



DOWNTOWN RIVERFRONT INVESTMENT STRATEGY

Investment Framework | Final Report

Summer 2018

Prepared by HR&A



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INTRODUCTION

WHY DOWNTOWN?

KEY MARKET FINDINGS

INVESTMENT OPPORTUNITIES

IMPLEMENTATION ROADMAP

Jacksonville's CRA Plan outlined ambitious goals and priorities for Downtown and laid the ground for its recent success, which the Riverfront Investment Strategy can build upon.

CRA PLAN GOALS

- 1 Reinforce Downtown as the city's unique **EPICENTER** for business, history, culture, education, and entertainment.
- 2 Simplify the approval process for Downtown development and improve **EFFICIENCY**.
- 3 Establish a waterfront **DESIGN** framework to ensure a unique experience and sense of place.
- 4 Use planning and economic development policies to promote **HEALTHY** living.
- 5 Increase **HOUSING** Downtown, targeting key demographic groups seeking an urban lifestyle.
- 6 Improve walkability / bikeability and **CONNECTIVITY** to neighborhoods and the St. Johns River.
- 7 Maintain a clean and safe **24-7** Downtown for residents, workers, and visitors.

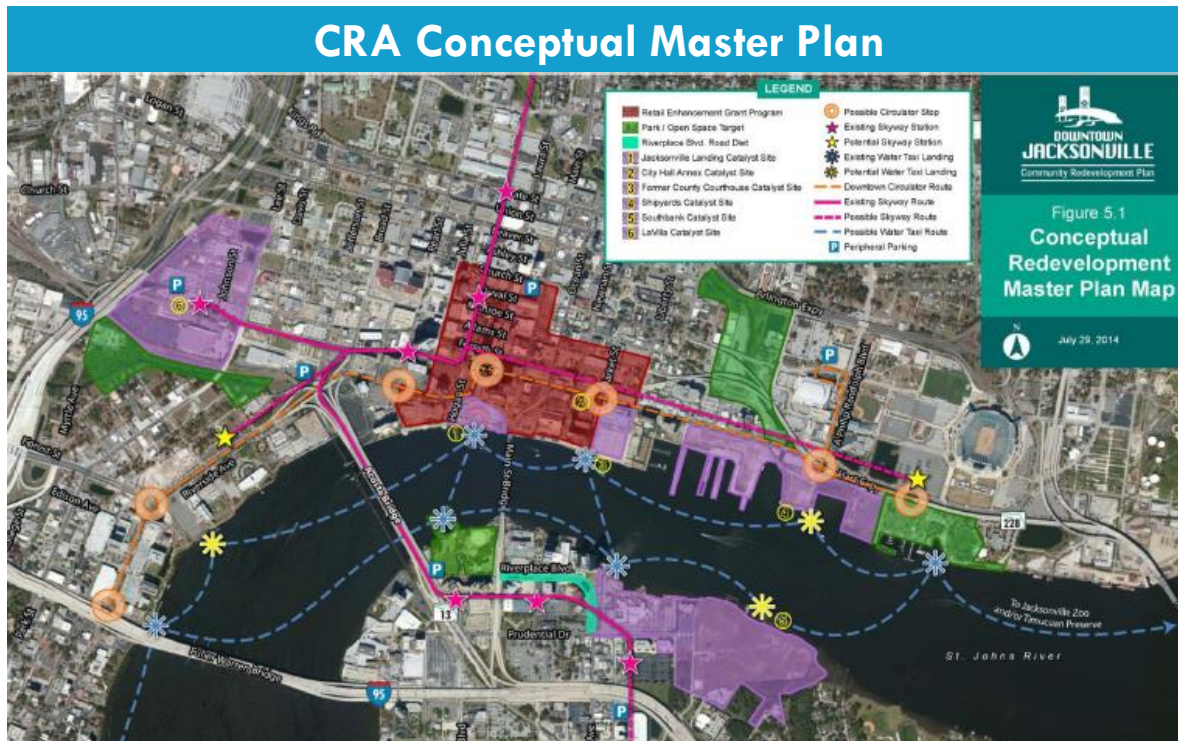
The Riverfront Investment Strategy outlined throughout this document is guided by the priorities established in the CRA Plan and builds upon the assets and tools at the City's disposal. In particular, the North Bank and South Bank CRA districts allow the DIA to use the future value of property taxes to fund important projects and provide developers with incentives, the most common of which are Recaptured Enhanced Value Grants (REV Grants).

Thanks to the CRA Plan and DIA's efforts, the area has seen over \$3 billion of investment since 2000, including investments in infrastructure, housing, and commercial uses as renewed interest in urban living has created momentum for growth. Still, additional investment is needed to realize the priorities identified in the CRA Plan that encapsulate the City's desire for effectively serving its residents and businesses.

Encouraging activity in the city's core will strengthen its identity, re-establish downtown as the center of commerce and creativity, and contribute to the growth, vitality, and economic sustainability of the region.

The St. Johns River – and its estuaries, McCoys Creek and Hogans Creek – is an underutilized asset that can help catalyze growth and redevelopment, strengthen and connect communities, and boost the vibrancy of Downtown. Successful revitalization of the riverfront will require coordinated, strategic actions for investment that align with the stated priorities of activation, efficiency, design, health, housing, connectivity, and safety, all facilitating increased pedestrian access to the river.

As articulated in the CRA Plan, Downtown growth hinges on revitalization of its waterfront, strategic investments upland, and improved connections among key centers of activity.



Plan considerations include improved rapid transit, pedestrian and bike infrastructure, a connected open space, and the following programmatic and development priorities for catalytic investment.

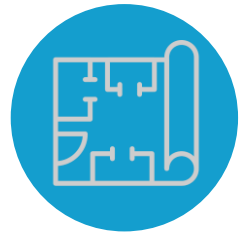
Programmatic Support

- Retail Enhancement Grants
- Urban Art Façade
- Hemming Plaza Management
- Improved Wayfinding
- Streetscape Improvements, incl. road diets and two-way streets
- “Park Once” Strategies

Catalytic Sites

- LaVilla Catalyst Site (Old Convention Center)
- County Courthouse Site
- Snyder Memorial Church
- Sports & Entertainment District (formerly “Shipyards”)
- South Bank Catalyst Site (now “The District” and nearby Duval County Schools site)
- Jacksonville Landing (no plans advanced in the plan)

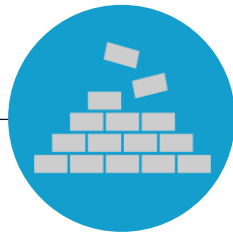
This Riverfront Investment Strategy builds upon the CRA Plan to provide an integrated set of recommendations and tactics to advance key “Investment Opportunities.”



Advance **VISIONS**
for key sites



Create targeted **PRINCIPLES**
for redevelopment



Identify **IMPLEMENTATION**
considerations



Provide **NEXT STEPS**
for applying strategies

The Riverfront Investment Strategy delivers an actionable vision for the downtown waterfront that is rooted in tenets of placemaking, grounded in market reality, and accompanied by a practical strategy for implementation. Investment opportunities along the riverfront are emphasized while also identifying strategies for investing in supporting sites upland and creating connections among key activity centers.

This Investment Framework provides a coordinated and concentrated set of actions to advance the CRA Plan.

- Programming and activation strategies
- Public realm and open space investment
- Catalytic public site repositioning
- Private sites prioritization for redevelopment

Successful implementation of recommendations will move Downtown closer to the goals articulated in the CRA Plan.

- ✓ Stronger brand and identity
- ✓ Increased visitation and residential population
- ✓ New near-term private sector investment

The Downtown Riverfront Activity Nodes Master Plan and Design Guidelines provide a set of recommendations for connecting, activating, and programming key areas along the Riverwalk.



Concept:
St. Johns
Ribbon

Riverfront concept

swa

Led by the SWA, a nationally renowned design and architecture firm, the Activity Nodes Master Plan and Design Guidelines builds upon **AIA Jacksonville's** 2017 concept of a node-based approach to Riverwalk revitalization. The plan provides **design and programming concepts** for 15 selected nodes, including detailed concepts for revitalized **Friendship Park** and **Times Union Center** open spaces. The plan also establishes **thematic underpinnings** for each node, guiding site design and activation that tie to Jacksonville's history.

The plan also provides **design standards** to **create a consistent experience** across the Riverwalk by providing creative direction with unique:

- Wayfinding and signage
- Lighting
- Paving
- Plantings
- Furnishings

Although the plans for Activity Nodes and Investment Opportunities were considered separately, and should be read as such, they are complementary to the Investment Framework and serve to provide advisory support on how to create a vibrant waterfront for all Jacksonville residents by elevating the user experience and supporting new real-estate investment.

The Riverfront Investment Strategy's strategic framework establishes strategies for repositioning catalytic sites, investing in open space and amenities, and strengthening Downtown's identity.



This document outlines existing conditions and strategies that support further investment and activation in Downtown Jacksonville.

Demographic and Market Conditions



Informing the strategies outlined in the action plan, the scan of demographic and market conditions establishes a baseline understanding of economic feasibility of potential uses and the audiences served by new development and programming.

Overarching Framework



The investment framework identifies a set of strategies and actions the DIA and its partners should pursue to reach its goals in the near term.

Site-Specific Redevelopment Strategies



Waterfront and upland sites are identified for redevelopment. Strategies for a discrete set of prioritized sites include sequenced actions in the near, mid, and long term for implementation.

Implementation Roadmap



The Implementation Roadmap pulls together the various recommendations for redevelopment, programming, and activation into a single timeline of actions for moving towards stated goals.

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IMPLEMENTATION ROADMAP

“A strong downtown is critical for a successful city and region.”

-International Downtown Association: The Value of U.S. Downtowns and Center Cities

With resources stretched across the largest geographic area of any city in the country, Jacksonville needs to be strategic in how it allocates its funding. Investing in Downtown is essential to the success of the regional economy, and therefore needs to be a key priority. The greater city will benefit from creating a stronger Downtown.

Economy



Dense economic activity provides for higher levels of economic return. The average downtown accounts for 30% of total citywide employment.

Inclusion



Greater concentration of a diversity of users promote inclusion. Downtowns hold a more significant share of foreign-born (13%), middle-income (30%), and millennial (14%) populations despite their small geographic footprint, on average.

Vibrancy



Dense activity and diverse users attract more active uses. On average, downtowns account for 38% of citywide residential growth, 44% of hotels, and 16% of all retail and sales.

Identity



Downtowns define a region's identity and account for most of its cultural and historic uses. Visitors stay in downtown hotels, which hold an average of ~40% of a city's hotel room supply.

Resilience

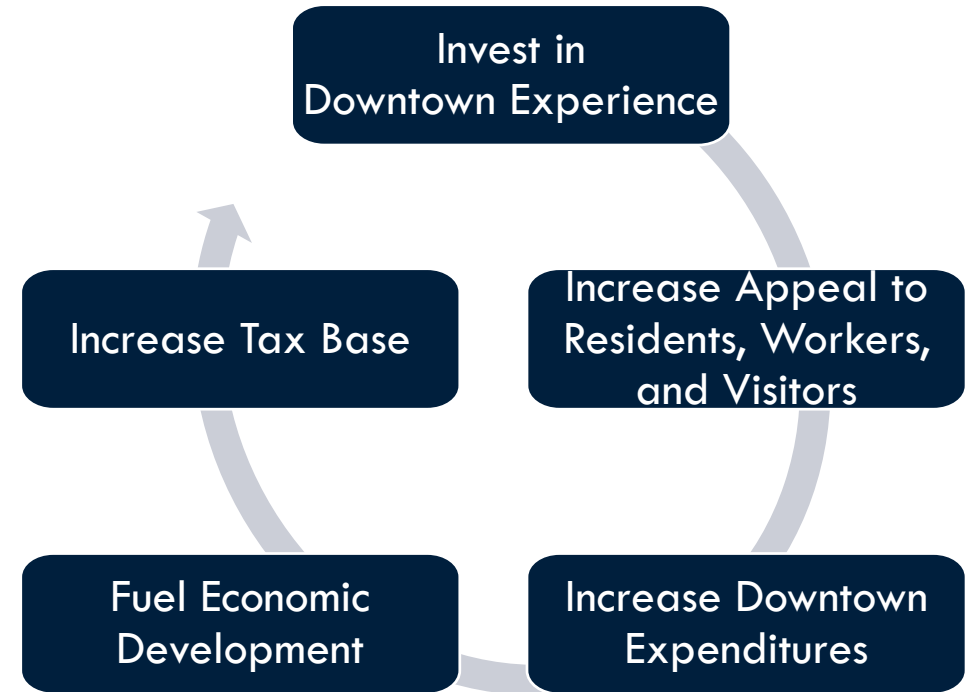


The diversity of uses, services, and infrastructure allow downtowns to adapt and bounce back better from market and environmental shocks and stresses. Walk scores for downtowns are significantly higher than the rest of the city and boast an average of 5.6 parks per square mile.

Growing resident populations can generate the additional activity and vibrancy needed to support future development.



Significant residential demand for the region, spurred by quality living conditions, jobs, and cultural opportunities will increase confidence in the ability to build and populate new apartments or homes in less-established neighborhoods. Today, Downtown Jacksonville draws ~56,000 workers, bringing activity and people during the week. However, since the Great Recession, Jacksonville has struggled to regain downtown residential investment. Given current market dynamics, cities across the county have focused on residential growth as a way to increase activity in downtowns and support



long-term economic development. Jacksonville should leverage regional growth for residents and visitors and increased preferences for dense, walkable neighborhoods to fuel interest downtown. Residents support vibrancy, and in the long term, make downtowns attractive to employers because this is where their future talent live. As new projects come to the fore, the City stands at a turning point and should invest heavily in growing opportunities to live downtown.

INTRODUCTION

WHY DOWNTOWN?

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IMPLEMENTATION ROADMAP

Jacksonville’s Downtown population is growing, supported by young professionals and seniors, but remains home to only a fragment of the citywide population.

~3,000
RESIDENTIAL GROWTH
(2000-2018)

Downtown has seen substantial growth since 2000. The increase in population is almost entirely due to new multifamily development in the area. Key populations moving to Downtown Jacksonville are young professionals and seniors (65+), while there are very few children living Downtown, likely due to housing preferences and the limited availability of support services and commercial uses needed by families.

4,500
DOWNTOWN POPULATION
(2018)

per Downtown Vision

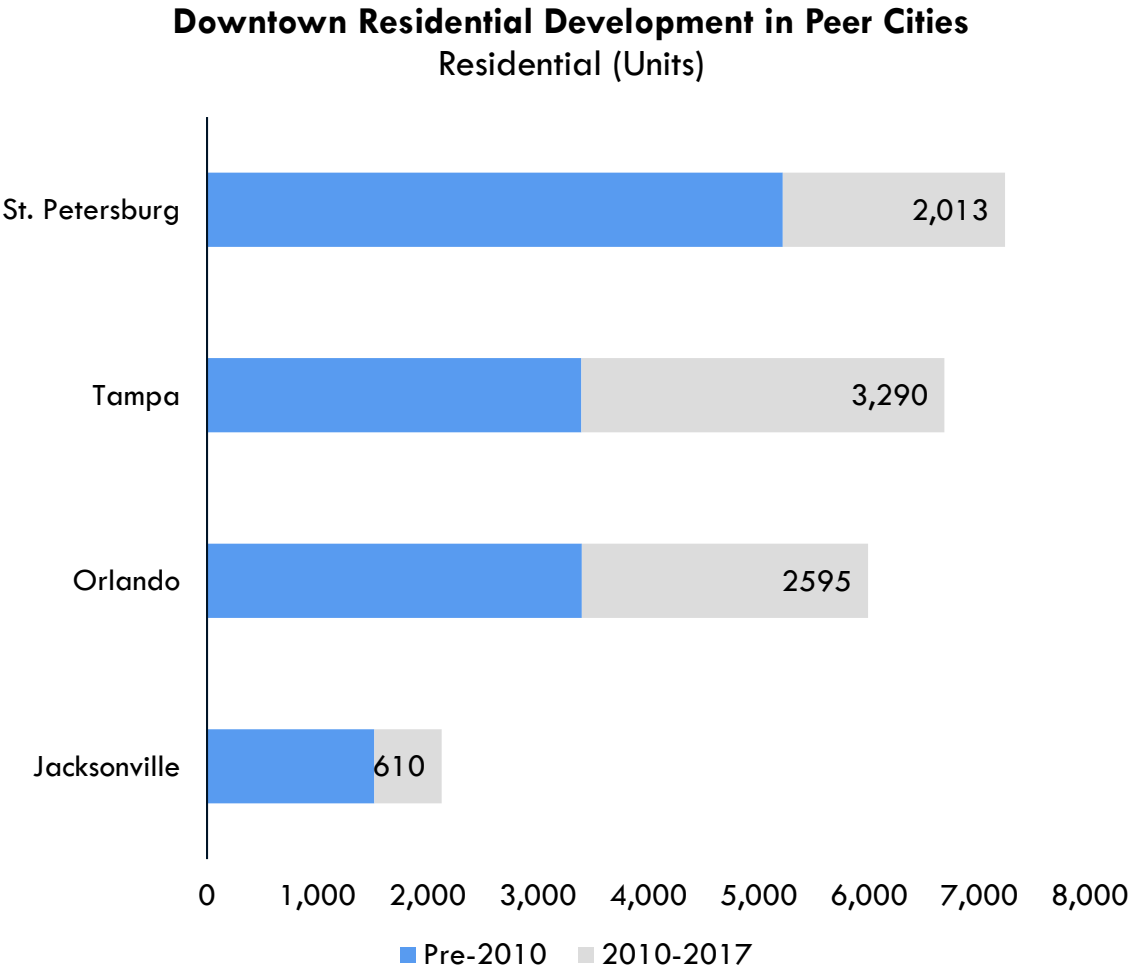
Downtown Vision estimated that the Downtown population is about 4,500 people in 2016 – a substantial increase for Downtown, but still too low to have a fully self-sustaining, vibrant Downtown.

~1 %
OVERALL JACKSONVILLE POP.

Downtown contains less than 1% of Jacksonville’s 880,600 residents, a very small percentage compared to other cities of its size and regional stature such as St. Petersburg (where 5%+ of the population lives Downtown). Assuming that preferences for Downtown living are broadly shared, this suggests that Jacksonville has a significant opportunity to densify its Downtown and add population.

Source: Downtown Vision, U.S. Census

Jacksonville continues to lag behind peer cities in downtown residential development.

