



Downtown Feasibility Study Discussion



Interviews

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- ❑ Alex Coley – *Hallmark Partners*
- ❑ Brad Thoburn – *Jacksonville Transportation Authority*
- ❑ Burnell Goldman – *Omni Hotel*
- ❑ Calvin Burney – *City of Jacksonville*
- ❑ Dan King – *Hyatt Regency Hotel*
- ❑ Elaine Spencer – *City of Jacksonville*
- ❑ Ivan Mitchell – *Jacksonville Transportation Authority*
- ❑ Jason Ryals – *Colliers International*
- ❑ Jeanne Miller – *Jacksonville Civic Council*
- ❑ Jerry Mallot – *Jacksonville Chamber*
- ❑ Jim Zsebok – *Stache Investment Corporation*
- ❑ Keith Brown – *Jacksonville Transportation Authority*
- ❑ Michael Balanky – *Chase Properties*
- ❑ Nathaniel Ford Sr. – *Jacksonville Transportation Authority*
- ❑ Paul Astleford – *Visit Jacksonville*
- ❑ Paul Crawford – *City of Jacksonville*
- ❑ Peter Rummell – *Rummell Company*
- ❑ Robert Selton – *Colliers International*
- ❑ Robert White – *Sleiman Enterprises*
- ❑ Roger Postlewaite – *GreenPointe Communities, LLC*
- ❑ Steve Atkins – *SouthEast Group*
- ❑ Ted Carter – *City of Jacksonville*
- ❑ Tera Meeks – *Department of Parks and Recreation*
- ❑ Terry Lorince – *Downtown Vision*
- ❑ Toney Sleiman – *Sleiman Enterprises*



Overview

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Downtown Jacksonville

1. Build off of the City of Jacksonville's strengths
2. Focus on features that cannot be replicated. Competitive advantages that only Downtown can offer:
 - a. beautiful historic architecture
 - b. the region's most prized attractions and entertainment venues
 - c. the opportunity to create population density
 - d. neighborhoods with character and an intown style of living
 - e. The most obvious – the **St. Johns River** bisecting the core of the City and creating not one, but two opportunities for riverfront development
3. Significant daily counts:
 - a. Mathews Bridge/Arlington Expressway – 66,500 vehicles per day
 - b. Hart Bridge/Route 1 – 42,000 vehicles per day
 - c. Main Street Bridge/Highway 10 – 30,500 vehicles per day
 - d. Acosta Bridge/Acosta Expressway – 28,500 vehicles per day
 - e. Fuller T. Warren Bridge/I-95 – 121,000 vehicles per day



Riverfront Activation

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Riverfront Activation

Jacksonville must create a world-class riverfront to attract the region and national visitors.

1. Roughly 4.8 miles along the St. Johns River, flanked by I-95 and the Mathews Bridge
2. The riverfront includes EverBank field and sports complex, Metro Park, Times Union Center for the Performing Arts, the New \$17.5M YMCA, and the Riverside Arts Market
3. Southbank has had relative success in securing Downtown's higher end retail, hospitality, office and residential. The Northbank has not had the same level of success
4. We support the Jacksonville Landing as the Gateway into the City
5. To the west of the Landing, the Westside Riverfront could be activated with water amenities and activities supportive of the strong residential communities of Brooklyn Riverside and Five Points.
6. To the east of the Landing, we envision a Social Entertainment Convention District ("SEC District") capable of attracting and retaining the interest of both regional and national visitors interested in partaking of best-in-class attractions and venues. This SEC District should one day be the home to some of the Country's most prestigious and exciting mixed-use developments.



Riverfront Activation

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WEST END NORTHBANK RIVERFRONT ACTIVATION

This district needs to respond to the neighborhood fabric and hence has the opportunity to *connect* the residents to the river.

JACKSONVILLE LANDING GATEWAY DEVELOPMENT

This district is a *signature* destination that can be developed as a gateway to downtown Jacksonville and tactfully *captivate* its visitors.

SPORTS ENTERTAINMENT CONVENTION DISTRICT

This district is in close proximity to the stadium and has the potential to be *energized* with landmark buildings and festive spaces to *celebrate* the water.

