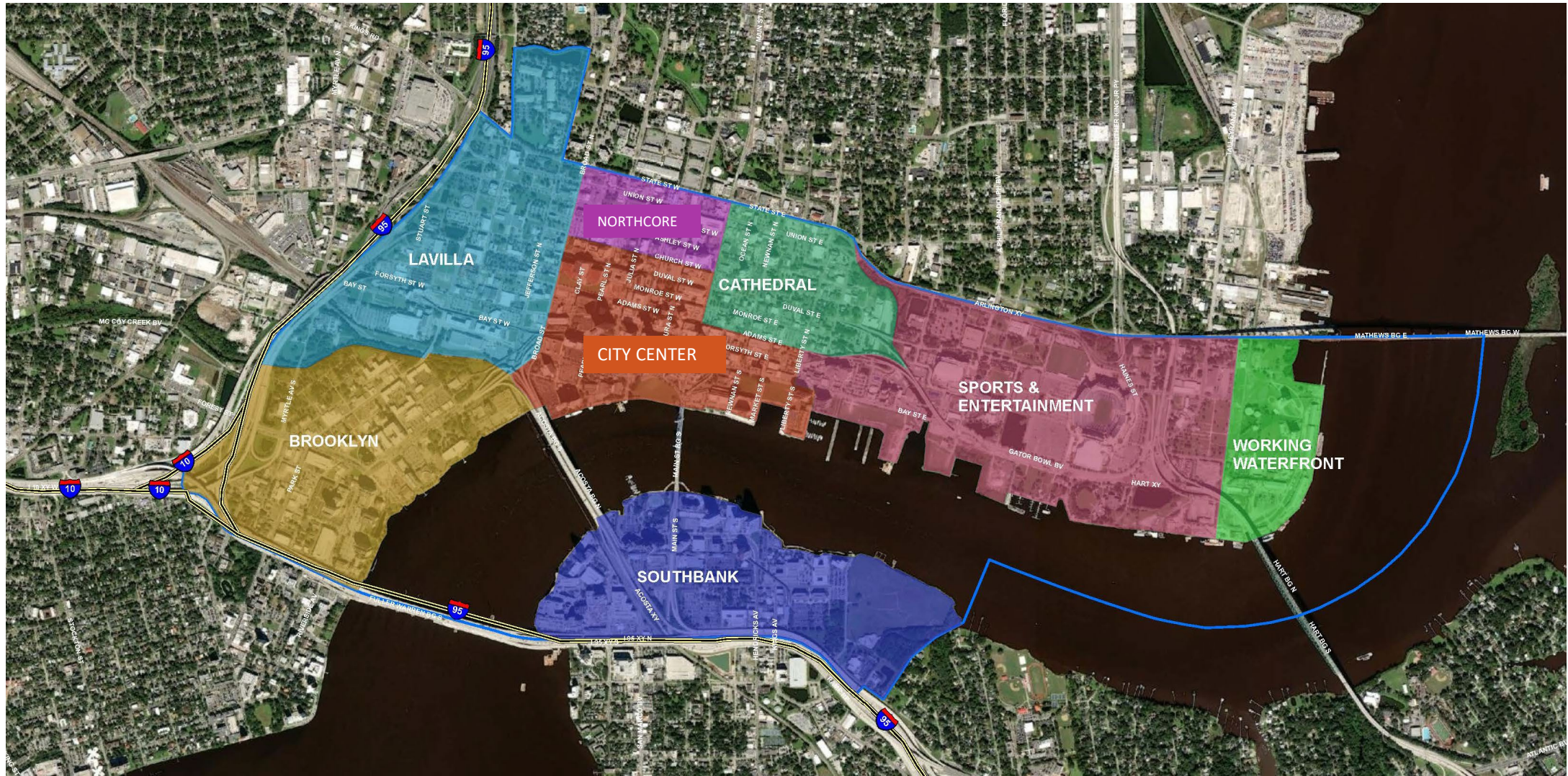
NORTHSIDE WEST TIF

DOWNTOWN EAST TIF

SOUTHSIDE TIF



Within the Tax Incremental Districts are Multiple Distinct Neighborhoods



DOWNTOWN INVESTMENT SNAPSHOT 2013

4 Private Redevelopment Projects Completed in 2013

Completed in 2013	Investment
Family Dollar	\$364,000
JAX Chamber Renovation	\$3,500,000
McDonald's	\$689,426
MOCA Window Replacement	\$535,000
Total	\$5,088,426

Successes:

Significant Growth in Taxable value of Downtown despite decline in Office values in 2023

- 2012 combined taxable value \$1,223,867,317
- 2024 value of \$2,492,443,475

- Northbank value grew last year by 15.9%
- Compared to City overall rate of 12.9%

Successes:

Financial Health of CRA's and ability to reinvest in infrastructure and incentives