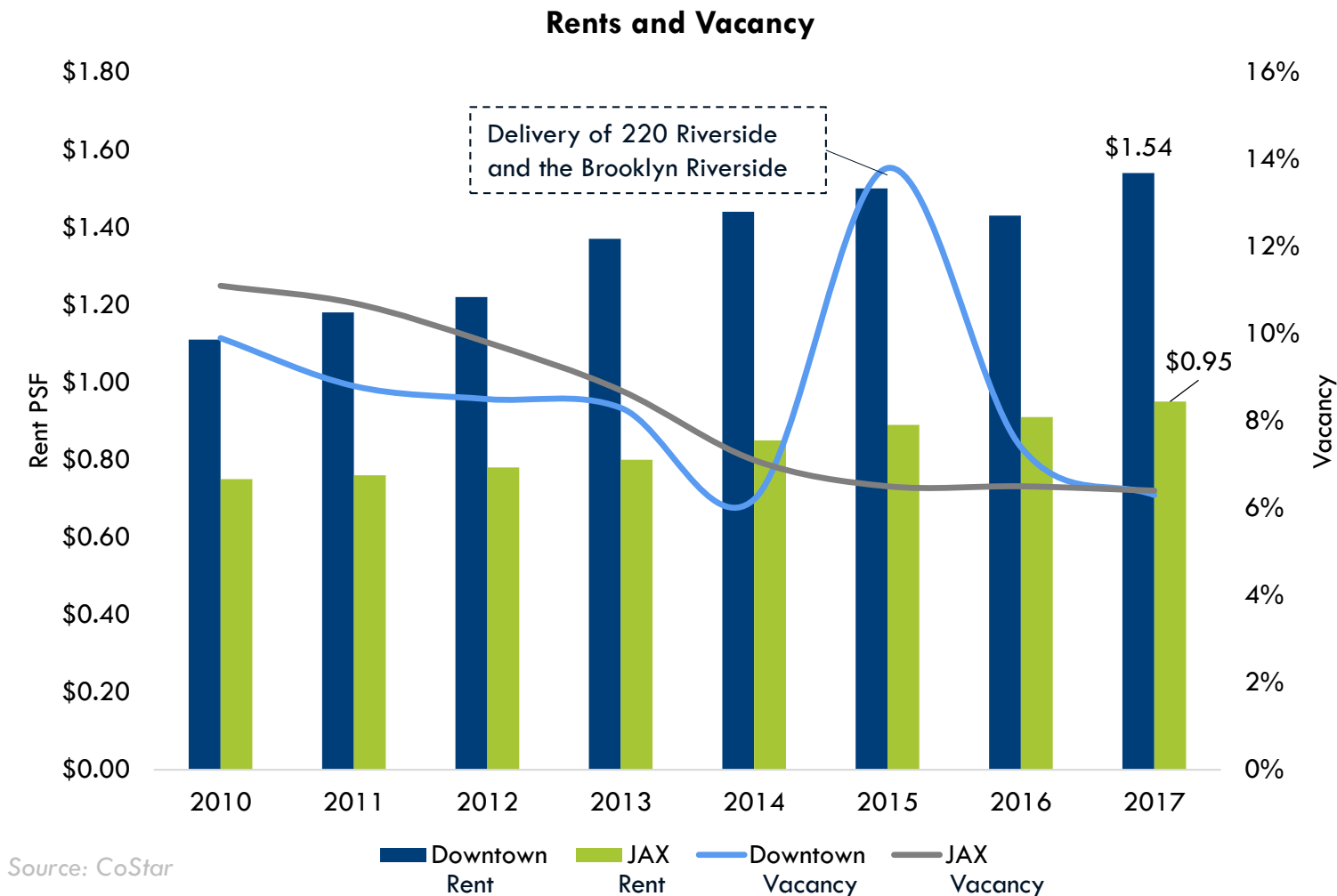


Between 2000 and 2017, Jacksonville added nearly 145,000 residents, growth of about 20%. However, Downtown Jacksonville only added about 2,100 units since 2000 or about 610 units since the Recession, primarily at the Brooklyn Riverside and 220 Riverside.

Downtown Jacksonville has seen some new multifamily development, but it lags behind regional competitors. For example, St. Petersburg and Tampa have experienced 5% and 24% population growth since 2000 but have added nearly 7,200 and 6,700 units, respectively, to their Downtowns in that time period.

Source: CoStar. New residential development within 1 mile radius of city center.

Growing rents and low vacancy rates indicate momentum for increased residential Downtown.



Source: CoStar

+39%

Rents Downtown
(2010-17)

+27%

Rents Citywide
(2010-17)

\$1,390

Average rent per 900 SF unit
Downtown
(2017)

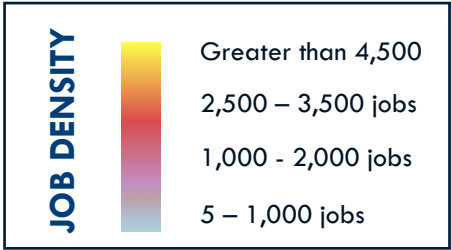
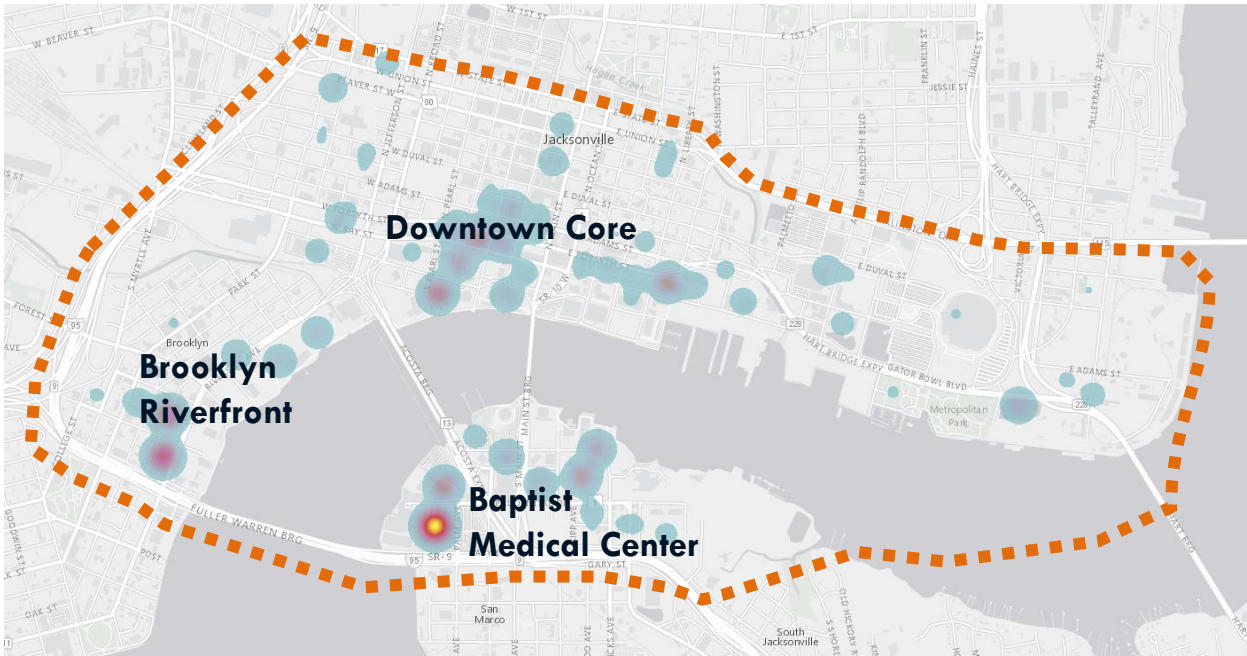
\$890

Average rent per 900 SF unit
Citywide
(2017)

There is a substantial rent premium for multifamily development Downtown when compared to the citywide average rent.

Based on conversations with developers and brokers, rents may still be too low to support substantial new high-rise construction, but there is opportunity for more midrise product and potentially for historic building rehabilitation (with tax credits). Additionally, brokers and developers frequently distinguished between the markets of the North Bank and the South Bank. The South Bank is closer to premium markets and can command higher rents (e.g. the new Broadstone River House is being built without public subsidy and anticipates achieving rents of nearly \$2 PSF), whereas even premium buildings in the North Bank, like the Carling, do not command average rents above \$1.50 PSF.

A daily worker population of over 56,000 brings a vibrancy to Downtown.

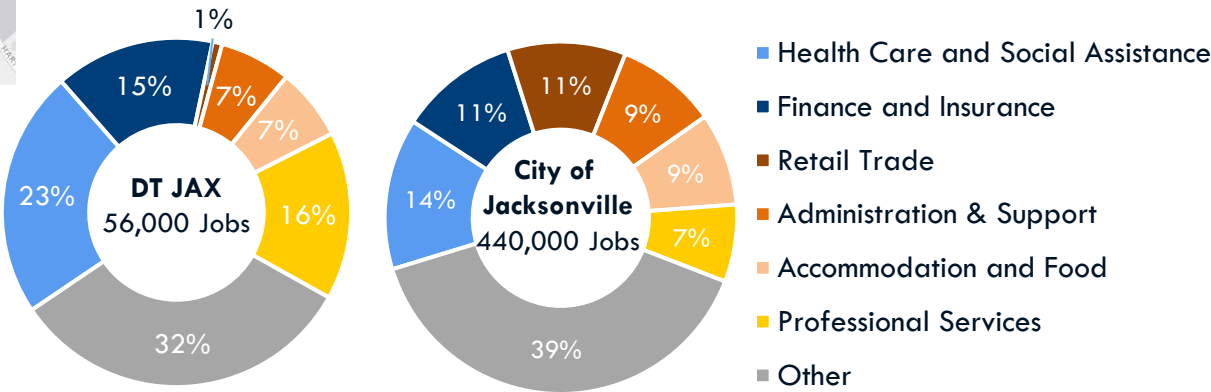


Note: These jobs figures may be slightly lower than the full Downtown worker population, as LEHD does not include military employment in its estimate.

Downtown Jacksonville is a major employment center for the region, with over 56,000 daily workers. About 23% of these workers work in health care and social assistance, with the majority related to the Baptist Medical Center and the numerous social service providers in the area. Further, about 15% of workers are in higher-wage industries like Finance and Insurance, a disproportionate share compared to the City overall.

Key job centers are the large office buildings at the Downtown core, the Baptist Medical Center, and the Brooklyn riverfront; however there are pockets of jobs spread throughout Downtown.

Although Downtown is home to many existing workers and businesses, there is no market for speculative office space Downtown according to local brokers. Additionally, retail employment is low downtown, representing only 1% of jobs compared to 11% citywide.



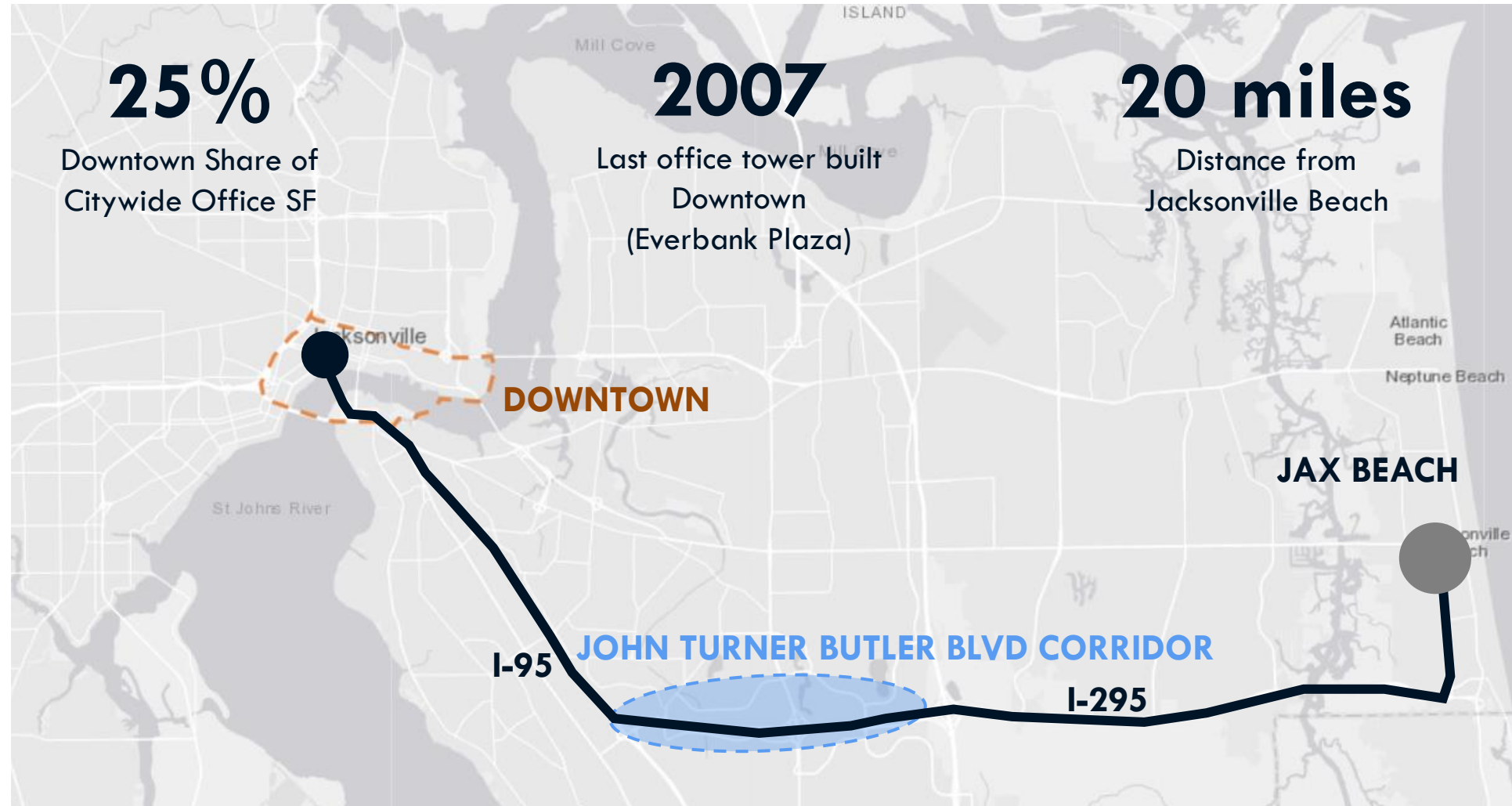
Employment by Industry

Source: LEHD On The Map

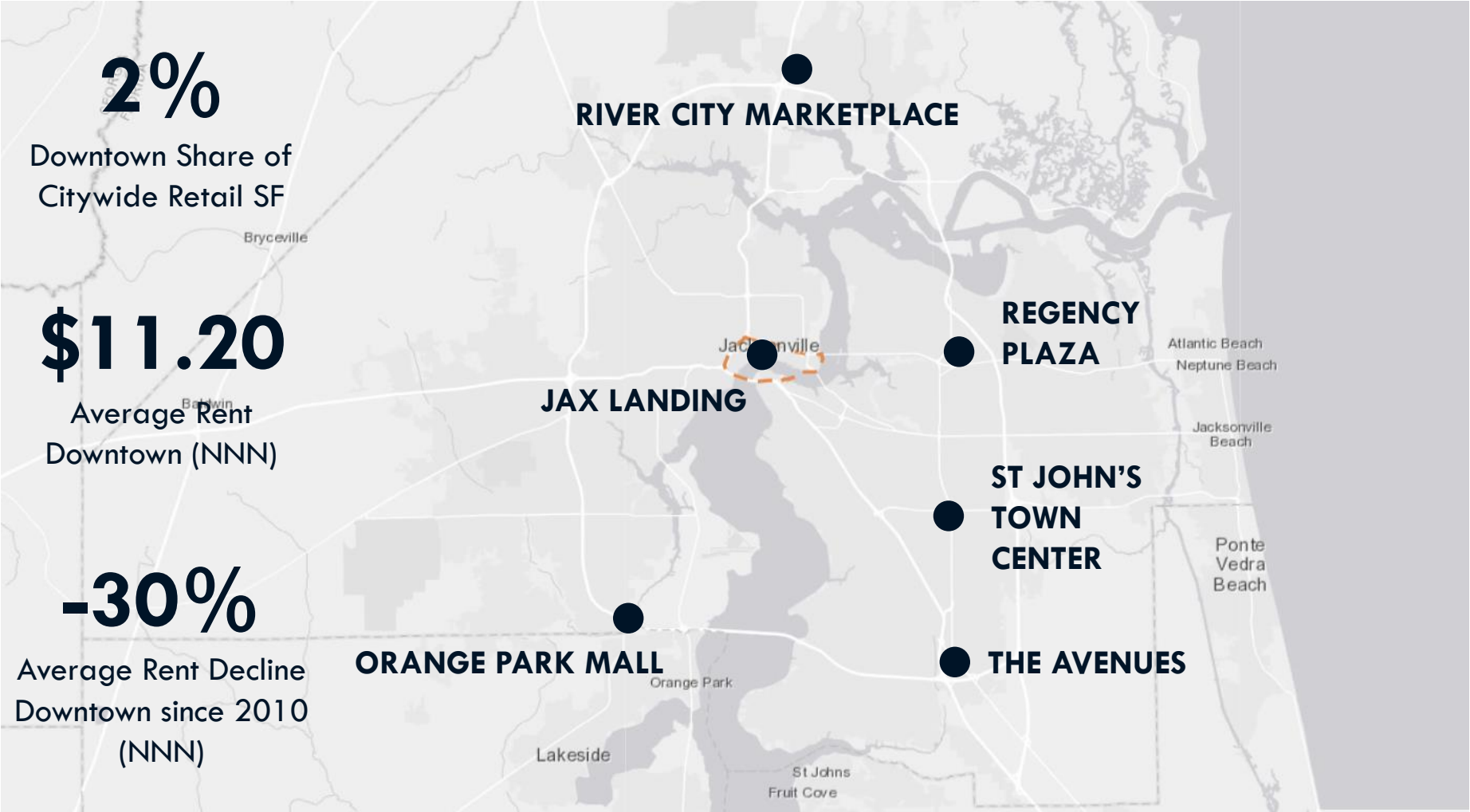
However, Downtown competes for office users with suburban locations, and growth Downtown has stalled due to a perceived lack of parking and proximity to executives and talent.

Downtown's primary competition in the office market (15M SF total) is the John Turner Butler Blvd Corridor, which contains over 12M SF of office space, nearly two-thirds more than Downtown (~7.5M SF).

Local real estate experts agreed that the Butler Blvd corridor is considered a prime office location thanks to its easy freeway access, ample parking, and closer access to executives who live near the beaches.



Significant retail growth is unlikely in the near-term given current preferences for suburban shopping, but demand for retail will increase as the Downtown population grows.



Downtown retail is struggling amidst continued trends towards suburban retail markets. Consumer preferences are aligned with car-oriented shopping malls. Downtown is not seen as a prime location for retailers looking to set up shop in the area.

Jacksonville Landing is a strong tourist and local attraction, especially on game days, but according to local brokers, many Jacksonville residents do not see the Landing as a preferred shopping destination given a lack of prime retail shops and perceptions of inadequate free parking.

The implementation of the District and the Sports & Entertainment District will serve as anchors that will bring new levels of activity to the eastern edges of the North and South Bank.



PROPOSED PROGRAM

RESIDENTIAL: 626 units
RETAIL: 150,000 – 250,000 SF
OFFICE: 300,000 – 500,000 SF

SHARE OF DOWNTOWN PIPELINE

66%
Residential

90%
Retail

100%
Office

RESIDENTIAL: 1,170 units
RETAIL: 288,500 SF
OFFICE: 200,000 SF
HOTEL: 200 rooms
MARINA SLIPS: 15

Residential development presents the best short-term market opportunity and can serve to build up the market for additional commercial activity as the market grows.



A **residential-first strategy** has the highest chance to lead to a self-reinforcing market cycle. Dense multifamily development leads to new residents in the neighborhood, who bring local spending power to patronize shops and restaurants. This influx of new spending can lead to new convenience retail and neighborhood food and beverage options such as cafes and restaurants. Together, the dense development and the retail stores help create a cohesive sense of place and a concentration of talent and amenities.

In today's market, where new business follows talent, this concentration of talent and amenities can help induce office development in the long run as companies seek to locate near their employees and in places where employees have access to amenities and where people want to be.