Connect

Captivate

Celebrate



RIVERFRONT DISTRICT BIG IDEAS

RG REDROCK
GLOBAL
HKS



Riverfront Activation

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West End Northbank Riverfront Activation



West End Northbank Riverfront Activation



- Neighborhood Amenities
- Boardwalk
- Trails and Bike paths
- Communal Spaces
- Parks and plazas

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Google earth



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Skate Park



Multiple texture boardwalk



Community gardens



Interactive water features

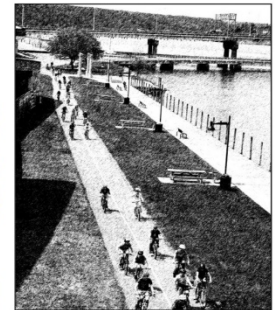


Unique river walk and trails



Multi-generational communal spaces

connect

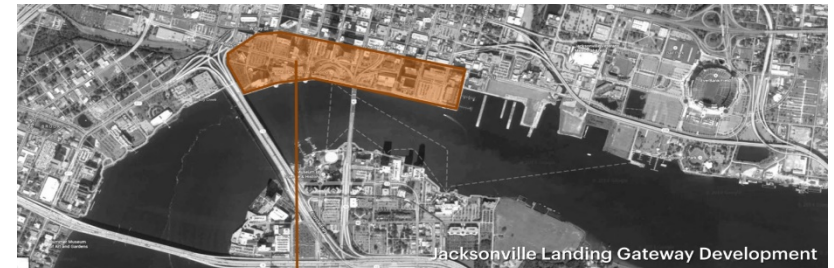
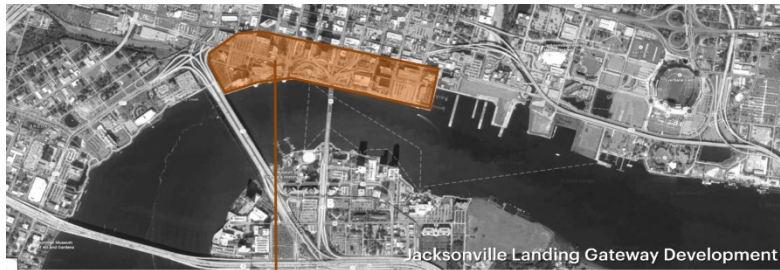


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Riverfront Activation

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Small scale retail



Distinct Ferry Terminal



Markets and Bazaars



Mixed-use



Low rise hotels

captivate



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URBANOMICS
Urban and Real Estate Economics



Riverfront Activation

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Sports Entertainment Convention District Activation



Sports Entertainment Convention District Activation



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Shipyards/Metro Park/Courthouse/Annex

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Shipyards/Metro Park/Courthouse/Annex

(aka the Social Entertainment Convention “SEC” District)

Almost 80 acres of riverfront property that spans the entire riverfront from the Main Street Bridge to the Hart Bridge. The proximity to EverBank Field, the baseball grounds and Veterans Memorial Arena, as well as the availability of the Northbank’s only existing shipyard, make the SEC District the perfect location for large scale, mixed use developments that center around sports, entertainment and tourism. The SEC District’s riverfront should be activated as a well-designed, world class, higher end riverfront, suitable of receiving major national events and perhaps, conventions.

The area offers positive attributes of:

1. developable land
2. scale
3. accessibility
4. the region’s most prized public venues
5. natural geographic characteristics that make it suitable for a grand vision of development





Shipyards/Metro Park/Courthouse/Annex

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- The SEC District's development should be prioritized lower in comparison to the Jacksonville Landing, the Northbank's western riverfront, the development of the CDB's historic trophy assets and the CDB's retail activation strategy.
- Development demands world class design, developers and international capital. The planning and execution require a level of attention and public capital that would most likely be more challenging than many of the other opportunities in front of the City today.
- Once the project is undertaken, and at a level of quality and a density suitable for such a major development site, the feasibility of the project is almost assured due to new population densities and incomes not currently seen Downtown.
- We assess the feasibility of retail, residential and hospitality as very high; if undertaken at the appropriate time, and in a manner commensurate with a grand vision.
- The Shipyards and Metro Park sites are distinct development opportunities that tie to each other in their adjacency and highest and best use.



