



*Monday, April 15, 2013 – 3:00 p.m.*

**DOWNTOWN INVESTMENT AUTHORITY**

**DOWNTOWN ECONOMY COMMITTEE**

**MEMBERS:**

Paul Perez, Chair  
Rob Clements, Committee Member  
Kay Harper, Committee Member

**I. CALL TO ORDER**

**II. DISCUSSION**

Introduction  
JEDC Public Investment Policy  
Future Meetings

**III. PUBLIC COMMENTS**

**IV. ADJOURNMENT**

## **Standing Downtown Committees**

In an effort to continue to develop a framework and structure for the Downtown Investment Authority (DIA) to conduct business, it has become evident that a standing committee structure should be established. This is very similar to the City Council structure. It is designed to provide a constant flow of dialogue at the regularly scheduled DIA Board meetings while still allowing the Board to engage on the wide variety of issues in Downtown. The Committees listed below reflect three areas of focus that the Board consistently reflects upon in its general meetings. Any issue that is conceived at the Board meeting or is identified as needing a more in-depth discussion will be referred to one of the three Committees which have specific areas of focus listed below. Each committee will consist of three Board members and will meet at times designated by its Chair. This does not preclude other Board members of from attending any of the Committee meetings. These meetings will be open to the public via the State Sunshine laws and will require the Ordinance prescribed notice.

- **The Downtown Economy Tools**
  - Historic Preservation Trust Funding
  - Revenue Enhanced Value (REV) Grant
  - Parking Inventory
  - Community Redevelopment Area Tax Increment Funds
  - Downtown Economic Development Trust Fund
  - Federal and State Grants
  
- **The Downtown Environment**
  
- **The Downtown Experience**

## **Standing Committee Members**

- **The Downtown Economy**
  - Paul Perez (Chairman)
  - Rob Clemens
  - Kay Harper
  
- **The Downtown Environment**
  - Jim Bailey (Chairman)
  - Oliver Barakat
  - Melody Bishop
  
- **The Downtown Experience**
  - Tony Allegretti (Chairman)
  - Don Harris
  - Michael Saylor

# JEDDC

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JACKSONVILLE  
ECONOMIC DEVELOPMENT  
COMMISSION

## **PUBLIC INVESTMENT POLICY**

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# Introduction

## *Mission Statement*

Since its creation in 1997, the Jacksonville Economic Development Commission (JEDC) has fostered Jacksonville's economic prosperity by working with the area's regional economic development partners to maintain a competitive business environment, helping to expand and recruit targeted industries to bring job-generating investments into specific areas of the community. In February 2004, Mayor John Peyton charged the JEDC with a new mission: *"to develop and execute policies that result in sustainable job growth, rising personal incomes and a broader tax base throughout the Northeast Florida region."*

## *Strategic Plan*

In response, the JEDC developed and, adopted in September 2004, a comprehensive, highly accountable strategic plan for achieving this mission. The strategic plan outlines five core objectives that will guide the JEDC:

- I. Recruit and expand higher-wage job opportunities.
- II. Increase the growth and expansion of small business.
- III. Promote and encourage private capital investment.
- IV. Promote and leverage investment in economically distressed areas.
- V. Promote a healthy and vibrant downtown.

The strategic plan also incorporates quantifiable measures and aggressive strategies that will help the city achieve each of these objectives. The JEDC plans to amend and update its strategic plan and project evaluation matrix as necessary.

## *Metrics of Success*

The strategic plan sets forth metrics of success for each of its five objectives that will provide the JEDC with accountable measurements of progress and assist in focusing future economic development efforts. These measurements take into account both annual and long-range targets such as growth in average wage levels in Duval County relative to the United States and a peer group of cities, small business growth in the area and the overall growth through increased private capital investment of Duval County's tax base.

## *Public Investment Policy*

The foregoing public investment policy is intended to be tool used by the JEDC staff to make fact-based decisions regarding projects to ensure that individual project goals are aligned with the goals of the organization, its mission and objectives. The Public Investment Policy sets forth minimum standards and eligibility criteria based on a Project Evaluation Matrix (PEM) score. In addition to the PEM score, projects will be evaluated

to determine whether public investment is a material factor in the completion of any project (“but for” test). Projects will also be evaluated against standard underwriting criteria and an assessment of the public investment risk associated with the project.