**Household spending power derived from existing spending potential on convenience goods in Jacksonville per household (\$15,000); Esri.*

Downtown Minneapolis grew both its residential and office market by focusing on increasing residential population and enhancing amenities such as open space and transit.

RESIDENTIAL FIRST: MINNEAPOLIS, MN

In 2011, just as it was recovering from the Great Recession, Minneapolis set a goal in its 2025 plan to double its Downtown residential population by 2025 from 35,000 people to 70,000. In turn, Minneapolis invested heavily in new amenities including new transit and light rail options, parks, bikeways, a new stadium district, and supported the first Downtown grocery store. In 2018, the population of downtown Minneapolis grew 43,500 and is continuing to expand, with thousands of planned units under construction.

While most office development after the Recession was primarily build-to-suit and not located in downtown, the City's residential-first strategy has also led to some new office development. In 2016, Minneapolis first speculative office building in 10 years. T3, opened. T3 provides unique, highly-amenitized space custom to appeal to young professionals and millennials. Amazon leased 30% of the approximately 220,000 SF building; the rest of the building now commands the highest rents in the region.



Investment in transit and amenities such as the Commons Park, light rail, and a new stadium district paved the way.



T3
Home to Amazon, MN

Downtown needs stronger retail and quality open space to improve residential and commercial interest that is currently limited by a lack of amenities.



Grocery options

Fresh Market at the Brooklyn Riverside shopping center, which opened in 2016, was the first Downtown grocery store to be developed in recent history. However, the rest of the North Bank and the South Bank lack convenient grocery options, which makes the area less attractive to new residents.



Convenience retail

Downtown lacks retail aimed at neighborhood residents, and lacks small stores that carry everyday items such as toiletries and convenience foods, as well as a pharmacy.



Open space

Downtown lacks well-programmed and well-utilized open space in comparison to competitive neighborhoods and peer cities. Such spaces are key for making Downtown livable for residents, but also serve as an amenity for workers and visitors.

Public investment has improved the waterfront, but it still lacks cohesion, connections, and a set of complementary and adjacent attractions to make it a true destination.

The waterfront lacks **connection** with adjacent neighborhoods. Because of previous development that was allowed to build to the river's edge, there are few areas where there is direct connection between the waterfront adjacent neighborhoods and the Riverwalk.



There are few **amenities** on the waterfront, with lackluster retail and a few restaurants.



The waterfront is home to inhospitable **design** and narrow passages in numerous places.



There is limited greenery, shade, and spaces for **programming**.



INTRODUCTION

WHY DOWNTOWN?

KEY MARKET FINDINGS

INVESTMENT OPPORTUNITIES

- *FRAMEWORK*
- CATALYST SITES

IMPLEMENTATION ROADMAP

Downtown's long-term goals can be achieved through a set of distinct outcomes.

1

STRENGTHEN **BRAND AND IDENTITY**

2

INCREASE **VISITATION** BY JACKSONVILLE
RESIDENTS, WORKERS, AND VISITORS

3

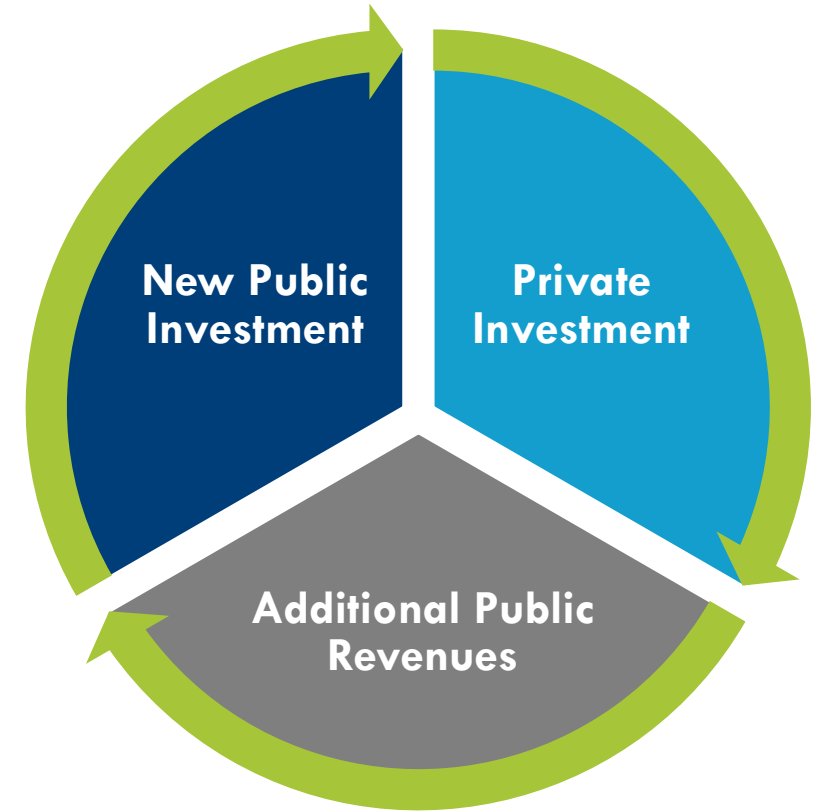
INCREASE **RESIDENTIAL POPULATION**

4

GROW **PRIVATE MARKET INTEREST**

Six key strategies can help the City and DIA more judiciously appropriate limited resources to support desired outcomes.

1. Improve the **quality of experience and connectivity** at the waterfront
2. Invest in **signature Downtown open spaces**
3. Create a **coordinated branding, marketing, and programming strategy**
4. **Target and prioritize investments** for maximum impact
5. Support **near-term wins** and smaller projects
6. Leverage **publicly owned-properties** for growth



Strategic, public investment can create a positive and self-sustaining cycle, whereby it induces private investment that generates new tax revenues, which can then be funneled back towards further public investments that can spur further private investment.

1. Improve the quality of experience and connectivity at the waterfront to encourage increased visitation by residents, workers, and visitors.

❖ Establish a **sense of place** at specific nodes

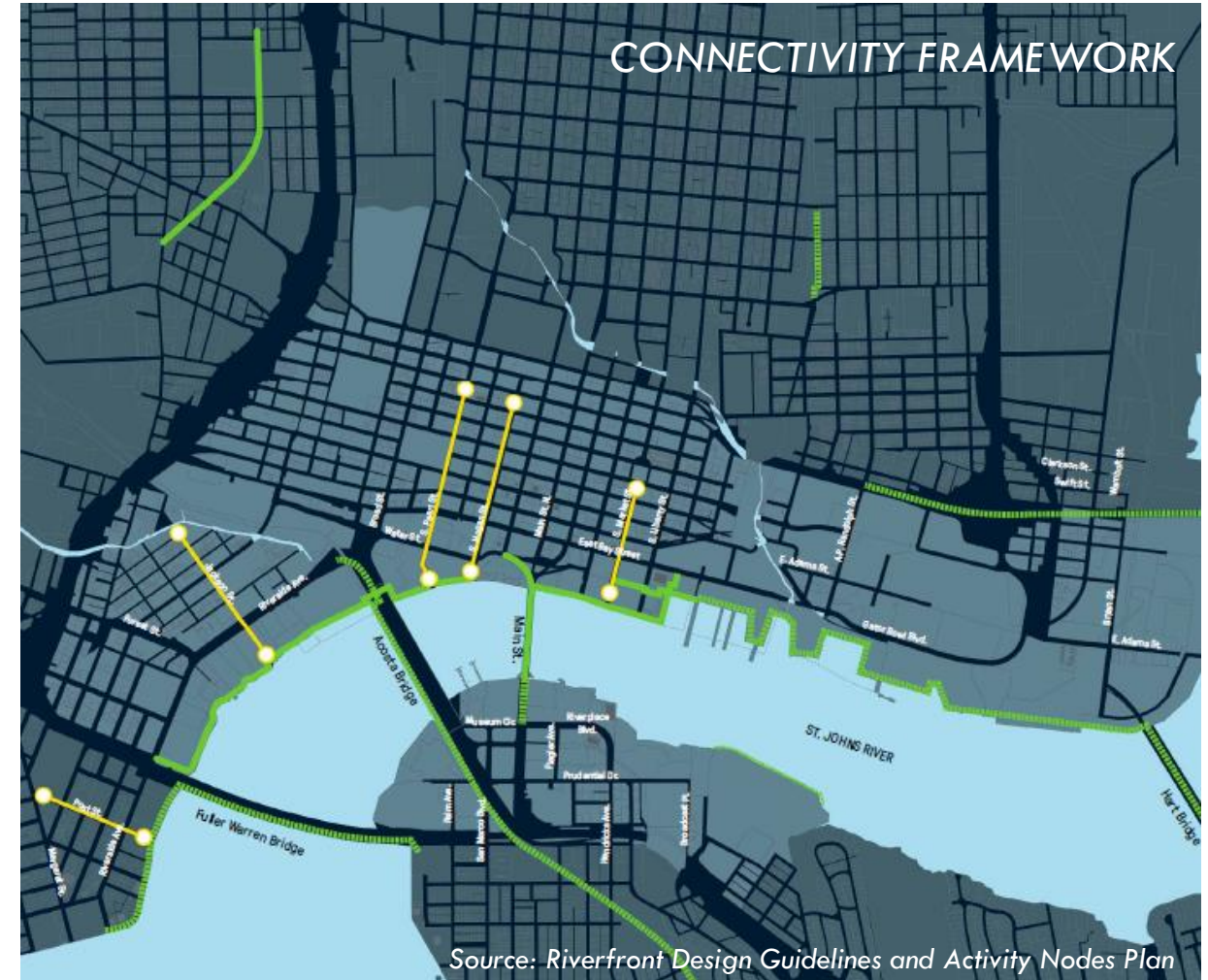
Active nodes that are well designed, maintained, and link to Jacksonville's storied history will help create true places where residents, workers, and visitors want to be.

❖ Create a more cohesive, **accessible experience**

Unified design through wayfinding and signage helps create a cohesive experience for users of the waterfront.

❖ Knit the riverfront together and to **adjacent neighborhoods**

The waterfront must be connected to the neighborhoods around it through streetscape improvements.



2. Invest in signature **Downtown open spaces** by transforming current parks and building new parks to act as anchors for activity.

- ❖ **Build a network of distinct open spaces** that are inviting, appealing, and well-maintained

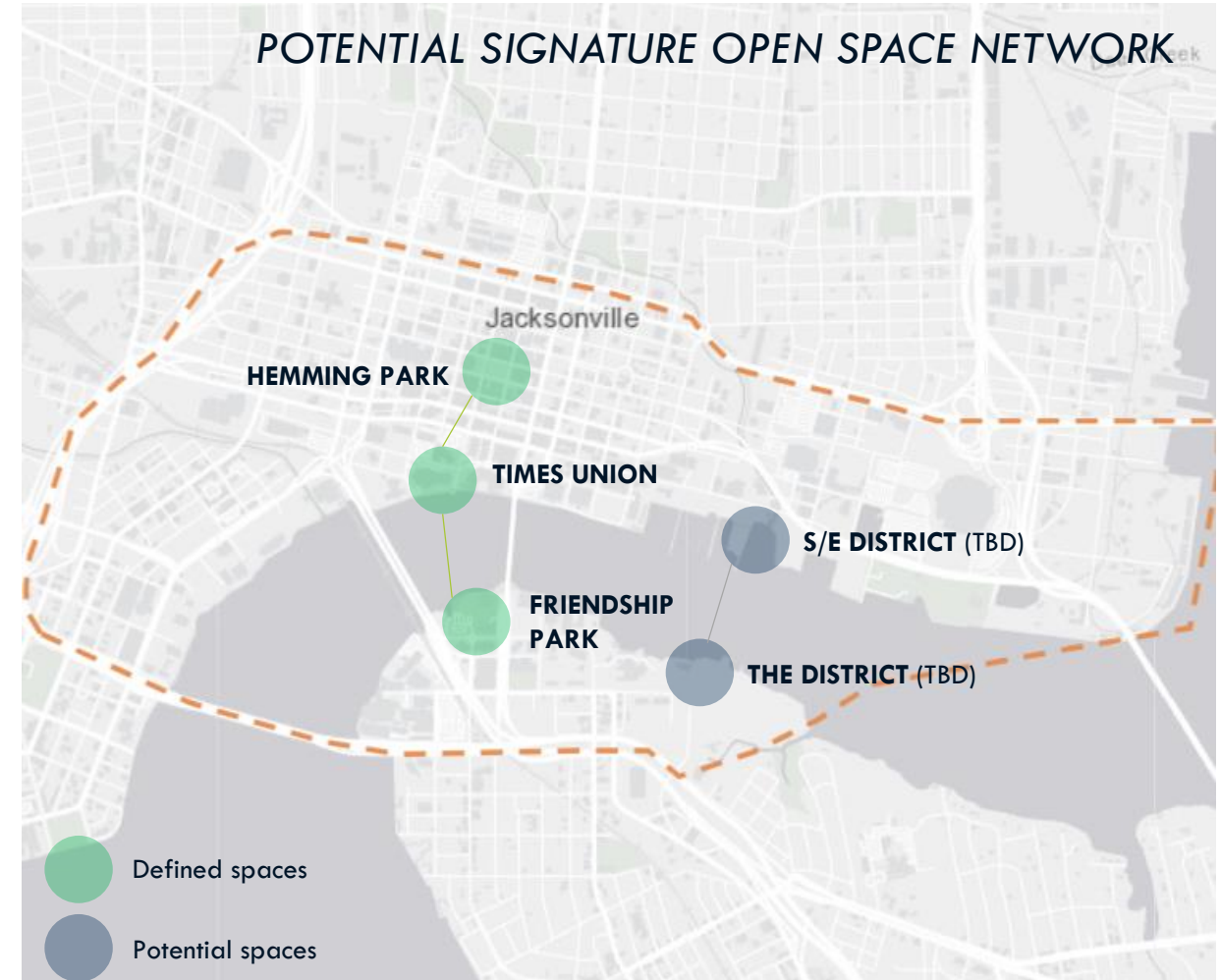
Lacking a single, signature park, Jacksonville must invest in a network of smaller connected parks that create a network of attractive spaces for visitors, residents, and workers alike.

- ❖ **Emphasize connections** through common design and wayfinding

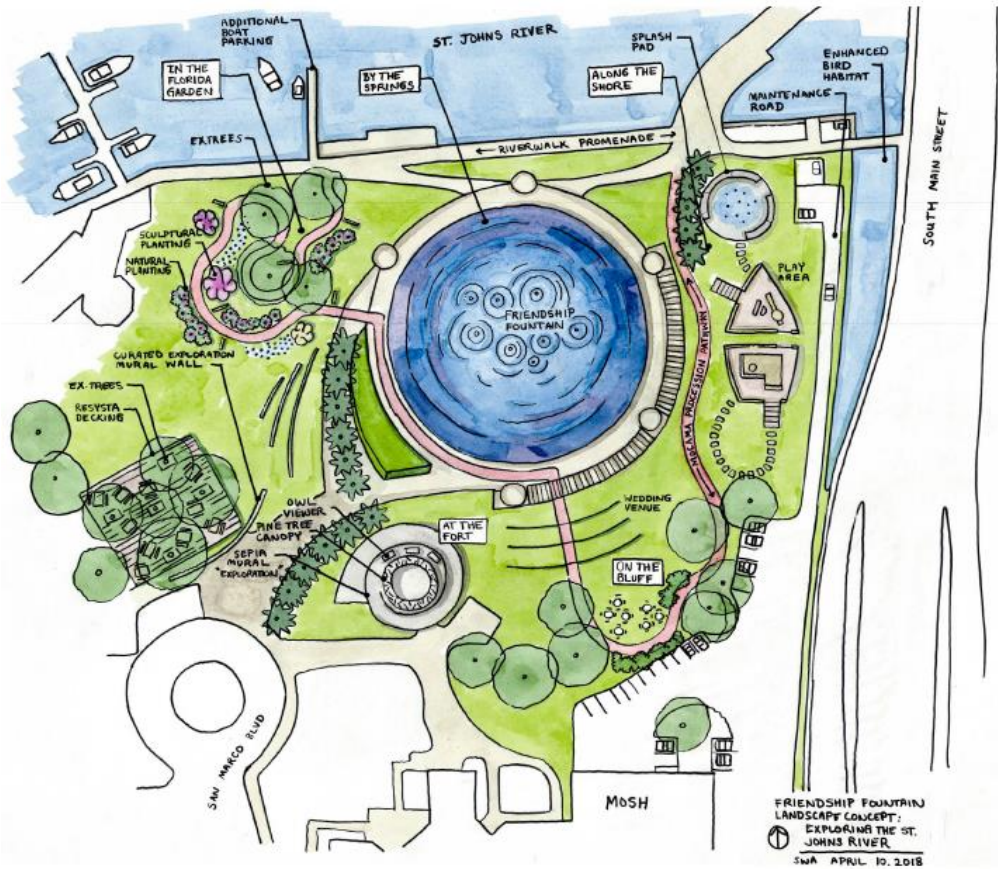
Design can be utilized to create a sense of connection between the key open spaces and the rest of the riverfront.

- ❖ **Invest in revitalization of Friendship Park and Times Union Center**

Focus resources, at least initially, on the defined signature spaces at the waterfront so as to create a successful proof of concept for design and activation of Downtown open space that can be applied to future key areas like the S/E District and the District.

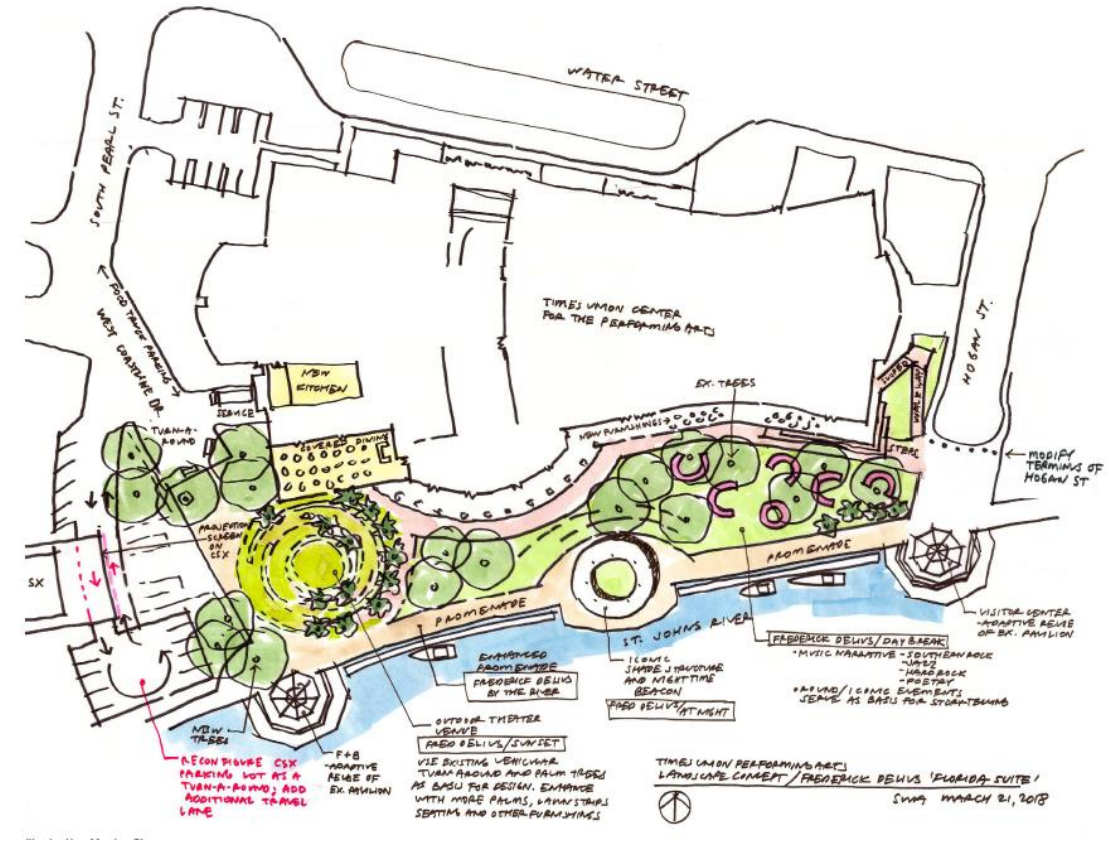


Leverage existing assets and new thinking to transform existing waterfront spaces into year-round, regional assets.