Shipyards/Metro Park/Courthouse/Annex

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- The Courthouse/Annex site could be programmed to be developed with the Shipyards/Metro Park, or separately in conjunction with the Jacksonville Landing.
- A signature visitor attraction, similar to AquaJax's plan for an aquarium Downtown, is a potential use that should be studied.
- The vision for potentially redeveloping the Courthouse/Annex site as part of the Jacksonville Landing redevelopment is a feasible strategy, although its potential development as a new Convention Center requires further study and a detailed site planning to maximize the site's riverfront potential. The DIA will prepare and release a RFP to update the feasibility of an expanded/new convention center in Downtown.
- The huge financial cost of a relocation of the current convention center is potentially offset by the economic benefits to downtown created by a well-planned, cohesive environment for entertainment, tourism and convention.
- A non-riverfront site, like the current Public Safety Campus, may be preferred. The Courthouse/Annex site development should maximize the economic advantages of the St. Johns River.



Jacksonville Landing

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Jacksonville Landing

- The Gateway to Downtown's Northbank has to be the Main Street Bridge and the (re) development of the Jacksonville Landing and adjacent undeveloped land parcels.
- While the activation of the riverfront as a signature feature to Downtown is critical, the redevelopment of **the Landing is the most critical component of any plan to redevelop Downtown.**
- With limited capital resources to be applied to so many needy projects and opportunity areas, a level of prioritization and focus is critical for success.
- **An attempt to do too many things, in too many places, will not yield the desired results.**
- The development should be set back off the riverfront to allow for the continuation of the use and activation of the water's edge. The integration of the Main Street Bridge, Hogan Street and Laura Street is also very important.



Jacksonville Landing

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Our research supports a vision for the redevelopment of both sides of the Main Street Bridge. We agree that a retail-focused environment with the possibility of hospitality and residential is feasible. While we agree on the feasibility of the uses, **we believe the most beneficial programing for the site is lower scale retail, mid-scale residential and lots of greenspace.**

A proposed, but not adopted, rendering from SouthEast Group is provided below.



southeast
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Jacksonville Landing – Retail

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Retail

- Over the past 13 years, Downtown has seen nominal residential growth of less than 2,000 units. In the past 2 years, Downtown has seen almost 1,200 new or proposed residential units for construction.
- This is an extremely optimistic sign that trends well for retail feasibility. With the Development of Ambassador Lofts (50), Barnett Bank Building (80) and the Jacksonville Landing (300), an additional 430 units should be in the pipeline for Downtown core.
- Combine this new residential development with positive absorption in the Downtown office market, and the development momentum coming from the successful neighborhoods in the west and Downtown's Southbank, the likelihood of new retail on the Northbank is greatly improved.
- The Northbank's focus has to be on lowering the overall 37% vacancy in the Downtown storefronts, while creating a special destination retail environment at the Jacksonville Landing.



Jacksonville Landing – Retail

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- A key to improving the draw to the Landing will be securing a national retailer as an anchor for the development, and building a retail environment that is of a scale that can initial service the development.
- Additional retail space could be programed for the future, but initially occupancy may need to be other creative ground floor uses such as attractions, museums, non-profits, etc...
- A focus on quick service restaurants, services related retailers and fast casual restaurants, will yield the most immediate success.
- The larger anchor retailer needs to be of the caliber capable of drawing from the entire Study Area.
- **This anchor will need to be heavily incentivized to enter the market at the Landing, receiving tenant improvement incentives as high as \$150 per square foot on 10,000 to 20,000 square feet.**