### *Project Evaluation Matrix (PEM) and Eligibility*

Based on the core objectives and metrics of success, the JEDC established a Project Evaluation Matrix (PEM) to evaluate all proposed business projects. The PEM will be used by JEDC staff to objectively determine and quantify a project’s impact on the JEDC’s mission and objectives. A project’s PEM score will help JEDC staff determine whether the project is eligible for public investment and the level of any public participation. A detailed description of the PEM is included in Section II of this Public Investment Policy.

The JEDC seeks to encourage **economic based jobs** – those that generate goods and services that are exported outside the community to bring new dollars into the community, thus expanding community wealth and prosperity. Projects that create service oriented jobs – those that recycle and exchange local dollars already in the community – will be considered only if the project is located in a designated Commercial Development Area.

To further determine project eligibility for public investment, JEDC staff will evaluate projects utilizing the Standard or Small PEM and the requirements of the strategic plan. (The Small PEM is used for projects that employ 100 or fewer employees.) Projects must achieve the minimum scores on the matrixes to be eligible for a public investment program, and maximum public investment eligibility is determined by the PEM scores. Grants are limited to a percentage of the maximum public investment eligibility, while loans are based on the maximum public investment requirements and the JEDC’s formal underwriting process. JEDC staff negotiates the final public investment based on a justification for the public investment, due diligence, underwriting guidelines, public investment risk analysis and other factors. The total public investment cannot exceed more than 30 percent of the project’s private capital investment, except for state or federal programs. Not all projects will receive the maximum eligibility.

PEM scores do not relate to state, including the QTI/QDC programs, and federal programs or internally administered assistance programs such as the Northwest Façade Grant Program, or the Enterprise and Empowerment Zones.

### *Amendment Rights*

The JEDC recognizes that, from time to time, it may be necessary to request a waiver of this Public Investment Policy to accommodate certain exceptional projects that have a significant impact on the Jacksonville economy.

## **Duval County Job Opportunity Bank**

The Duval County Job Opportunity Bank (DCJOB) was established as a permanent trust fund of the City to be administered by the Director of Procurement (Director) and the Duval County Job Opportunity Bank Board (Board). The purpose of the DCJOB is to provide grants and other forms of financial assistance to increase job opportunities for job skills advancement of City residents, to upgrade their job skills and to provide customized skills training for new and incumbent workers of City employers. The DCJOB will be subject to the general direction of the Board of Directors of the DCJOB, with said Board to consist of 4 members appointed by the Mayor and 3 members appointed by the Council, each subject to approval by Council resolution.

The DCJOB will be funded by contributions or disbursements from economic assistance recipients, appropriations within the City budget or available grants. Each Economic Assistance Recipient shall remit to the Director, for deposit into the Duval County Job Opportunity Bank, an amount negotiated by the JEDC with the Economic Assistance Recipient as part of the incentives agreement, provided however that the sum remitted shall be an amount no less than 1% of the maximum amount anticipated to be received as locally provided economic assistance. If the Economic Assistance Recipient is to receive any real property, then the 1% amount shall be based upon 1% of the fair market value of the property as approved by the City. Notwithstanding this formula, no Economic Assistance Recipient shall be required to remit more than \$50,000.00 for any single project approved by the JEDC. The incentives agreement shall provide for the remittance within thirty (30) days of contract execution. As part of the project approval process by the City Council, the JEDC shall report in a separate line item the amount each economic assistance recipient is to remit. The Council shall consider this as a factor in its approval deliberations for those agreements whether, in its opinion and judgment, the amount to be remitted to the Job Opportunity Bank is adequate and proportionate to the economic assistance received. The JEDC shall treat the funding of the Job Opportunity Bank as a significant factor in negotiating economic assistance projects and giving approval to the same. The JEDC will forward a copy of any agreement for economic assistance to the Director within 30 days after execution of the agreement.

No funds are to be released from the DCJOB unless approved by the Board, nor until the balance in the DCJOB reaches \$100,000. In years succeeding the initial distribution of funds, funds may be released when the balance exceeds \$250,000, provided a reserve of \$250,000 remains at all times. Provision is made for grant applications, with priority given to applications determined to best serve job skills advancement for youths 18-21 years of age, chronically unemployed or underemployed individuals, dislocated workers, ex-offenders and veterans. Those receiving funds are to enter into a grant agreement with the Director of Procurement, acknowledging the right of said Director to monitor expenditure of funds require reports and other information and inspect records. The Director is to monitor and evaluate performance of grantees and may terminate or modify grant agreements. Provision is made for appeals to the DCJOB.