FRIENDSHIP PARK

By introducing landscaped areas with grassy mounds and shade trees, as well as designated play areas for kids to explore near water inlets, Friendship Park can become a natural place to attract more visitors of all ages.



TIMES UNION CENTER

As Jacksonville's center for musical and cultural performance, the Times Union Center for the Performing Arts venue becomes a center for the design of a new waterfront park.

3. Create a coordinated branding and programming strategy that builds on existing efforts to establish a strong identity for Downtown.

❖ Build a **brand and identity** for Downtown

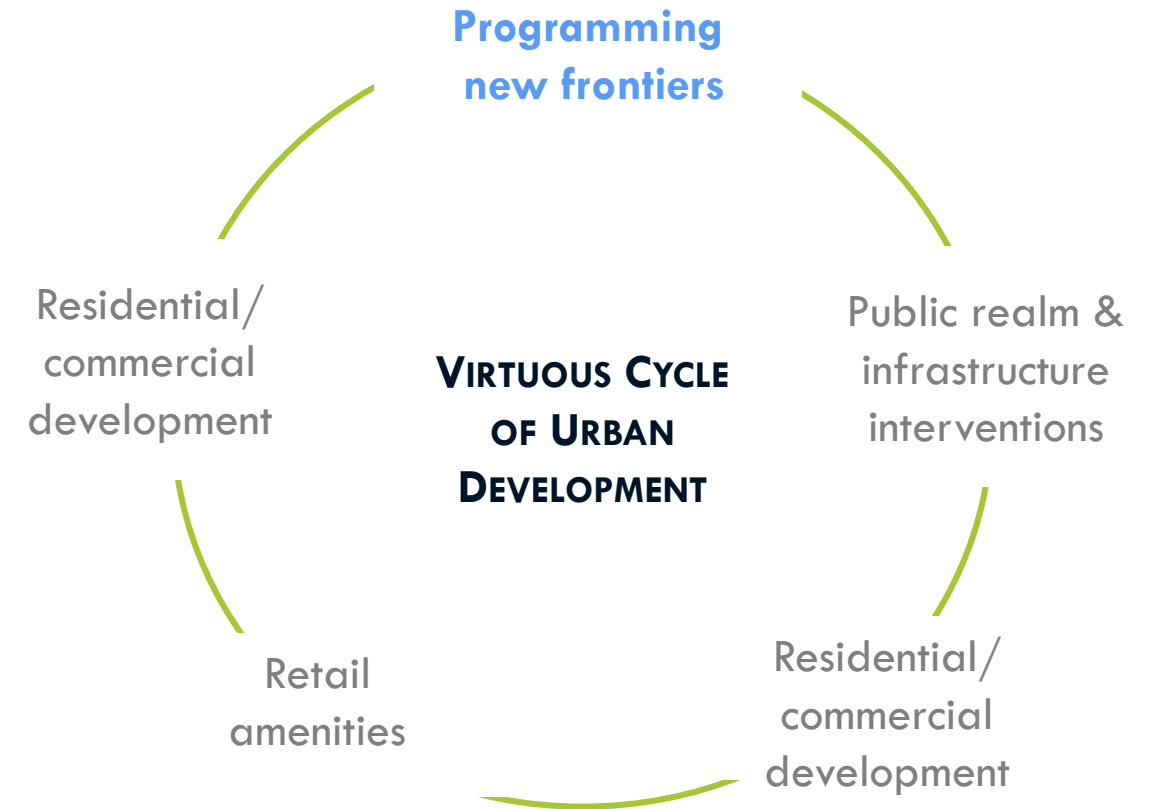
Unlike other peers, Downtown lacks a consistent brand and identity as a “place to be” or unique offering within the metropolitan area. Peer Downtowns have been able to spur more growth by building places that have great amenities and provide a positive experience, but also create a distinct and attractive identity in the eyes of residents, workers, and visitors. This in turn drives more investment from public and private parties.

❖ Recognize the potential of programming as an **economic development tool**.

Programming strategic sites can spur additional investments in public realm and infrastructure that ultimately attract new residents and amenities Downtown. Driven by the local appetite and potential for funding, programming creates value by: 1) strengthening the Downtown and Jacksonville brand; and 2) enhancing the experience for everyone.

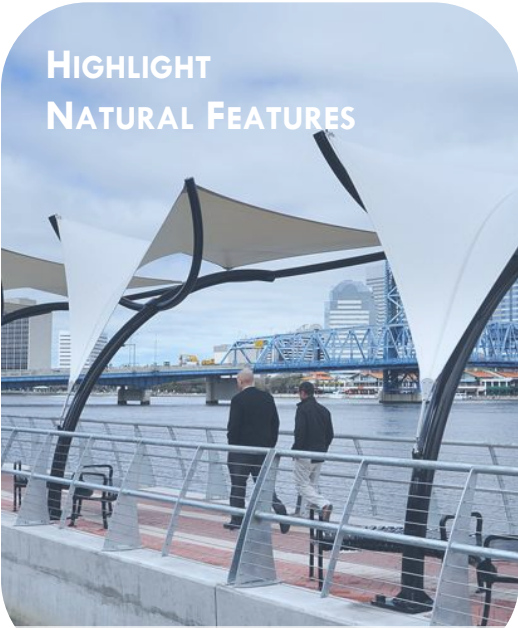
❖ Create a **new entity or invest in an existing entity** that oversees and coordinates all activation, programming, and branding at the riverfront.

By concentrating resources into a small number of organizations, Jacksonville can increase its chances of success in creating the virtuous cycle of urban development. Adequate funding is also important - sustained, consistent activity will rebrand Downtown's open spaces, and as seen in other downtowns nationwide, this level of programming requires significant investment.



Develop a “People First” waterfront that engages all Jacksonville residents, workers, and visitors through a cohesive and appealing Riverfront experience.

**HIGHLIGHT
NATURAL FEATURES**



Jacksonville Riverwalk

Create a great place by evoking Jacksonville’s natural features such as water, green space, fauna, and contributions to arts and culture. Highlighting Jacksonville’s unique characteristics will contribute to an authentic experience for all.

**CONNECT TO
EXISTING ASSETS**



TIAA Bank Field

Leverage existing attractions to knit together a more attractive Downtown Jacksonville experience including retail destinations, concert venues, sports arenas, nightlife along the Elbow, and the Riverwalk.

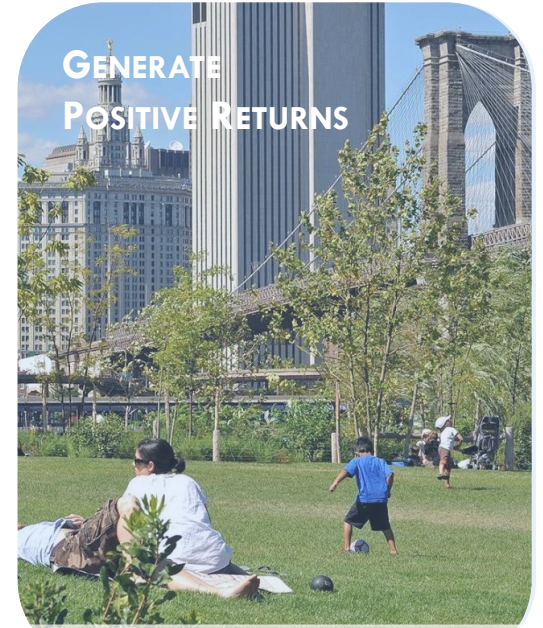
**MAKE IT
MEMORABLE**



Panthers Island in Fort Worth

Inject new life into Downtown by creating a unique experience at the Riverfront. Positive impressions will encourage repeat visitation through word-of-mouth promotions and will elevate Downtown’s brand.

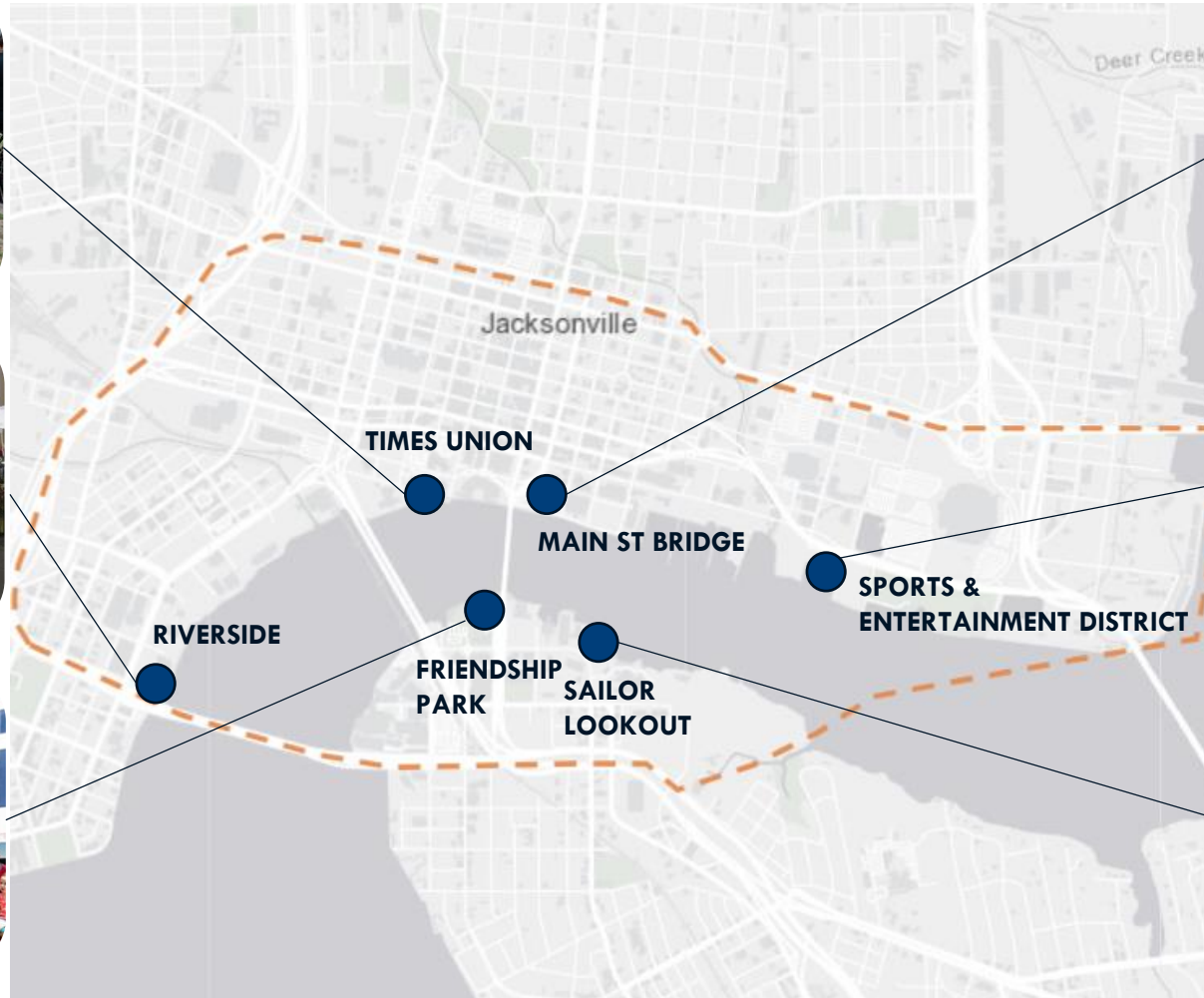
**GENERATE
POSITIVE RETURNS**



Brooklyn Bridge Park

Successful investments can further Downtown Jacksonville goals and catalyze private investment for funding additional amenities and services needed for attracting families to the area such as parks, grocery stores, and quality transit.

Provide a diversity of experiences that appeals to the range of populations Downtown and leverages Jacksonville's assets, history, and unique natural features.



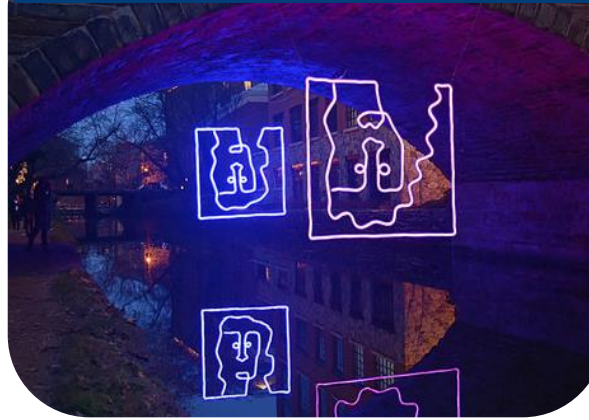
Leverage existing assets to develop unique programming that connects to the broader Downtown.

SPORTS & ENTERTAINMENT DISTRICT



The Sports & Entertainment District should seek to leverage proximity to TIAA Bank Stadium to create an active hub that celebrates Jacksonville's sports and recreation. The park can leverage potential partnerships with the Jaguars or other professional sports teams to celebrate active recreation through the node's landscape as well as its exercise-centered programming. An example of this is in Charlotte, where the Panthers have created Play 60 Kidzone, equipment and recreational programming aimed at encouraging kids and families to be more active. The District should also create an inviting node that allows for integration with entertainment uses. For example, cities like New Orleans and Kansas City have used well-programmed active space outside their stadiums for game-day and year-round programming.

MAIN STREET BRIDGE



Programming around the Main Street Bridge should connect to the Northshore Riverwalk. While space is limited, this area can serve to visually connect the Riverwalk through lights, arts, and passive recreation and support programming taking place in nearby areas, such as, Times Union Center, Jacksonville Landing, and the Old Courthouse.

TIMES UNION



The Times Union Center can utilize its proximity to Downtown and the concert hall to create an exciting place for professionals and those visiting the concert hall. Events should aim to dissolve the boundaries between the concert hall and the Riverwalk – and bring them together through indoor/outdoor events like NWS WALLCAST at SoundScape Park in Miami or Opera on the Mall in Philadelphia. Other cultural institutions have instituted regular, consistently programmed events that build an identity for the organization and neighborhood.

Elevate the brand of Downtown through quality programming that is Instagram-ready.



Lawn on D, in Boston MA, is an example of a successful, highly-programmed, 2.7-acre park located at the nexus of the Innovation District and South Boston neighborhoods – a formerly desolate part of the city.

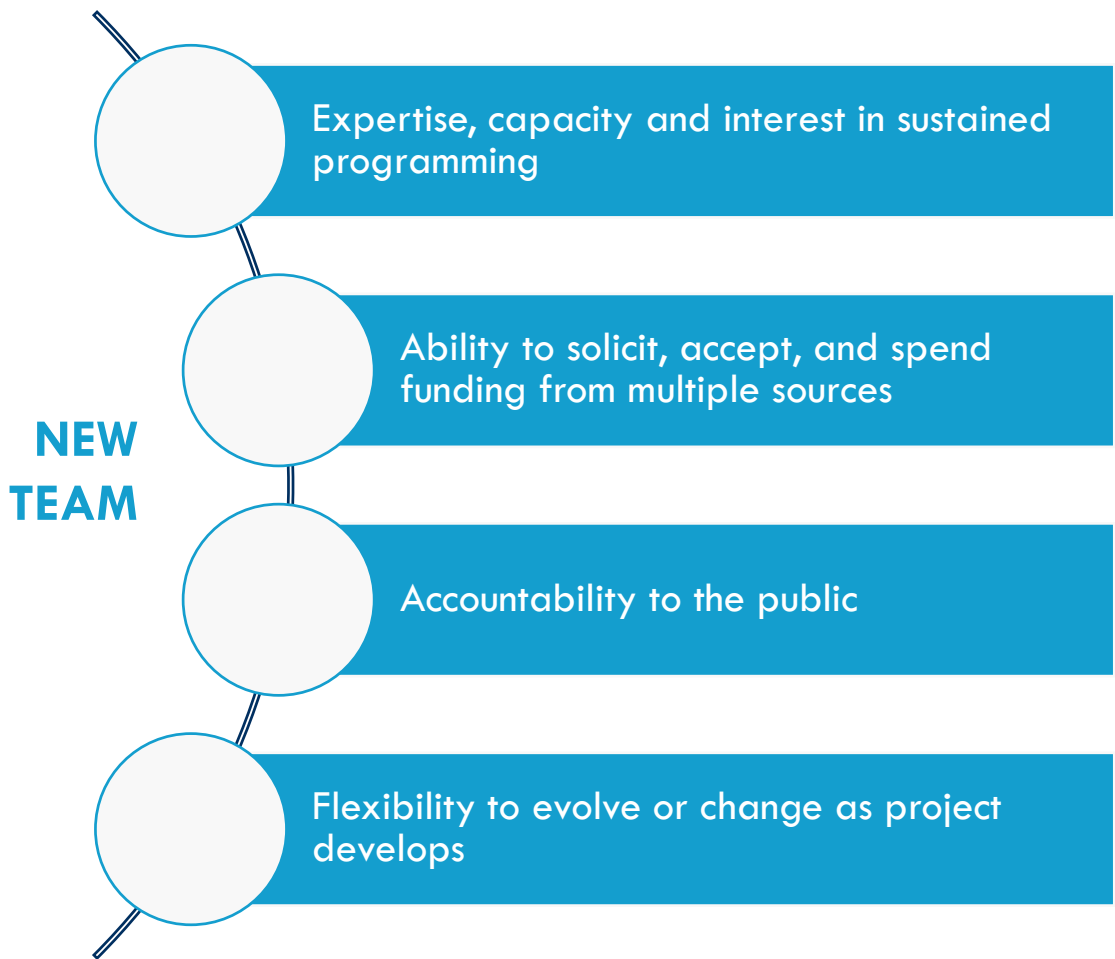
The Lawn on D incorporated a passive recreation space and a flexible, experimental event space focused on providing consistent, high-quality, interactive programming for the area's diverse customer base of residents, workers, and conventioners. Since its opening in 2014, it has gained notoriety as a playful, vibrant destination in South Boston that provides a consistent roster of programming suited for all ages.

Key lessons from the Lawn on D include:

- Concentrate investment. Small spaces can be highly used and highly visible, if they receive sufficient investment.
- Create programming that is outside the box and ready for social media
- Smart investment is not always capital intensive. The Lawn on D's capital investment was only a total of \$1.4M, but the O&M is above \$1M per year.

The Lawn on D, Boston

Create a new team wholly dedicated to addressing funding, programming, and management needs Downtown.