Jacksonville Landing – Residential

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Residential

- According to a redevelopment concept for the property recently unveiled by Landing owner Sleiman Enterprises, a 20-story tower is one potential option.
- The more likely configuration will include a moderate-density, more financially feasible 5-6 story development above ground floor commercial space. A diminished emphasis on high-rise condominiums, and an increased emphasis on the rental market. Market support for comparatively high-priced, high-rise riverfront condominiums appears quite limited in the near term. Steep price reductions in recent years suggest that it will be a while before investors, developers, and buyers feel comfortable with risking capital.
- Mid-rise and moderate-density development is a less risky scenario, with emphasis for the present on market rate rental product. The downtown rental market has shown the ability to support rents in the range of \$1.25-\$1.50 per square foot and higher, which will be attractive to investors and developers. Apartment units also can be designed for later conversion to condominiums when market prices and buyer interest return to levels more favorable to the for-sale market.



Jacksonville Landing – Hospitality

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Hospitality

- Hospitality research and conversations point to a Downtown market with adequate room coverage for the level of hospitality demand and lower than needed ADRs.
- Capital will not be attracted by these results. Without new demand generators, the opportunity for new hotels are extremely limited and will most likely further impact the current occupancy levels of existing hotels in the market.

Marriott and Starwood's hotel, however, have indicated their interest in entering the market. They have great confidence in their brands and their customer's loyalty, and feel they could be successful despite current market conditions. Hospitality feasibility consultant HVS stated their conditioned agreement for the feasibility of SouthEast Group's planned Marriott Courtyard.

One important note is that a Hotel Flag's interest does not equal an investor's willingness to finance a development. The true commitment of a Hotel Flag will be provided, subject to deal terms and a demonstration that a project has been funded. **True feasibility should be assessed through a commitment by investors to fund a development. Development of a hotel, in any location, will almost certainly require heavy public support and subsidy.**



Jacksonville Landing – Office

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Office

- The downtown office market will continue to see more interest as viable options in the suburbs continue to decrease.
- Without new development, businesses will have no other choice but to choose other submarkets.
- So while office vacancies are tightening throughout the region, the cost of development, lack of amenities, cost of parking and perceived challenges of Downtown, make office development today very unlikely.
- Downtown has several buildings that can accommodate an over 100,000 SF tenant. This is a big selling point. Our market is relatively small and so one deal can make a huge impact on vacancy rates in general.
- **The City will need to address parking expenses and options for parking need to be really explored and understood to put these concerns at ease.**



Jacksonville Landing – Recommendations

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Recommendations

- Our research generally confirms that the Jacksonville Landing should initially be redeveloped with a moderate amount of retail (to support the actual development plus some of the immediately adjacent office towers)
- Mid-rise 5 to 6 story apartment buildings yielding no more than 300 units
- Flexible public space (capable of becoming more retail) and riverfront green and public space

The consideration for hotel at the Landing will be difficult given Marriott's strong preference to locate at the TRIO. A Marriott Courtyard at the TRIO will allow for the possibility of the highest residential rents possible in Downtown's Northbank to occur at the Landing, due to the developments proximately to new retail amenities, greenspace and the riverfront.



Downtown Housing

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Goals and Projections

Downtown Jacksonville's household population is approximately 0.26 percent of the metro area population. Downtown resident populations in a number of peer cities studied average nearly 1.00 percent of their metro populations.

Goals recommended for downtown Jacksonville are for 0.50 percent of the metro population living downtown by 2025 and 0.75 percent by 2035. The downtown household population would increase by 10,000 new over the next 20 years, requiring 7,000 new housing units by 2035, for an average of 350 new units per year.

These goals are considered achievable, but are not supported by past experience. Only 1,500 new units were added downtown from 2000 to 2013, averaging 115 per year. However, Downtown Jacksonville appears to have a good head start in achieving goals for 2025 and 2035, with four projects under construction or proposed totaling nearly 900 units.