- FY18 NB - negative cash flow and borrowing from the City
- FY24 NB - \$10 million Positive cash flow after payment of financial obligations
- FY 24 SB - \$1.8M Positive cash flow after payment of financial obligations and after full payment of \$23,000,000 RiversEdge without borrowing from City

Successes:

Momentum in residential growth - a 200% increase to date since 2012

- no units added 2008-2013
- 2500 added between 2013 and 2024, even with loss of Doro
- Plus 1000 under construction today and another 2000+ in pipeline
- **\$176,659,127** in incentives has yielded over \$1 billion in private capital investment
- From 3700 residents in 2012 to nearly 8000 today and over 10,000 in 2-3 years



Successes:

Creation of National Historic District in City Center unlocked tax credits

Revised incentive programs in 2021 plan update that are meeting Developer gaps to jump start historic renovations and retail investments

- Historic incentives of \$31.5 million have generated private capital investment of nearly \$153 million
- Retail incentives of \$1.6 million have generated nearly \$9 million of completed projects
- Approved retail incentives since October of almost \$900,000 will support another \$8.4 million in retail investment

Retail Follows Rooftops- momentum on the Northbank

- 35 new retail businesses opened in last 3 years
- 8 new restaurants approved by DIA in last 6 months
- One new grocer under construction and another in the pipeline

Hotel ADR has grown 160%

- While increasing supply with Residence Inn and Home 2 Suites



Four Catalytic Multi-faceted projects completed or underway that demonstrate our role in redevelopment

Four Seasons/Office property disposition/grant relocation & creation of replacement park/relocation of historic Fire Museum/acquisition of new site for relocation of marine fire station/ now WJCT lease amendment

McCoys Creek daylighting and One Riverside development- property acquisition, infrastructure project coordination; design of new park

RiversEdge - transfer to City of parks and Riverwalk; funding of construction of public infrastructure; coordination with other agencies

FIS/Florida Blue

- Multiple property dispositions to facilitate construction;

Projects Delayed:

Board decision, with concurrence of staff, to reach for projects worthy of the prime City-owned sites (lower density projects could have advanced despite market changes)

Timing of market shifts on Carter and American Lions made negotiation of structures that passed OGC, and achieved an ROI of 1 or greater, impossible

Other projects delayed due to the expertise or equity of the Developers- deals approved and authorized but could not perform



Macro Challenges:

COVID impact on tourism (short-term and business travel) **and Office occupancy and demand** (Hybrid work)

500 basis point increase in interest rate between March of '22 and July of '23

Impacts of inflation beginning in 2021 on construction costs

The normal time from City approval to completed project is often 2-3 years and misunderstood by the public – this is just what is needed to complete design, permit and contract

Local Challenges:

Lack of awareness and understanding of Downtown Plan and vision- and commitment to its execution

Pace of delivery of Downtown capital projects that will help activate and support private investment

Traditional REV grants are insufficient to bridge the current financial gap between Downtown rents and the cost to fund and construct

Unhoused population, jail, perception of crime, maintenance, etc.

Operational Challenges:

Takes too long to get deals from DIA Board approval through final Council vote (documentation drafted, negotiated and through MBRC and Council process)

Incentive programs need to be more nimble to respond to changes in the economy- Objective criteria are good to ensure fair application, but some programs are too complex and parameters require adjustment in current market

State law restrictions on use of tax increment funds, and no consistent funding of the Downtown Economic Development Fund or changes in Administrative budget, prevent full execution of mission and Ordinance code responsibilities such as marketing of Downtown to investors, activation and programming, etc.

Role in contract enforcement and oversight creates hard feelings when we take back property, etc. (Sister Cities, Interline)

What's Coming:

Downtown becomes TID supported in 5-7 years for new deals

Downtown fully self-sustaining before CRA end dates

Continued progress in residential growth

- Will need completion grants in short term until interest rates come down or completion of public projects moves rents (2-3 year horizon)
- Should reach "Rev only" for residential in Brooklyn and SB as soon as above occur
- Gateway will be catalytic for City Center as well
- 15,000 residents in 5-7 years

What's Coming:

Office

- Downtown amenities will entice workers to return to office
- More employers requiring to office will reduce vacancy
- Residential to office conversion one way to compress supply
- Predicted loss in value of additional 5-15% will slow TID growth but not reduce YOY value (in contrast to period following recession of 2008)

Significant expansion of retail over next 5 years

- particularly in established food and beverage Districts

What's Coming:

Boutique Hotel Growth will follow completion of amenities and retail expansion, and increased ADR

Completed destination riverfront parks system is the premier Downtown attraction

Two-way street restorations and bike/ped improvements including Emerald Trail improve Downtown experience for residents, workers, and small businesses and connect Downtown to nearby neighborhoods

The river is activated with marinas, boaters, tour charters, and dining

Thank You