Downtown should create a new team wholly dedicated to addressing programming needs that is either a new organization or, more likely, housed within an existing entity. The entity chosen must be able to navigate both public and private spheres, including the ability to solicit funds from all sources, but remain accountable to the public. For cohesive messaging, scheduling, and branding, this should be one entity, recognizing that the entity dedicated to programming and branding Downtown should focus on a few key sites as it ramps up its capacity. The team should also be strategically aligned with the DIA and partner with Downtown Vision.

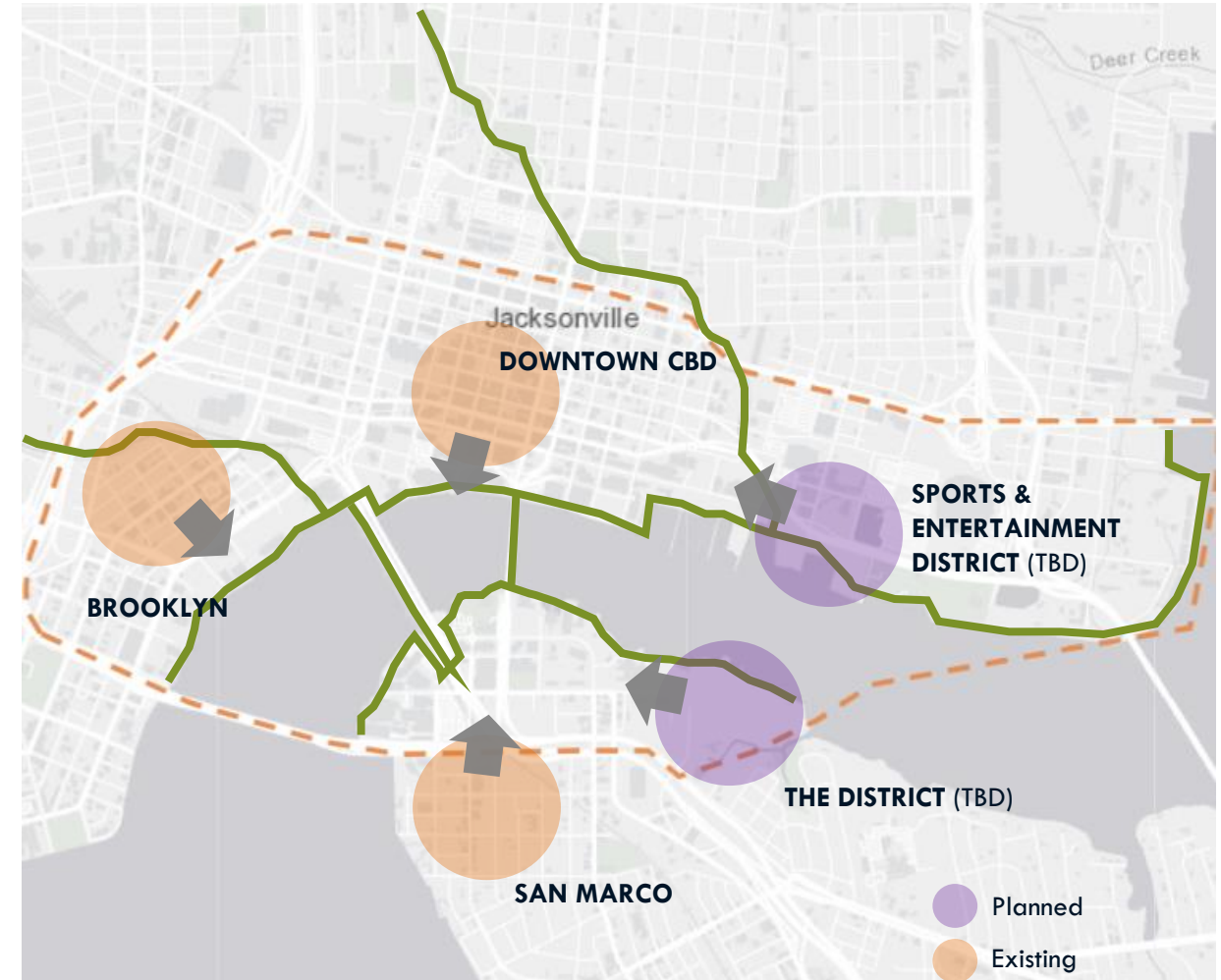
Most critical is for Jacksonville to concentrate its funding for Downtown programming and activation to one or two key sites so that these sites can serve as proof of concepts for broader Downtown activation. These sites should have frequent, consistent, and quality activation that should grow as new programs and events are tested and refined due to public interest. Comparable downtown spaces, such as Cincinnati's Fountain Square, have programs 365 days/year. As this entity gains experience in activation and programming, and demonstrates to the broader public the positive impacts programming can have, then it can consider expanding programming and activation to other areas in Downtown.

An analysis of potential funding options for sustained operations and maintenance and programming is offered in the Implementation Roadmap section of this report.

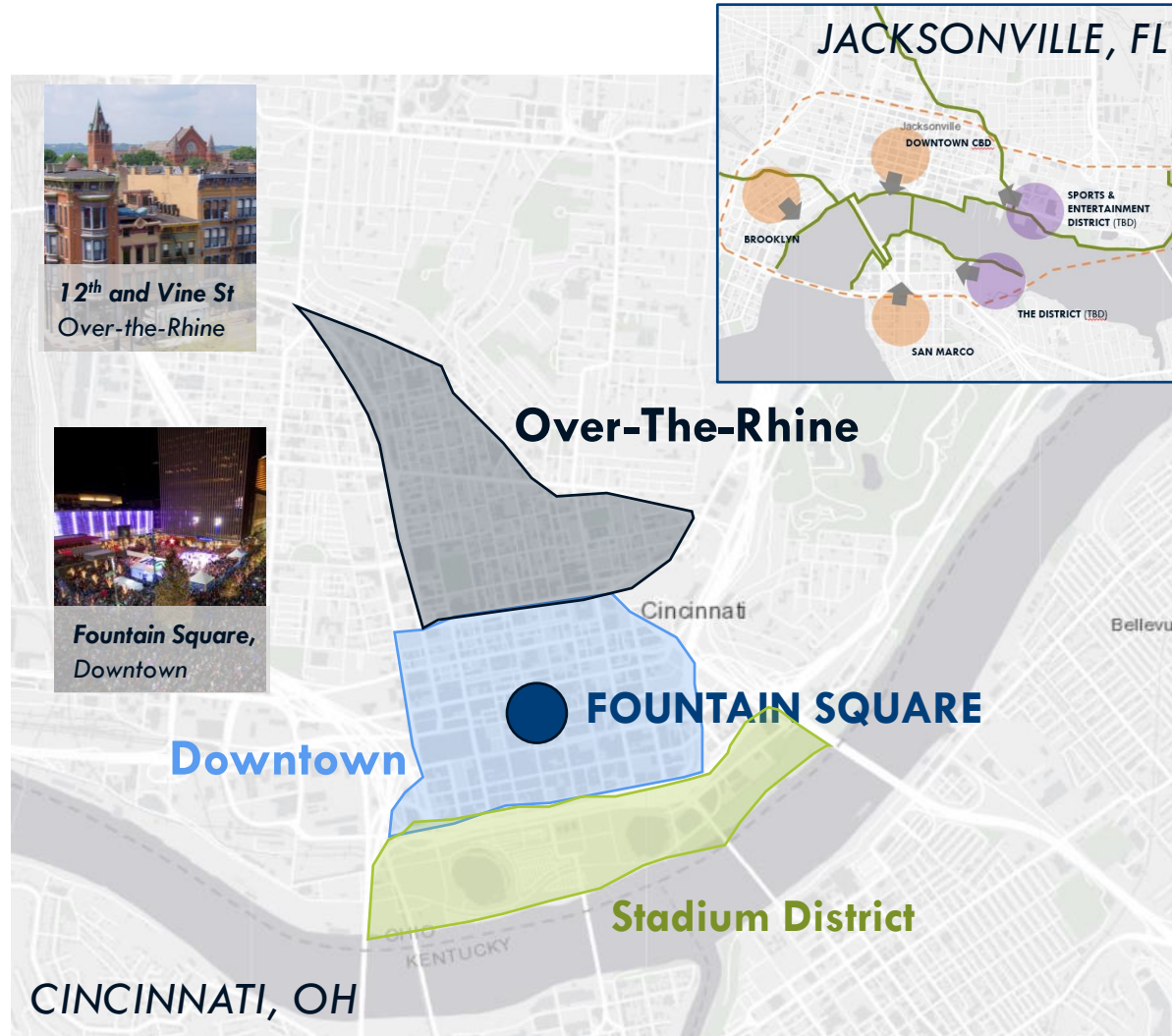
4. Target and prioritize investments in areas along the waterfront that are in proximity to strong neighborhoods and activity centers.

- ❖ **Concentrate improvements** in prioritized activity hubs to maximize the impacts of this investment rather than diluting funding throughout the Downtown.
- ❖ Use **low-cost interventions** like programming and art in these areas to further strengthen activation and identity.
- ❖ Build **connections** so that momentum can spread across the Downtown

Neighborhoods in and around Downtown that are thriving or at least improving provide an opportunity for the waterfront. For example, San Marco is a successful shopping destination with well-regarded stores and restaurants. The Riverfront should draw people from those neighborhoods towards the waterfront through new investment and better streetscape. Neighborhoods with energy that can be harnessed towards greater riverfront investment include San Marco at the South Bank, Brooklyn and the Downtown CBD.



In Cincinnati, concentrated investments in key neighborhoods helped launch a broader Downtown revitalization.



DOWNTOWN CINCINNATI, TRANSFORMED

Concentrated and targeted investment in key areas helped lead the revitalization of Downtown Cincinnati into one of the most thriving downtowns in the county. Civic leadership and investment in three key areas led the way:

- **Stadium District:** In 1996, Hamilton County passed a sales tax increase to fund the construction of stadiums for the Bengals and the Reds. At the time, there was little activity downtown or at the waterfront, and the stadiums presented an opportunity for new investment. However, the stadiums were just the first important step in a concerted effort to spur economic development in downtown.
- **Fountain Square:** In 2004, 3CDC, a public-private partnership led by civic leaders and local businesses, and the City initiated a two-year, \$49 million renovation leading to record visitation; \$125 million of additional private investment in the district; and new residential, retail, and restaurant development.
- **Over-The-Rhine:** The city's most troubled neighborhood, Over-the-Rhine was transformed. Key actions were open space redevelopment; new parking; and rehabilitation of deteriorated existing historic building stock, as well as a public-private partnership for neighborhood reinvestment and revised design guidelines to inspire neighborhood identity by celebrating historic architecture. There was also a focus on recruiting and supporting local retailers and restaurateurs to build its brand as the quintessential Cincinnati neighborhood. More than \$500 million of new investment have poured into the area, which has gained 2,000 net new residents and is now the center of a thriving arts community.

5. Continue focus on small and medium sized residential projects in the near term to support activity as the Sports & Entertainment District and the District advance.

❖ Unlock **opportunities for small-scale new construction and rehabilitation** through land availability and REV Grants.

Incremental change and investment is necessary to catalyze and sustain growth over the long term. Smaller projects help “prove” the market to financiers and build neighborhood assets. Recaptured Enhanced Value Grants (REV Grants), which allow DIA to use the proceeds of future property taxes to fund projects now, should be restructured to more easily support smaller projects (see Implementation Roadmap).

❖ Continue to **provide support to megaprojects** like the District and the Sports & Entertainment District.

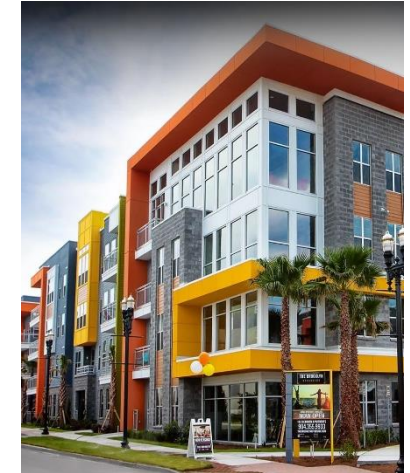
Large projects like the S/E District and District are essential to the long-term future of Jacksonville’s Downtown, and will help usher in its transformation. The City and DIA must continue to provide support for these projects, but given their long-term outlook, the DIA must also ensure that smaller projects that help build the market are completed in the meantime.



Broadstone River House
Under construction
265 market rate units



112 Duval St
Rehabilitation underway
4 market rate units



The Brooklyn Riverside
Completed 2015,
<90% occ.
~600 units in total

Other downtowns have had success incentivizing residential projects by addressing incremental costs of land and structured parking.

HOUSTON DOWNTOWN LIVING INITIATIVE

The City of Houston’s Downtown Living Initiative, approved in 2013, aimed at spurring redevelopment and increasing the residential population Downtown.

The program was designed to address the higher costs of development downtown, including higher land costs and the need for structured parking, and uses financial incentives to assist in the development of mixed-use residential buildings.

- A reimbursement of up to \$15,000 per residential unit paid over 15 years from the project’s completion;
- Exemption from the \$700 per unit in lieu fees for open space land dedication requirements;
- Exemption from all City of Houston off-street parking requirements (Houston calculated that there were 100,000 existing parking spaces in its Downtown).

The incentive resulted in 17 residential projects proposing 4,955 units in just two years. Downtown is expected to grow from 7,500 to 30,000 over the next 20 years.



6. Leverage publicly owned-properties to spur development and private market interest.

- ❖ Develop **strategic actions** for public sites in conjunction with other public and private investments.

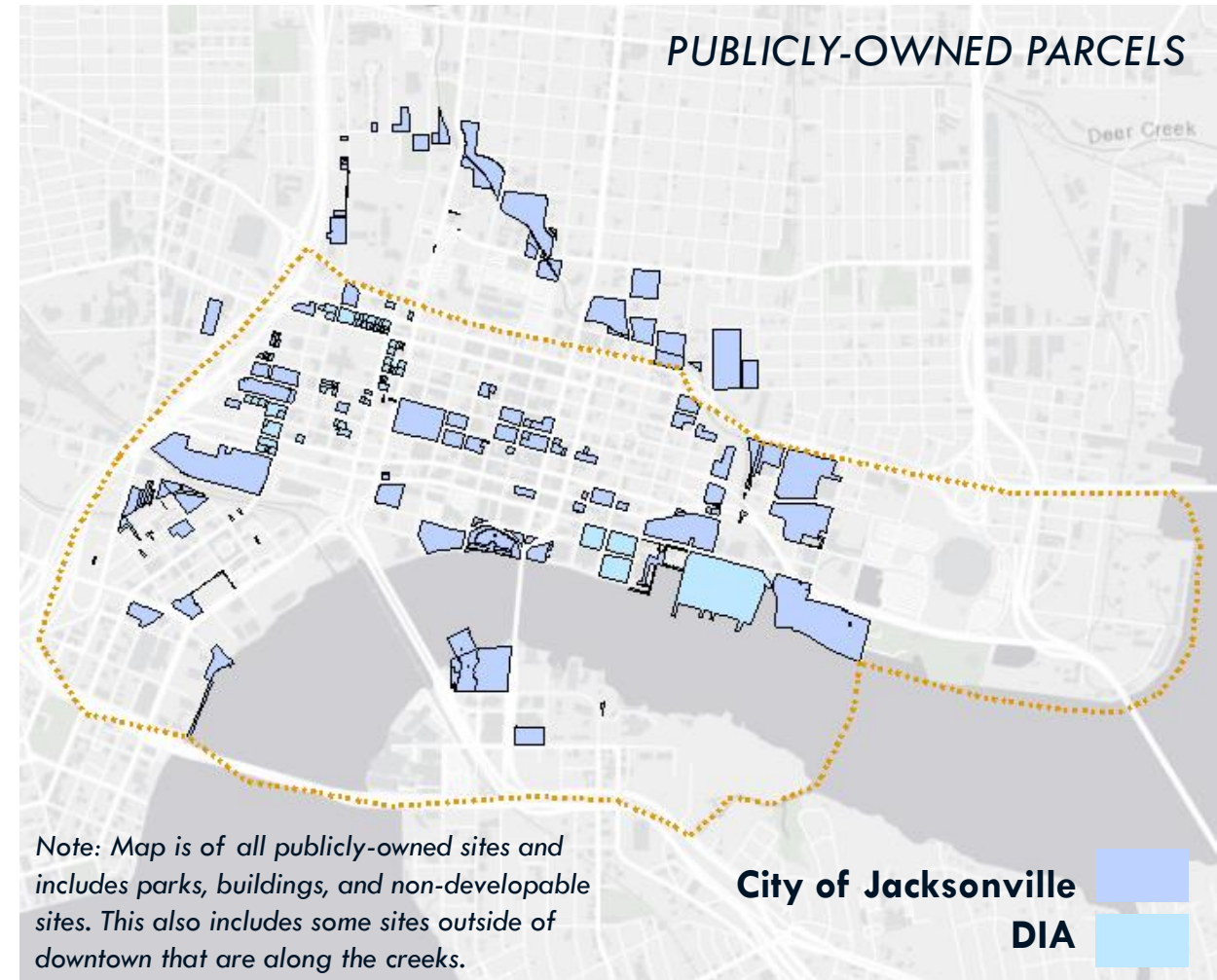
Advancing specific objectives for all public development sites help provide guidance and certainty to future developers.

- ❖ Proactively **engage developers** on sites of interest, and engage in partnerships for redevelopment.

Development on public-sites is often more complicated and time-intensive than comparable development on private land. Given the large amount of vacant private land available, DIA should proactively engage developers to push development forward.

- ❖ Structure **agreements that allow for value capture** to support infrastructure and programming.

Sustainable funding sources for programming, open space maintenance etc. are sorely lacking. Arranging agreements that allow for value capture in the form of ground lease payments, reallocation of tax increment (REV Grant), or other payments could help provide a stable source of funding.



INTRODUCTION

WHY DOWNTOWN?