Downtown Housing

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Requirements for Success

While achievable, the addition of 7,000 new units over the next 20 years, averaging 350 per year, will require the City do the following:

- Attract and leverage private investments in rental and for-sale housing targeting a range of demographic and income groups with various financial incentives as it has done in the past with a number of other projects. For example, incentives provided to six projects since 2000 averaged nearly \$60,000 per unit for approximately 1,200 units.
- Make downtown public safety and security a high and ongoing priority in order to allay fears and perceptions among potential residents that downtown is an unsafe place to live.
- Promote and attract the types of retail and service establishments, attractions, and events that make downtown an attractive and compelling place to live with distinctive neighborhoods and residential environments.
- Aggressively market downtown living to key demographic groups, including young urban professionals, downtown workers, and empty nesters and retirees seeking a more urban lifestyle and environment. An important segment is the 25-34 age group - the millennials, the most rapidly growing group of city dwellers in the U.S.



Downtown Housing

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Attracting Downtown Workers to Live Downtown

Downtown households have a median household income under \$20,000, but the median for households living in the Northbank is \$60,000. Southbank households are likely as high or higher. Average annual wages of downtown workers, the vast majority of whom do not live downtown, are generally higher. Private sector wages of workers in Zip Code 32002, which covers much of the Northbank, average over \$78,000. These wage levels make an estimated 48,000 downtown workers a prime market for living downtown.

Recent Progress in New Housing Development

The three most recently announced in Brooklyn and LaVilla are all rental apartments. The rental market is considered the most viable opportunity for new downtown housing at present because of steep drops in pricing of for-sale housing in recent years. Resale prices in recent years are as much as 50 percent or more below original prices paid, which limits near term investor and buyer interest in new for-sale housing downtown.



Downtown Housing

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Opportunities and Strategies for Selected Areas and Neighborhoods

Brooklyn. Brooklyn has become the center of attention in the downtown housing market, with two rental projects totaling 528 units currently underway. These new market-rate apartment projects, with rents expected to be in the \$1.25-\$1.50 per square foot range, set the general tone for additional housing in this neighborhood, that is, market-rate housing for downtown workers and young urban professionals.

LaVilla. Once the center of African-American life, culture, and the arts, and once was known as the “Harlem of the South,” all vestiges of a LaVilla residential neighborhood are gone after 30 blocks were cleared in the 1990s. The optimal residential future of LaVilla is a family-oriented mixed-income neighborhood of affordable low- to moderate-density housing, including a mix of single family Habitat-type homes and other financially-assisted attached and multifamily housing, both for-sale and for-rent. Home ownership should be promoted and facilitated in this area to ensure that LaVilla is redeveloped as a sustainable urban neighborhood for generally lower income downtown area workers.



Downtown Housing

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Opportunities and Strategies for Selected Areas and Neighborhoods

Cathedral District. The Cathedral area has downtown's largest remaining collection of original homes and old residential structures and is the most populated area of downtown. The area sits in the shadow of the Northbank downtown commercial and governmental core. Despite past encroachments by expanding public facilities and surface parking lots, the Cathedral area still has a distinctive urban neighborhood character and appeal.

This area has possibilities for development of small pockets of infill housing on vacant and underutilized properties and selective redevelopment of surface parking areas. Over time, the Cathedral area will prove an attractive residential environment for affluent and middle income buyers and renters of all age groups seeking walking distance proximity to workplaces in the downtown core while at the same time appreciating the historic urban character of the area.

Northbank and Southbank Riverfront. These areas have particular appeal for high-rise high-density condominium and apartment towers. The real estate boom in the 2000s brought four projects to the area with a total of 896 units. These projects generally sold out or rented quickly to a mix of investors and seasonal and permanent residents before the bubble burst.



Downtown Housing

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Opportunities and Strategies for Selected Areas and Neighborhoods

Northbank and Southbank Riverfront. A number of other riverfront housing developments with residential towers were proposed during the mid-2000s real estate boom, most of which were on the Southbank. All are considered dead or indefinitely postponed projects. Vacant and redevelopable riverfront properties total approximately 100 acres and may be able to accommodate as many as 5,000 residential units based on unrealized proposals for their development.

The more likely future for these properties in the aggregate is for lower density development with a diminished emphasis on high-rise development. The market for pricey high-rise riverfront condominiums is much more limited than the spate of past proposals would indicate, and steeply reduced prices in recent years suggest that it will be a while before investors, developers, and buyers risk additional capital. Less costly mid-rise and low-rise development with mixes of housing and commercial uses is a less risky scenario for these riverfront areas, with emphasis initially on market rate rental product.



Downtown Housing

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Adaptive Reuse Opportunities. Adaptive reuse of old downtown commercial and institutional buildings is a popular housing trend across the U.S. Jacksonville has an impressive list of rental and for-sale housing reuse projects, including:

- The Carling – former Hotel Roosevelt, 1925
- 11 East Forsyth – former American Heritage Life building, 1926
- Churchwell Lofts – former commerce building, 1904
- W.A. Knight Lofts – former commerce building, 1923
- Residences at City Place – former office building, 1949
- Metropolitan Lofts – former office building, 1950s
- Stevens-Duval Apartments – former high school, 1903
- Home Street Lofts – former commercial building, 1921

A number of other reuse projects did not go forward, including the old Ambassador Hotel and old Barnett Bank Building. Actions recommended to promote and facilitate preservation and reuse of these and other old and historic downtown buildings, include:

- Development of marketing materials, including information on available incentives, to illustrate and promote successful housing conversions for use in generating investor/developer interest in other downtown properties.
- An inventory of downtown buildings that have potential for adaptive reuse for housing.



Catalytic Historic Trophies

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Catalytic Historic Trophies

Barnett Bank Building – 112 West Adams Street
The Laura Street TRIO – 51 West Forsyth Street
The Ambassador Lofts – 310 W Church Street

- Reactivating trophy assets is critical to generating new resident and worker traffic, as well as improving Downtown's architectural and aesthetic vibrancy that is necessary for promoting further investment into the Downtown core.
- The lack of success redeveloping the downtown trophy assets diminishes the image of the City and detracts from the positive opportunity to tie the City's core to the riverfront from the Jacksonville Landing to Metro Park.
- A successful Adams Street/Laura Street redevelopment would tie into a successful Landing redevelopment, which would perfectly complement the successful development activities that are already underway on the riverfront's westside.



CBD Transportation

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CBD Transportation

To the extent that a well-connected transportation system makes Downtown a more attractive option to the inevitable congestion in the suburbs, you introduce an important marketing tool and competitive advantage to other municipalities.

Activating the riverfront and connecting it through creative and strategic transportation elements, one begins to create an opportunity that cannot be matched in suburban environments.

All transportation elements should be considered, including ride share programs, bicycle and walking paths and rerouted or expanded public transportation options.





Critical Recommendations

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Critical Recommendations

- a. Approach the task of redeveloping Downtown in steps
- b. Prioritize the redevelopment of the Jacksonville Landing, Riverfront Activation, ensure the Westend developments succeed, and the manageable steps of the Retail Activation
- c. Build off of Strengths. Promote your centerpiece, the St. Johns River. Cater to those within the region that seek an intown style, historic architecture, want to attend major activities in the region's best attractions and venues.
- d. Embrace neighborhoods. Build the momentum of Downtown one neighborhood at a time. Do not spread your efforts too thin. Focus on what is working (Brooklyn/Riverside, Five Points, Southbank and San Marco). Use their success to carry over development and excitement into Downtown.
- e. Focus on the branding of Downtown, not just the neighborhoods, i.e. Downtown's Northbank, Downtown's Southbank, Riverside Downtown, Brooklyn Downtown, The Trio Downtown, etc.
- f. Focus on developing housing and activating existing retail. The key to your retail growth is a better marketing strategy and more residential.



Critical Recommendations

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- g. Develop a Transportation Strategy for the Future. Think about how transportation in Downtown can be used as a marketing and competitive advantage. Think broadly. Bikes. Ride Share. Walking paths. A high quality Trolley that goes everywhere. A well planned transportation strategy is one of the key elements to helping keep the whole Downtown area assessable to everyone.
- h. Attract and leverage private investments in rental and for-sale housing developments targeting a range of demographic and income groups with various land contributions, infrastructure investments, incentive grants, and low interest loans as it has done with several downtown housing projects in the past. **Note:** Incentives provided to six downtown housing projects since 2000 averaged nearly \$60,000 per unit for 1,168 units