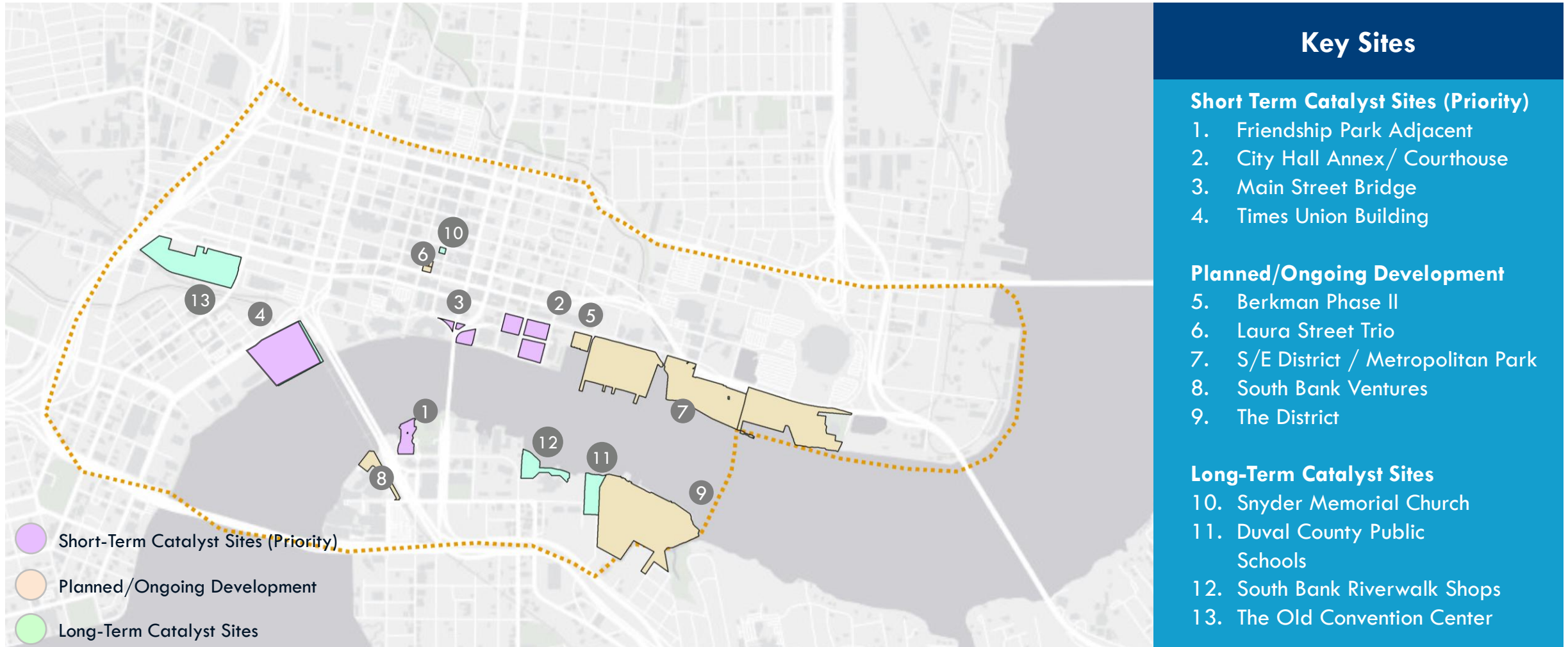
KEY MARKET FINDINGS

INVESTMENT OPPORTUNITIES

- FRAMEWORK
- CATALYST SITES

IMPLEMENTATION ROADMAP

Catalyst Sites can build off the momentum of planned and ongoing development at key sites Downtown and at the waterfront.



Priority Sites are critical waterfront sites that the DIA must focus on in the near term to help achieve its broader Downtown objectives.



Friendship Park Adjacent

A publicly-owned parking lot adjacent to Downtown’s signature open space presents a significant opportunity.



Main Street Bridge

Underutilized parcels at the foot of the bridge represent key opportunities to bring new activity to the Riverfront and strengthen the Elbow and Downtown.



City Hall Annex/ Courthouse

The disused City Hall Annex and Courthouse represent some of the last remaining publicly-owned waterfront sites. Plans for a new convention center offer an opportunity for waterfront connection and activation.



Times Union Building

The site of the Times Union Building and printing plant represent one of the largest underutilized waterfront sites Downtown. The site is a crucial connection between the CBD and Brooklyn / Riverside.

For each site, we profile three core considerations.



1 Existing Conditions and Context

2 Concept and Guiding Principles

3 Implementation Considerations

FRIENDSHIP PARK ADJACENT

Adjacent to a reinvested Friendship Park, an existing parking lot could be home to new residential development.

CONTEXT

The South Bank Riverwalk was renovated in 2015, providing a new amenity for the area. As the City of Jacksonville considers further investment in Friendship Park, there is an opportunity to reposition the adjacent parking lot. Positive momentum in the area includes:

- Planned renovation and improvements at Friendship Park as part of the Activity Nodes Master Plan, which will introduce new landscaping, children's play areas, and a renovated fountain;
- A new master plan for the expansion of the adjacent Museum of Science and History (MOSH);
- Proximity to nearby San Marco, a citywide destination for restaurants, nightlife, and shopping;
- Development of the Baptist Health MD Anderson Cancer Center, a new nine-story, 330,000-square-foot outpatient building at I-95 and San Marco Boulevard, expected to be completed in 2018; and
- New development proposals in nearby waterfront sites, including plans for The District to the east.

CURRENT USE AND PLANS

- The waterfront portion of the site is used by the River City Brewing Company (RCBC) as a bar and restaurant. RCBC is in year 20 of a 99-year ground lease.
- The southern portion of the site serves as a parking lot for Friendship Park, RCBC, and MOSH.
- In 2016, the Urban Land Institute convened a technical assistance panel to identify strategies to redevelop this parcel and revitalize the South Bank area. ULI recommended to maximize open space along the waterfront, and use upland space for a mixed-use redevelopment.

SITE INFORMATION

Lot Area	3.43 acres
Ownership	City of Jacksonville. Ground Lease by RCBC
Zoning	Commercial Community General (CCG) – 1

EXISTING CONDITIONS



FRIENDSHIP PARK ADJACENT

Development presents an opportunity to bring new residents to downtown and activate nearby Friendship Park.

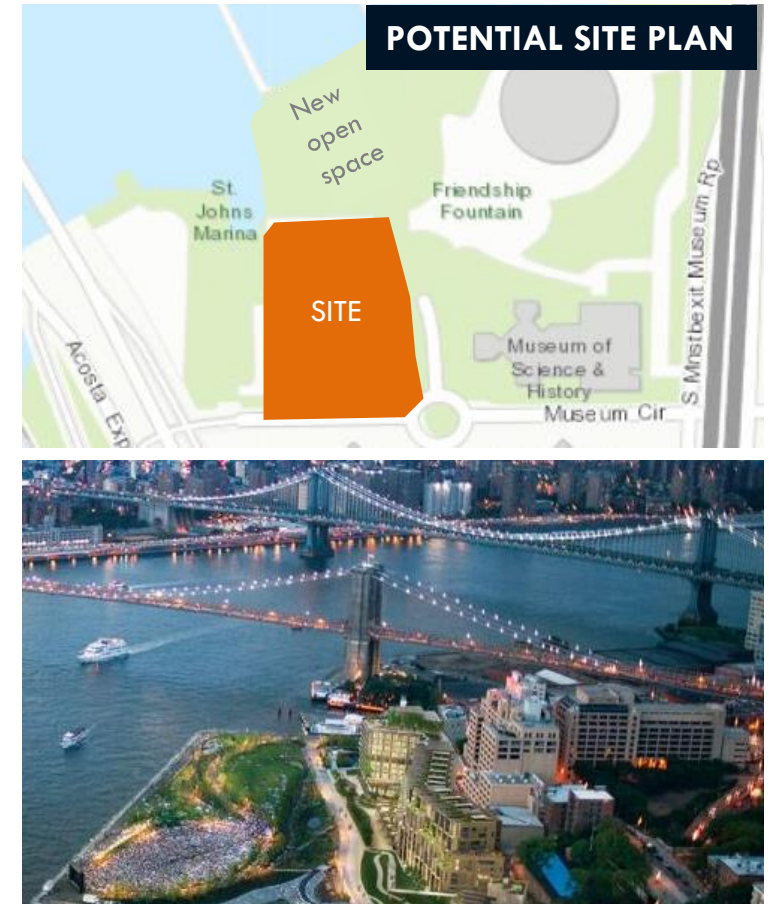
CONCEPT

Adjacent to a major downtown waterfront park, the current parking lot could be redeveloped as a mid- or high-rise building with a mix of uses, including new residential units and active ground-floor uses for park users and residents. Dense development will help to grow the user group at the park, may create an opportunity for a funding source for the public space, and maximizes development on limited remaining waterfront sites. As the parking lot serves RCBC, its redevelopment requires the renegotiation and potential buyout of the restaurateur's ground lease, and may impact other users' agreement as well. Alternatively, the RCBC could be a partner in the new development agreement, to be guided by DIA or a private developer. Development provides an opportunity to consider reclaiming some waterfront for an expansion of public open space on the northern portion of the site, pending discussions with RCBC for relocation. With the proposed new investments in Friendship Park, the site is poised as one of the stronger residential development sites along the Downtown waterfront. Sited within a park, and with waterfront views of the Downtown core, these adjacencies should enhance property values and improve marketability.

In addition to its competitive positioning, there are also significant co-benefits of new development for open space. Development near parks allow for more consistent flow of residents and visitors that support activity in the park, and create "eyes on the street" that ultimately increase perceptions of safety. Additionally, well-programmed ground-floor uses can create new amenities for park visitors, enhancing the open space experience with food and beverage, event space, and potential other uses. Finally, ground leases and/or tax increment in new development can serve as value generator for the park, which can then be used for funding capital and/or operations and maintenance of the park.

PRINCIPLES

- Maximize public open space along the waterfront.
- Allow for new residential development that connects the surrounding neighborhood and the park;
- Require publicly-oriented, active ground-floor uses that complement the adjacent park, encouraging greater visitation to the waterfront;
- Require new structured parking at the site, including adequate spaces for park and boat launch users, as needed;
- Require a high level of design quality for the new building given its prominent location, which should respect and support the park experience;
- Ensure coordination with the Activity Nodes Master Plan and MOSH expansion plans; and
- Capture value from new development to help pay for upkeep of Friendship Park, either through ground lease payments or through tax increment from the site through a Payment in Lieu of Taxes agreement.



Brooklyn Bridge Park's hotel and residential development is integrated into the park. The hotel's ground floor event space and restaurant open on the park for both hotel and park users.

FRIENDSHIP PARK ADJACENT

Near-term redevelopment of this site will require City leadership to set design and program guidelines.

IMPLEMENTATION NEXT STEPS

ACTION	TIMING
Engage with a development partner if one has come forward with interest in the site. DIA engagement in this developer-led process would include working collaboratively to refine design guidelines for the site, conducting a feasibility analysis to understand financial gap, and creating a partnership for a funding stream for the park. If no development partner presents itself, then the DIA should follow the subsequent steps:	Immediate
Engage management and ownership at RCBC to discuss development path forward, either through development partnership or lease buy-out.	Immediate
Conduct financial analysis and a massing study of the site to understand development potential and ability to provide a funding source for the park, proceeding after discussions with RCBC.	Short Term (1-2 years)
Conduct market outreach to developers and brokers to understand site opportunities and challenges. In conjunction with the above analyses, create a series of programmatic and design requirements for the site, as well as an understanding of potential incentives required.	Short Term (1-2 years)
Issue a request for proposals (RFP) to local developers to elicit proposals for on-site development. RFP should contain a clear set of development guidelines and aspirations by the DIA so as to provide guidance for future development partners and should proceed only after initial developer outreach.	Short Term (1-2 years)

KEY PARTIES	RESPONSIBILITIES
DIA	Lead: Planning, Development
River City Brewing Company	Support: Identify alignment for redevelopment of existing brewery and restaurant area
Museum of Science and History	Should be consulted to ensure coordination of plans and parking needs

DEVELOPMENT GUIDELINES

A public private partnership framework should be developed with the future developer and the DIA, to be negotiated in the course of an RFP process. The DIA should stake a position on key development terms so as to provide clarity and certainty to the developer and increase the likelihood of a fruitful negotiation for DIA. These terms should include:

- Structure a ground lease for a rental residential high-rise building. DIA can contribute subsidy via discounts to land value or ground lease and/or through a REV Grant to address financial feasibility gap, if existing.
- Require and incentivize active ground floor uses on-site for both residents and park users. Such uses can be retail and food and beverage, or uses that are compatible with the park, such as event space for weddings and other private events.
- If feasible, allocate ongoing revenues from ground lease or tax increment to fund the operations and maintenance of the park.
- Share parking between the boat launch, the park, MOSH, and the future development.

MAIN STREET BRIDGE

Underutilized parcels represent key opportunities to bring new residents and activity to the Riverfront.

CONTEXT

Around the Main Street Bridge, the existing activity of the Elbow and the historic building stock suggest prime for opportunities for residential development downtown. Downtown's eastern edge is poised for redevelopment as the adjacent neighborhoods become hubs for tourism, nightlife, and entertainment. The Elbow continues to serve as an important nightlife hub for the City, with new breweries nearby like Intuition Ale and Bold City Brewing drawing young professionals to Downtown. Further to the east, E. Bay St is poised to serve as a key future corridor for entertainment and sports, as the City implements a proposed new convention center and as the future Sports & Entertainment District takes shape. This area also serves as a key connection between two important Downtown areas: Laura Street and the soon to be redeveloped convention center.

Today, the Main Street Bridge has four ramps that lead on and off the bridge on the North Bank. While these ramps provide multiple entrances and exits that are ideal for cars, they make the area challenging for pedestrians to traverse. Through traffic changes such as converting some streets to two-way traffic from one-way and removing one of the Main Street Bridge ramps, the area could become more pedestrian friendly and unlock real estate opportunities by creating new sites and improving the access to others. Specifically, among a set of historic buildings in the area, there are a number of smaller sites that currently serve as surface parking lots, most notably the publicly-owned parcel on the waterfront serving as parking for the Jacksonville Landing.

CURRENT USE AND PLANS

- Surface parking lots and bridge ramps
- The DIA is planning for a new Convention Center at E Bay St and Market St
- The Bike/Ped Master Plan envisions maintaining the existing shared-use path on the Bridge
- The Activity Nodes Master Plan envisions a more connected and activated node at this waterfront site.

EXISTING CONDITIONS



MAIN STREET BRIDGE

In the short term, focus on low-cost infrastructure improvements, connectivity, and small-scale redevelopment.

CONCEPT

The area at the base of the Main Street Bridge should leverage its existing area amenities and connect the central business district and neighborhoods to the east of Downtown, as well as the waterfront to spur redevelopment and attract new residents Downtown. The transformation of this area will require substantial public leadership and a phased approach:

- First, the DIA should incentivize the redevelopment of underutilized and privately owned parking lots along Bay Street to mid-rise residential for near-term wins and to help build a critical mass of residents in the area.
- To build momentum for private investment, the City should support low-capital programming and activation along the riverfront as a way to make this area more attractive for residential development (this could include small art installations at, or beneath, the Bridge for example, and façade improvements for the existing upland buildings).

PRINCIPLES

- Incentivize smaller, in-fill development on existing parking lots along Bay Street for smaller-scale residential development;
- Prioritize near-term wins, such as smaller redevelopment sites, upper-floor conversions, retail enhancement and façade improvements, and public space activation, then setting the stage for greater returns from larger, capital intensive projects like the reconfiguration of the Bridge;
- Improve pedestrian and bike experience and connections to the riverfront and South Bank; and
- Connect new development to the Convention Center and future S/E District to the East.

Near-Term
Development Potential



Seattle's Capitol Hill -
nightlife hub turned
development hotspot



Activating bridges and
underpass



Vancouver's Burrard
Bridge bike lane

MAIN STREET BRIDGE

In the long term, significant infrastructure investment can unlock substantial new value.

CONCEPT

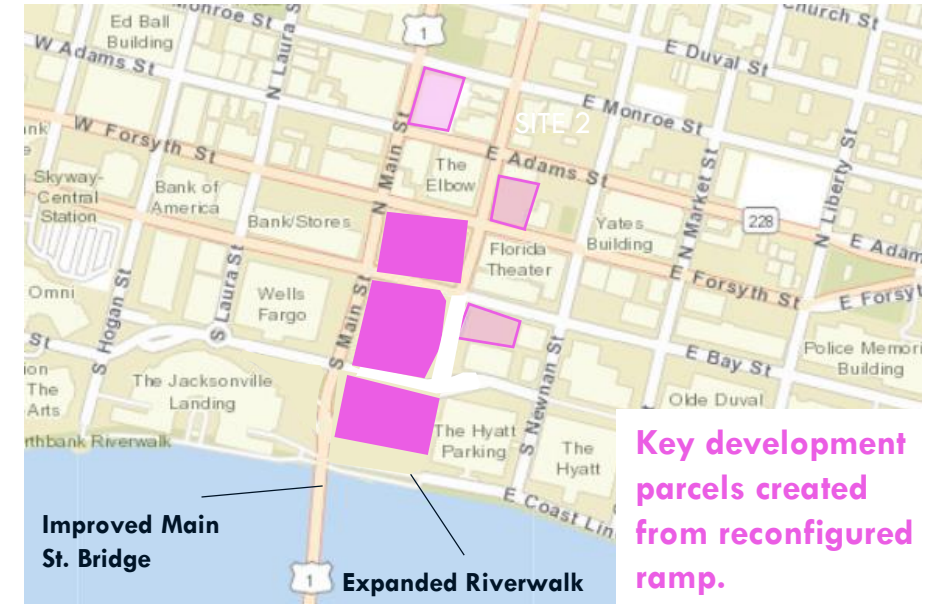
Following the successful implementation of a first phase and as development and activation provide additional momentum in the area, substantial infrastructure improvements can unlock development and transform the area into a signature space for Downtown that includes new residential development:

- The City should seek to reconfigure the Main Street Bridge traffic to better accommodate pedestrian and bike connections. This could include the reallocation of a lane of traffic from the Main Street Bridge. In conjunction with this, the City should explore traffic calming design strategies that support improved pedestrian connectivity and residential development along Bay Street and Independent Drive.
- In the mid-term, the City should evaluate the potential for removing one or more of the ramps, which would create new, publicly-owned sites prime for high-rise waterfront development and an expanded signature riverfront open space. The infrastructure investment could catalyze further redevelopment, including the vacant lots and surface parking lots at the base of the ramps, but also the existing publicly-owned parking garage at the NE corner of E Bay St and N Main St.

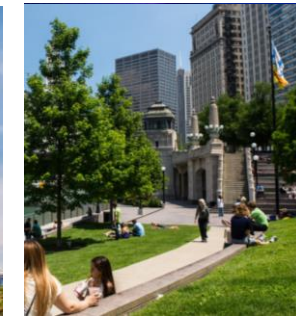
Should the future of the Jacksonville Landing site be reconsidered, there is the potential to create an even larger series of waterfront parcels in the core of downtown. In planning the future of the waterfront, it is critical to establish both new signature open space but also opportunities for adjacent new residential development that can help activate downtown.

PRINCIPLES

- Use the most valuable land for the most valuable uses. It may be prudent to wait until the market matures to develop high-rise development on what will be the premier waterfront site in Downtown.
- Improve pedestrian and bike experience and connections to the riverfront and South Bank and improve safety.



Unlock prime real-estate



New waterfront park space



Improve the Riverwalk

MAIN STREET BRIDGE

Phasing the redevelopment and improvements will be key to unlocking the value of the parcels.

IMPLEMENTATION NEXT STEPS

ACTION		TIMING
Support residential development on existing surface parking lots on Bay Street through financial incentives for private development.		Immediate
Invest in low-capital programming improvements along the riverfront and support upper-floor conversions, retail enhancement and façade improvements of existing buildings.		Immediate
Enhance pedestrian and biking connections and invest in traffic calming design solutions.		Short Term (1-2 years)
Explore Main Street Bridge upgrade and ramp removal.		Long-Term (5+ years)
Leverage newly created City-owned, waterfront site for real estate and new open space development.		Long-Term (5+ years)
KEY PARTIES		RESPONSIBILITIES
DIA		Lead: Engagement with current owners and redevelopment partners Support: Programming and connectivity
City of Jacksonville		Lead: Improved pedestrian and bike connections
Surface Parking Lot Owners		Lead: Identify Development Partner
DT Vision		Lead: Programming and activation
Jacksonville Landing		None, should be consulted. Agreement over current parking lot site will need to be negotiated.

DEVELOPMENT GUIDELINES

Financial incentives should be based on assessment of feasibility gap at time of development and adherence to the development guidelines. Early engagement by DIA in the redevelopment process will be essential.

Surface parking redevelopment:

- Street-facing redevelopment with ground-floor uses and minimal setbacks to maintain historic character.
- Quality urban design to complement neighborhood character and support pedestrian experience in this area.
- Minimal surface parking and well-designed structured parking if needed to promote street activity.
- Mid-rise development is acceptable given goal of near-term development and site sizes.

Main Street Bridge ramp parcel:

- Minimum acreage of open space and riverfront access
- Connections between the development, the Elbow and the riverfront.
- Allow for the expansion of the riverfront path and new signature riverfront open space.
- High-rise development that maximizes the potential of this central waterfront site.
- Adherence to riverfront design guidelines

CITY HALL ANNEX / COURTHOUSE

Plans for redevelopment offer an opportunity for waterfront connection and activation.

CONTEXT

Nearby private and public investment presents new opportunities for redevelopment and site revitalization. The sites are critical to establishing an east-west connection between existing CBD and the S/E District. The City and DIA have stated their desire to redevelop these two sites into a new convention center that can tie into the future S/E District to create a broader “Sports and Entertainment Convention District.” The DIA issued a Request for Proposals in March 2018 for the disposition of the properties and development of a new Convention Center, Parking Garage and Hotel.

The sites used to house government functions but are past their useful life. The sites are located directly adjacent to the Hyatt Regency, and is sandwiched between the Central Business District and the future S/E District to the East. To the south of the site is a surface parking lot that is in the process of being demolished and transformed into a inlet, which provides an opportunity for new waterfront activation opportunities.

CURRENT USE

- Vacant, previously government uses

SITE INFORMATION

Lot Area	~ 5 Acres*
Built SF	200,400 SF (Annex); 360,00 SF (Courthouse)
Year Built	1958
Ownership	Downtown Investment Authority
Zoning	PBF - 1

**City provided parcel level data consolidates the inlet parcel and the Courthouse parcel, and had to be disaggregated*

EXISTING CONDITIONS



Courthouse parking lot removal under progress

CITY HALL ANNEX / COURTHOUSE

A new Convention Center could serve as a catalyst for Downtown revitalization and an asset to residents and visitors.

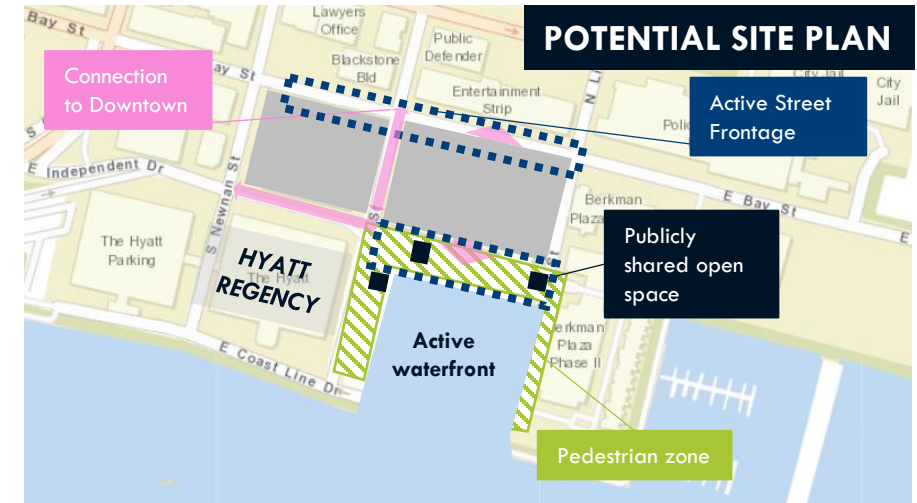
CONCEPT: Convention Center-Focused Development

A new Convention Center can leverage this ideal location on the riverfront between the existing central business district, the Elbow's nightlife, and the future Sports & Entertainment District to become a catalyst for future development and an amenity for residents, workers, and visitors.

A new Convention Center should feature active street fronts that integrate and connect to their surroundings and offer clear north-south and east-west connections between Downtown, the Convention Center, and the riverfront. It should feature amenities for residents, workers, and visitors such as publicly shared open space, shared F&B facilities and an activated riverfront, taking advantage of the opportunities the inlet provides.

PRINCIPLES

- **A Destination for ALL.** The future Convention Center will be a destination for tourists, visitors, business travelers, but also a place that everyday residents and downtown workers can enjoy.
- **Truly Public Space.** The development should include indoors and / or outdoors space that is open and accessible to the public.
- **Waterfront Activation.** The Convention Center will integrate into the riverfront revitalization underway. Public uses should face the riverfront. The creation of an inlet creates an opportunity for water-borne activities and public programming that embraces both the water and the new public spaces.
- **Integration with Nearby Uses.** The Convention Center should act as a connector between the Everbank Field and future S/E District entertainment and sports district to its East and North, the Elbow's nightlife and food & beverage to its West, and the riverfront to the South.
- **Public/ Private Governance.** Given the complexity of new site development, and high costs involved, the DIA should create a partnership with the future developer and operator for both convention center capital costs and operations and maintenance of the convention center and public open space.



Active street front, integrated with surroundings at Houston GRB



Publicly shared open space and shared F&B facilities at Denver Union Station



Active waterfront at Chicago Riverwalk

CITY HALL ANNEX / COURTHOUSE

Alternatively, the site presents a prime waterfront redevelopment opportunity for residential or commercial activity.

CONCEPT: Mixed-Use Development

Alternatively, this prime waterfront site presents a unique opportunity for incredible new open space, as well as commercial, residential, hotel or retail development. Given the prime location on the waterfront and connection to the core of downtown, this site should be utilized for either a key civic use or significant and dense high-rise construction. Given the importance to attract new residents downtown, a significant component of the development should ideally integrate new residential units.

The strategy for this site must include public waterfront activation and a phased approach to capture optimal market momentum.

1. Implement the creation of the inlet and create an exciting and attractive waterfront open space that creates development pressure for the site nearby.
2. In advance of issuing a RFP, monitor development economics, finalize public priorities for the site to reduce political uncertainty for a developer, and clarify the potential types of incentives available.
3. Finally, issue an RFP and work with the developer to ensure adherence to design and development principles, particularly in terms of open space and connections to the water and nearby neighborhoods. Vertical development can be residential or commercial, depending on market need at the time.

Adherence to the same design and development principles described in prior pages will be critical to the success of the site and its ability to catalyze additional investment in the area.



Unlock prime real-estate



Unlock open space



Provide opportunities for interaction with water

CITY HALL ANNEX / COURTHOUSE

DIA leadership will drive the success of the project.

IMPLEMENTATION NEXT STEPS

ACTION	TIMING
Decide whether to proceed with the RFP responses received for the Convention Center concept.	<i>Immediate</i>
If convention center concept isn't selected, conduct financial analysis and massing study of the site to understand high-rise development and high quality open space potential and ability to provide funding source for adjacent public space.	<i>Immediate</i>
Issue RFP to developers to elicit proposals dedicated to private, high-rise development. RFP should contain a clear set of development, open space, and public riverfront connection guidelines and aspirations by the DIA in order to provide guidance to future development partners and should proceed only after initial developer outreach.	<i>Short Term (1-2 years)</i>

KEY PARTIES	RESPONSIBILITIES
DIA	<i>Lead:</i> Engagement with redevelopment partners

DEVELOPMENT GUIDELINES

Financial incentives should be based on assessment of feasibility gap at time of development and adherence to the development guidelines. Early engagement by DIA in the redevelopment process will be essential.

Key considerations should include:

- Connectivity and porosity between nearby neighborhoods and the riverfront
- Amenities for residents, workers, and visitors, including food and beverage
- Riverfront activation plan, including for the operations and maintenance of the new, public waterfront open space
- Partnership and collaboration with DIA

TIMES UNION // MCCOYS CREEK

With a motivated landowner and momentum in Riverside, this waterfront site offers a near-term development opportunity.

CONTEXT

Residential and retail growth in Riverside and Brooklyn create an opportunity for redevelopment of this site. In 2015, two midrise multifamily residential buildings opened – 220 Riverside and the Brooklyn Station, both of which are operating above 95% occupancy. Additionally, the new shopping center at Brooklyn Station (also opened 2015) featuring Corner Bakery and the Fresh Market has brought new vibrancy to the area, emerging as an up-and-coming neighborhood for young professionals.

McCoys Creek runs through the center of this site beneath existing infrastructure and a building. The City of Jacksonville is considering daylighting the creek to support storm water retention during high rainfall events, thereby limiting flooding upstream. It also offers an opportunity to bring a new water feature to the site, the costs for which may be supported by federal funding, that would be an amenity for the site and improve the development value if incorporated effectively.

While benefitting from waterfront views and proximity to Downtown, the site is complicated by infrastructure to its north and east, including elevated highway ramps and the Florida East Coast railroad tracks. While the northwest corner of the site is proximate to the new activity in Riverside, direct connections for the eastern portion of the site are more constrained, and nearby infrastructure present challenges for residential uses, given potential noise and view impacts.

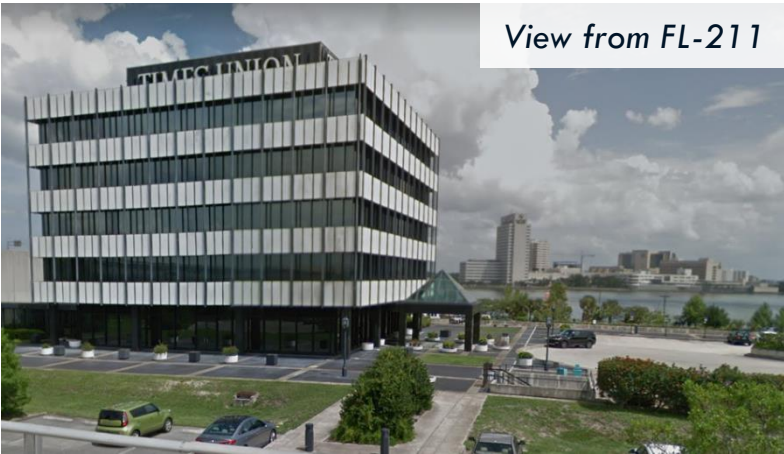
CURRENT USE AND PLANS

- Former office and printing facility for the Florida Times Union.
- The Morris Family is currently undergoing a master plan to set the stage for a new urban, mixed-use development.
- The Activity Nodes Master Plan envisions the creation of a node at the Riverwalk, celebrating the history of the Jacksonville railroad.

SITE INFORMATION

Lot Area	18.84 acres
Built SF	299,000 SF
Year Built	Not available
Ownership	Morris Family (Times Union)
Zoning	Industrial (IL) and Commercial (CRO)

EXISTING CONDITIONS



TIMES UNION // MCCOYS CREEK

Development site with adjacency to a growing neighborhood, and renewed access to a daylighted McCoys Creek and the St. John's River.

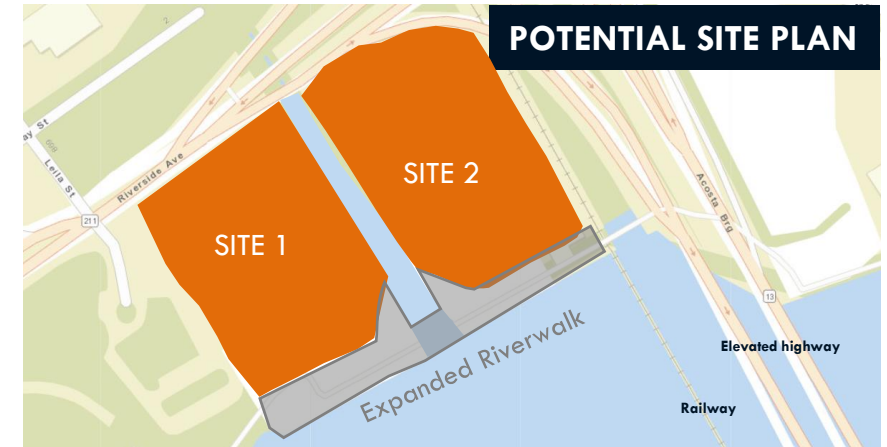
CONCEPT

The daylighting of McCoys Creek presents an opportunity for new open space and development. Given the southwest pad's ("Site 1") connection to Riverside, Site 1 is a prime location for new residential development. Site 2, bounded by rail and elevated highway, has more limited neighborhood connections, suggesting that commercial or institutional space may be a more viable option than residential. Given limited market potential for speculative office development in Downtown, commercial development on Site 2 will require either an anchor tenant willing to pay market rents, patience for redevelopment, or significant public subsidy.

The Morris Family is moving forward with developing a master plan for the site, exploring residential, office, and hotel uses, with the goal of redevelopment beginning in late 2018. Given this near-term timeline and current rents and construction costs, highrise development is likely not feasible absent substantial public subsidy. As a result, the DIA will need to consider either advocating for midrise development in the near-term, which is in keeping with the development in Brooklyn and Riverside, or to heavily incentivize denser development.

PRINCIPLES

- Daylight McCoys Creek to mitigate flooding and allow for connections with the "Emerald Necklace;"
- Ensure that future site plan is in accordance with the Activity Nodes Master Plan and creates a quality public destination along the riverfront;
- Allow for public and pedestrian access from Riverside Avenue to the riverfront;
- Require a high level of design quality for the new building(s) given their prominent location, which should respect and support the riverfront experience;
- Require publicly-oriented, active ground-floor uses that support development and connections both at Riverside Avenue and along the riverfront; and
- Create partnership with developer regarding the activation of the public spaces on the site.



New development along Brooklyn's Gowanus Canal, which is currently being restored with help from federal funding for environmental remediation.

TIMES UNION // MCCOYS CREEK

The City should prioritize redevelopment of this site to support broader neighborhood growth and promote new access to and connections along the waterfront.

IMPLEMENTATION NEXT STEPS

ACTION	TIMING
Engage Morris Family to understand development goals and objectives.	Immediate
Provide support for future development agreement, including identifying incentives for new development. Financial support should be contingent on demonstrated need and adherence to development guidelines.	Short Term (1-2 years)
Support applications for federal funding for McCoys Creek, and coordinate with landowner and developer on related planning around the Creek improvements.	Short Term (1-2 years)

KEY PARTIES	RESPONSIBILITIES
Morris Family	Lead: Master Planning, Identify Development Partner
DIA	Lead: Partnership with CoJ, Open Space Planning Support: Development Partnership and Agreement
City of Jacksonville Dept. of Environmental Quality	Support: Coordination for McCoys Creek
FEC Railroad	None, should be consulted
St. Johns Riverkeeper	None, should be consulted

DEVELOPMENT GUIDELINES

Financial incentives should be based on assessment of feasibility gap at time of development and adherence to the development guidelines. Early engagement by DIA in the development process can help ensure:

- Significant public benefits, including a minimum acreage of open space, public access to the creek, and habitat restoration.
- Connections between the development and the riverfront, as well as to Brooklyn.
- Assurance of a long-term agreement for activation of public open space (likely to be in part paid for and/or managed by the developer, given current Parks Dept. capacity).
- 30-foot setbacks from the waterfront to allow for the expansion of the riverfront path.
- 15-foot setbacks from creek.
- Adherence to riverfront design guidelines.

Ongoing Projects | A number of key sites are leading Downtown's transformation.

Berkman Phase II

Located at E Bay St. and Catherine St, this key waterfront site was abandoned in 2007 and is a challenge for connecting the CBD to the stadium district. The property was purchased in June 2018.

Laura St Trio

Located at N Laura St and W. Forysth Street, the historic set of three buildings have sat vacant for over a decade. Plans for the project include 100 market-rate apartments, a boutique hotel, and office and retail space, as well as new parking. The development is currently underway by the Molasky Group and is slated to open in 2019.

South Bank Ventures

This three-acre lot is currently used as parking for Aetna building and Baptist Health. South Bank Ventures has received approval from DIA and City of Jacksonville for a 13-story tower with 281 apartments, expansion of the Riverwalk, and structured parking for 323 vehicles, as well as 70 surface lot spaces, 12 of which designated for park use.



The Sports & Entertainment District

The 70 acre site on the North Bank stretching from Berkman Phase II to Commodore Point will be pivotal for Downtown. Currently, Metropolitan Park occupies a portion of the sites. The other parcels are vacant and currently used for parking during Jacksonville Jaguars games. Led by Shad Khan, the S/E District will be a \$2 billion sports and entertainment district, with 600 - 1000 residential units, 300K-500K SF of office, 150K-250K SF for retail, and 200-500 hotel rooms. Initial phase will be a partnership between the Cordish Companies to develop one of the stadium's west parking lots, Lot J into hotel and mixed use project.



The District

The 40 acre site on the eastern edge of the South Bank is a former JEA Southside Generating Station site. Current concept is "The District: Life Well Lived" – a new neighborhood focused on health living with 1,170 multi-family residential units, 289K SF of retail, 200 hotel rooms, 125 marina slips, and 200K SF feet of office space. Elements is leading development, which was approved by City Council in June 2018, with a package of incentives valued at \$82m, including city-provided public infrastructure and a 20 year REV Grant.



Ongoing Projects | The DIA should advance development at all sites, and deploy resources such as design review and incentives provision to strategically to move forward City priorities.

As projects unfold on the North Bank and South Bank, the DIA can use its regulatory powers to drive key public priorities. In the early stages of a project, DIA should engage developers and articulate clearly its priorities, so as to help guide the developer as they advance their plans ahead of formal review. Once in formal review, the DIA, City, and City Council can use their powers to grant variances and incentives to drive favorable outcomes. Outcomes should include:

Historic preservation

Historic buildings are a source of the City's character - making an authentic and unique experience for Jacksonville. Jacksonville's Downtown is one of the oldest in Florida and should serve as a source of pride for the City and an amenity for visitors. DIA should try to retain historic facades in historic buildings, while still providing flexibility for modern buildings and layouts.

Connectivity

New projects should ensure connections within the development, to Downtown, the waterfront, and to other urban areas of strength through streetscape, signage and design. The Riverwalk should provide a quality connection along the river and to different downtown districts along the waterfront.

New projects should have walking, biking, public transit, and vehicle access, and should strive to not create barriers between the public and the waterfront. Site review should ensure that plans avoid site isolation, and strive to create a true urban form. For large waterfront parcels, DIA should insist on substantive buffers and creation of new waterfront open space that connects to the existing network of open spaces.

Quality public space

Quality and programmed open spaces are key to building vibrancy in downtowns. Size of new open space, either as part of new development or master-planned districts is less important, and DIA should focus that the existing spaces and future spaces that are created are well maintained and programmed. Overall, Jacksonville has an opportunity to create a network of signature open spaces that define the Downtown experience and become a regional attraction.

Funding for operations and programming

The City and development partners need to apply adequate resources for programming and maintenance of its public spaces. DIA should explore the possibility of allocating a portion of Recaptured Enhanced Value (REV) Grant disbursements for creating a sustainable funding stream for the maintenance of nearby open space. For example, the City could create a program where a portion of the taxes on the new value created by development is diverted directly to waterfront enhancements or downtown programming.

Long-Term Sites | The City can start to build momentum on key sites through targeted actions that lay the groundwork for long-term redevelopment.

The below are important Downtown and waterfront sites, and the DIA should ensure that the appropriate projects are selected for these locations. However, the development of these sites is likely a longer-term endeavor relative to the other sites discussed in this report. Indeed, the DIA should encourage design, program, and densities that are worthy of these important Downtown sites that support broader Downtown development goals. To do so, the City and development community will likely need to wait for absorption potential and rents to increase in Downtown in order to support the development of these sites. At this time in Downtown Jacksonville's development, it is critical to concentrate investment in areas with momentum and current developer interest, and to withhold DIA land and incentives until the market can support truly visionary development on these sites.

In the interim, the DIA can consider a longer-term vision for each of these sites, acknowledging that the program of these sites will likely shift as the market changes.

1. **Snyder Memorial Church**
2. **Duval County Public Schools**
3. **South Bank Riverwalk Shops**
4. **The Old Convention Center**

Long-Term Sites | The City can start to build momentum on key sites through targeted actions that lay the groundwork for long-term redevelopment.

Snyder Memorial Church

Context: Former church with storied history and adjacency to Hemming Plaza but significant structural and capital investment needs.

Concept: A civic gathering space for art, culture, and/or history, that has public use and purpose. Residential or commercial reuse is unlikely due to space configuration and capital investment needed.

Next step: Given the significant capital investment required for this site, the limited revenue generation potential for any use in this site, and therefore the critical need for an innovative and strong civic partnership, the DIA should deprioritize this site until the right partnership emerges. In the interim, the DIA should evaluate the potential of a partnership with a nonprofit to do low-cost, temporary programming. One such partner is MOCA, which has shown some willingness to do innovative exhibits and programming and may have access to philanthropic capital needed for a near-term reuse of the building.

Duval County Public Schools

Context: Current headquarters of the Duval County Public Schools system. Considered a development site given its large and prime waterfront location.

Concept: A mixed-use development with a strong residential component building off the energy and success of the District and adjacent residential development at Broadstone River House. The school district headquarters would be relocated Downtown.

Next step: As the District plans are developed and finalized, ensure that these plans offer potential future connections to this site. The DIA should collaborate with DCPS regarding potential opportunities for the site, desired public benefits, and discuss timing as build out of the District is being completed.



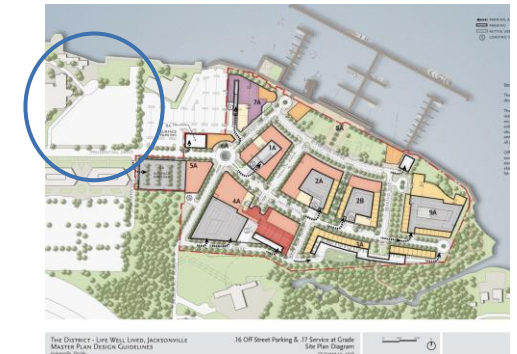
The historically significant Church is in a state of disrepair.



An old Church in Llanera, Spain turned into an art space.



The Site's adjacencies to the Broadstone River House and District present opportunities



The District's site plan shows its adjacencies to the Site.

Long-Term Sites | The City can start to build momentum on key sites through targeted actions that lay the groundwork for long-term redevelopment.

South Bank Riverwalk Shops

Context: Underperforming and uninspiring small retail shops along the South Bank Riverwalk.

Concept: This is a challenging location for retail given the surrounding uses and its connectivity. The impacts of investment in The District, Broadstone, and Friendship Park should help to activate the Riverwalk, bringing greater foot traffic. Nonetheless, it is likely that the success of those projects will drive land values to support residential uses at the site, which should be explored at a future point in time.

Next step: Engage owner as buildout of Riverwalk improvements and new development are coming to fruition in this area to understand property owner's needs for investment for the site.

The Old Convention Center

Context: Former convention center that is slowly being converted into multimodal transit hub.

Concept: The once train station's unique architecture and large size offers the opportunity for adaptive reuse within a larger, broader site. Such opportunities are rare in Downtown, and while this location does not front the St. Johns River, it has adjacencies to McCoy's Creek and the market momentum in Brooklyn.

In the short term, the DIA can grow interest in the area by continuing support transportation improvements and using nearby, smaller vacant parcels for mid-rise redevelopment. This will help prepare the site for long-term redevelopment of the station and its immediate surroundings, similar to the district-wide redevelopment occurring at and around Denver Union Station, Brightline station in Downtown Miami, or Kings Cross in London. In the long-term, this could be a significant hub with residential and commercial uses, though the exact mix of these uses will be dictated by the market in the future. Many prior plans for downtown focus on creating active corridors along the creek, and this site presents an opportunity for living/working on the water and benefiting from transportation connections.

Next step: Continue to build out transportation improvements. Provide opportunities for multifamily development in adjacent vacant lots, and wait for the market to improve to build commercial uses.



Shops line the Riverwalk at the South Bank, are of lackluster quality and performance.



The historic interiors of the convention center are of local significance.



LaVilla Transportation Sub-district



Jacksonville Transportation Center

The former train station's rehabilitation into a transit hub has substantial potential for the future.

INTRODUCTION

WHY DOWNTOWN?

KEY MARKET FINDINGS

INVESTMENT OPPORTUNITIES

IMPLEMENTATION ROADMAP

Policy Recommendations | Based upon national precedents and interviews with the development community, the following steps should be considered to accelerate momentum Downtown.



**Market
streamlined
development
process**

**Restructure
residential
development
incentives**

**Continue trends
towards
positive cash
flow in the
North Bank
CRA**

**Identify
sustainable
funding for
O&M,
programming**

DIA Development Process | The DIA has a clear and well regarded process and should market Jacksonville to national developers.

Current Development Process

The Jacksonville development community was very positive regarding the DIA's role in the development process. The community gave high marks to the DIA in its positive outlook towards new development and partnership with the City.

Developers generally found the DIA to be helpful in navigating the development process. However, developers less familiar with Jacksonville may not know of DIA's offerings and can reduce DIA's ability to partner on development and drive the most favorable outcome.

Recommendation

Given DIA's success at creating a successful pro-development environment, the entity should increase marketing of Downtown Jacksonville to national developers. Indeed, Downtown Jacksonville could differentiate itself as a place where you can develop urban product with affordable land prices, good underlying economics, and a positive pro-development atmosphere.

- Revamp the DIA website to allow developers to quickly understand publicly-owned land available, incentives available, and statistics on the relative speed of development Downtown.
- Market directly to national developers through trade events, mail services, social media advertising etc.



The Broadstone River House, on the South Bank, is being pursued by MAI, a national developer with no recent history in Jacksonville. The developer did not pursue partnership with the DIA.

Development Incentives | Establish clear program requirements that are communicated simply and transparently to the market to drive development at a range of project scales.

Residential Development Incentives

Currently, developers can choose to apply to a number of incentive and Recaptured Enhanced Value Grants (REV Grant, aka tax abatements). The most common incentives are REV Grants, where a maximum of 75% of the City portion of the incremental increase in taxes for 15 years can be abated.

The amount of abatement depends on amount of units (5% per 25 units delivered, for a max of 30%), 15% for City owned sites, 10% for each 2,500 sf of retail or commercial (20% total), partnerships with non-profits (up to 10%), amenities and green space (up to 15%) , location in “Strategic Housing Areas” (up to 15%). As such, current incentives are uncertain and it is difficult for developers to determine how much abatement they can receive ahead of site negotiations. Also, the system privileges larger deals over smaller deals, which may be counterproductive given the identified strategic aim of the DIA over near term to increase “small wins.” For example, the REV grant eligibility increases for projects with higher number of units, as well as for each 2,500 SF of retail or commercial space provided.

Recommendation

Establish clear program requirements that are communicated simply and transparently to the market to drive development at a range of project scales. This will create both certainty for the development community while still providing the DIA levers to advance public priorities in a range of Downtown development project scales.

- *Standard Floor:* Any multifamily project with an FAR above 1.25 would be eligible to receive some property REV Grants so as to create certainty in the market and allow developers to conduct relatively simple preliminary feasibility testing for potential projects.
- *Bonus:* Then, the DIA can offer additional REV Grants based upon City priorities, such as commercial ground floor uses, open space, or affordable housing for delivering desired project elements in line with public policy goals.



220 Riverside, built by Hallmark Partners and Bristol Development Group, helped to start the momentum and development around the Brooklyn neighborhood. The availability of REV grants for the project and subsequent Brooklyn developments have helped to build momentum in the area.

Funding for Development and Incentives | Continue trends towards positive cash flow in the North and South Banks.

North Bank CRA

The DIA tax increment financing district budget for the North Bank has been saddled by debt from before its tenure for several North Bank parking garage deals. Because of these debt obligations, the DIA cannot currently offer REV Grants on the North Bank without Council approval, the area of Downtown that most needs incentives to fill the development gap. However, strides have been made in balancing funding for the North Bank, and it is expected to break-even in late 2018 with a positive cash flow by late 2019.

The current debt has resulted in City Council acting as a backstop for every development deal and every incentives package. This has reduced the ability of the DIA to incentivize new development and can act to deter potential developers who may be wary of pursuing a lengthy entitlement process in an already uncertain market. On the contrary, development on the South Bank has accelerated more, and the existence of a stable TIF fund has helped it provide stability and certainty for future developers.

Recommendation

Utilize this opportunity as a turning point to leverage new development on the North Bank and set other investment priorities in line with the framework proposed in this document. Drive more small and mid-sized development deals and begin to build-up resources to fund core priorities in the investment strategy, especially for smaller deals, where incentives are typically needed.



Maps of the North Bank and South Bank CRA area. Together, the two areas make up the DIA's jurisdiction.

Programming and Maintenance Funding | Identify sustainable sources of funding for programming and maintenance of parks and open spaces.

Operations, Maintenance and Programming of Open Space

The North Bank and South Bank have open spaces that have the potential to be hubs of activity and amenities for residents, visitors, and workers. In addition to some needed capital improvements, one of the biggest limiting factors for such transformation has been inadequate funding for operations, maintenance, and programming.

In general, parks and open space can gain funding from four sources: earned income, contributed income, value capture, and public contributions. A preliminary analysis of the funding potential for each of these funding sources can be found here.

Recommendation

- The City should explore value capture mechanisms and consider dedicating sustained public funding sources for the programming, operations, and maintenance of the Riverwalk and core downtown open spaces. Opportunities to explore include:
- Create a district along the Riverfront that allows for the dedication of tax increment, potentially from new development, to the Riverwalk. Contributions should scale with the size of development;
- As possible, consider the use of existing CRA funds as a contributing source of revenue;
- In instances of the redevelopment of publicly-owned land, utilize land proceeds or ground lease payments to contribute to the fund, as has been suggested at Friendship Park;
 - Match these funds with a dedicated public sector investment, potentially through an annual allocation in the City’s operating budget.
 - Advocate for dedicated public sector investment in programming, given the limitations of three out of four of the funding streams.

Funding Type	Definition	Potential in Jacksonville
EARNED INCOME	Concession sales, events, and user fees. Highly dependent on design and level and type of programming.	LOW Potential for the cost of single events/ programs to break-even in the long-run.
CONTRIBUTED INCOME	Philanthropy or corporate sponsorship.	LOW Limited due to relatively small pool of philanthropies in region and large set of organizations competing for these dollars.
VALUE CAPTURE	Generally self-imposed fees or taxes based on geography (e.g. revenues from real estate proceeds).	MEDIUM Opportunity for a funding stream from new development through tax increment. Greatest potential on the South Bank where market is stronger and development more feasible.
PUBLIC FUNDING	Local or state public entities.	TO BE DETERMINED

Implementation Roadmap | In the near term, the DIA should prioritize projects with defined funding sources, existing plans, and low-cost investments.

SHORT – TERM

0-2 Years

OPEN SPACE & INFRASTRUCTURE



- ✓ Invest in Times Union Center and Friendship Park
- ✓ Repurpose lane on Main Street Bridge

PROGRAMMING



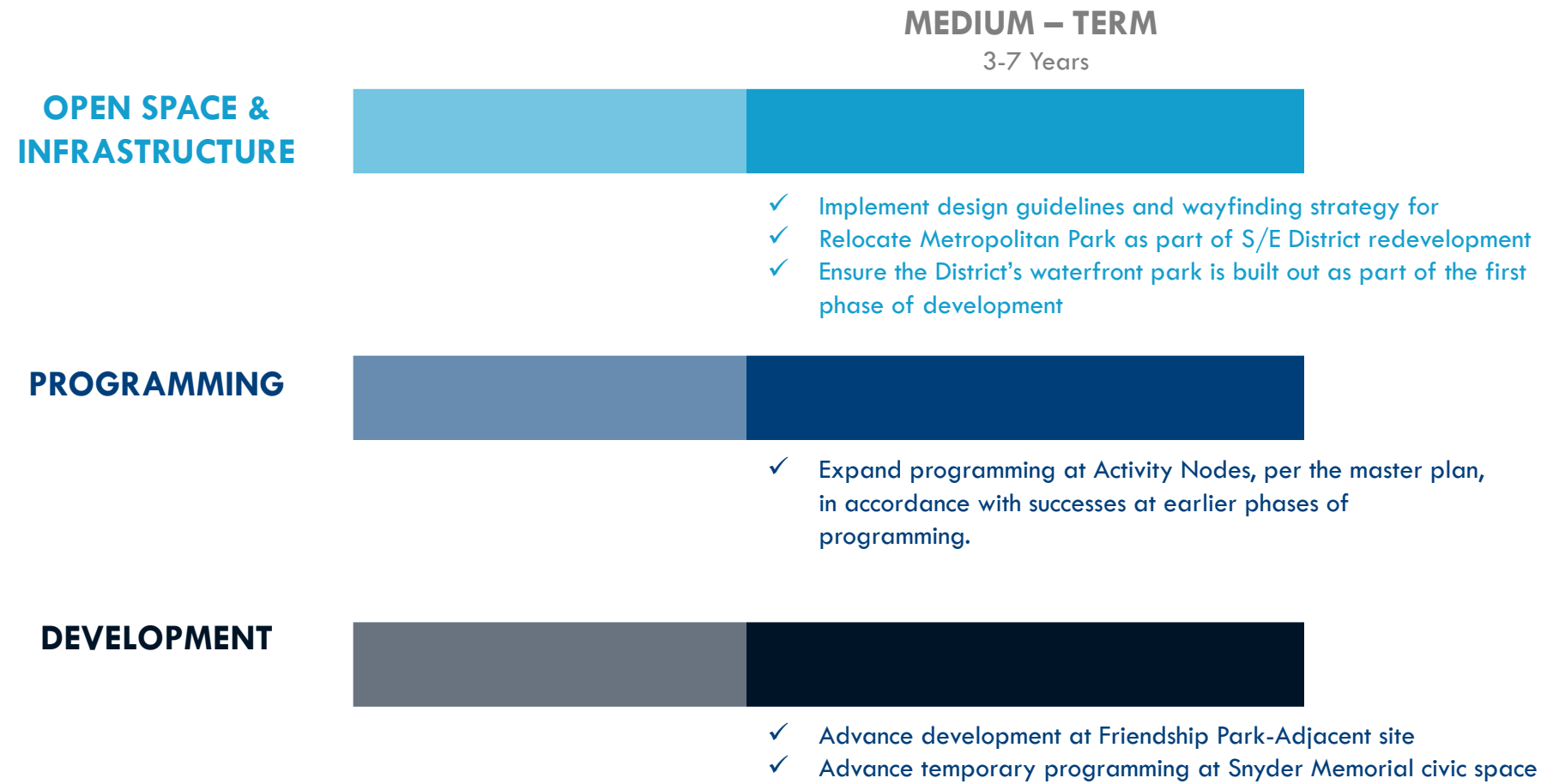
- ✓ Concentrate programming in key areas:
 - ✓ Times Union Center
 - ✓ Friendship Park
 - ✓ Hemming Park
 - ✓ Main St. Bridge
- ✓ Identify entity, near- & long-term funding streams

DEVELOPMENT

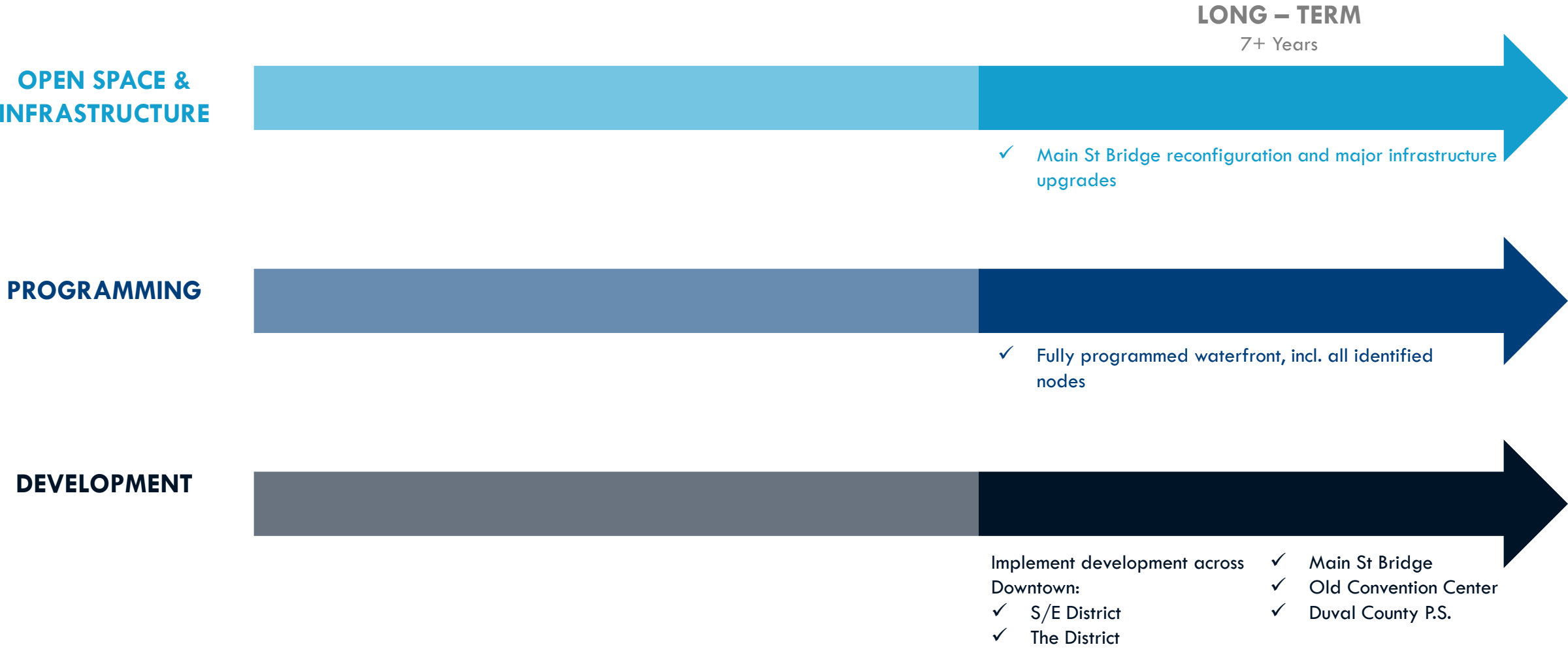


- ✓ Push forward small site, single-building redevelopments
- ✓ Continue RFP process for Convention Center & inlet improvements
- ✓ Engage owner and advance development of Times Union Building

Implementation Roadmap | In the medium term, prioritize projects with defined plans and leverage momentum from earlier phases.



Implementation Roadmap | In the long term, implement transformative projects that require significant capital costs and political will.





DOWNTOWN RIVERFRONT INVESTMENT STRATEGY

Investment Framework | Final Report

Summer 2018

Prepared by HR&A