# Project Evaluation Matrix

The Project Evaluation Matrix (PEM) was developed as a tool to objectively evaluate all JEDC projects based on the project's impact on the JEDC's mission, strategic plan and objectives. Each objective has a defined range of evaluating measurements that are used to determine a project's economic impact on that objective. Every project will be evaluated against four of the objectives depending on the location of the project. The scores on those four objectives are then used to determine whether a project is eligible for public investment and the level of any such investment. Projects that have a greater impact on achieving the JEDC's objectives will score higher and therefore be eligible for more public investment.

Because of the vast differences between small and large projects, there are two matrices that may be used to score projects. Projects that seek smaller amounts of project funding, such as Façade Grants and SBDI, will be scored using the Small PEM. All other projects will be scored using the Standard PEM. Small projects that seek greater levels of public investment, such as REV grants or assistance through the QTI program, must be scored using the Standard Project Evaluation Matrix. In no case will a project be scored using both matrices.

Depending on the project's location, a project will receive points for either Objective IV: Promote and Leverage Investment in Economically Distressed Areas or Objective V: Promote a Healthy and Vibrant Downtown. The project's location score will be determined according to the methodology described below.

There are five main areas of the PEM representing each of the five objectives. The following is a summary of each:

***I. Recruit and Expand Higher-Wage Job Opportunities:*** This objective quantifies the project's impact on the average wage of the census tract or the county. By directing public assistance to projects that increase the average wage, the average wage of the county will, in turn, increase. All projects will be scored based on the average wage for all new jobs created by the project. The average "project wage" is measured against the average wage for the census tract that the project is located in or the county-wide average wage, whichever is less. All projects must pay at least 60 percent of Duval County's average wage in order to meet the initial eligibility criteria.

***II. Increase the Growth and Expansion of Small Business:*** This objective score is based on the number of new full-time jobs resulting from a project. As the number of jobs increases in a community, there is a direct increase in demand for small service oriented businesses. Thus, increased job and employment growth will have a direct and positive impact on the small business environment. Projects will be evaluated and receive points based on the size of the project and the number of new jobs created. A project may receive additional points based on the project's potential for future job growth. Projects that generate a high number of jobs will receive a higher score and thus be eligible for a higher level of public investment. There is a separate matrix for this objective specific to small projects. As a general rule, only new full-time "economic base" jobs will be considered when evaluating a project's performance on this objective with the exception of service oriented jobs located in JEDC designated Commercial Development Areas.

Only projects located in a designated Commercial Development Area will be eligible to receive points for the creation of service oriented jobs.

**III. Promote and Encourage Private Capital Investment:** This objective measures the amount of taxable private capital investment that a company will invest in a project. Taxable private capital investment has a direct impact on the JEDC's core mission to broaden the Duval County tax base without increasing ad valorem taxes. Therefore, the private capital investment that adds to the tax base is eligible for consideration. Projects with a higher level of private capital investment will receive a high score on this portion of the matrix. There is a separate matrix for this objective specific to small projects.

**IV. Promote and Leverage Investment in Economically Distressed Areas:** This objective evaluates a project based on the Economic Distress Score of the census tract in which the project is located. The Economic Distress Score is based on an analysis of the unemployment rate, the per capita income, residential real estate values and commercial real estate values within each census tract. Projects located in areas with a higher economic distress score will be eligible for a higher level of public investment.

**V. Promote a Healthy and Vibrant Downtown:** Within this objective there are four areas of scoring: (i) *Project Location within Downtown:* the downtown matrix provides higher scores for projects located in certain priority areas of downtown; (ii) *Project Impact on Downtown Parking:* projects that increase parking will score higher than those that bring no parking; projects that take away from currently available parking will score zero or negative points; (iii) *Project Use:* those projects that bring housing, destination retail or entertainment to downtown score higher than those that are office related; and, (iv) *Effect on Downtown Master Plan and the JEDC Strategic Plan:* the project profile evaluation criteria section looks at how the project will effect the goals of the Downtown Master Plan and JEDC Strategic Plan. Projects that help reach the goals outlined in each plan will receive more points than those that have little or no effect.

# Public Investment Programs

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# Downtown Programs

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## **Discretionary Program: Downtown Historic Preservation and Revitalization Trust Fund (HPTF)**

### **Summary Description:**

The intent of the Downtown Historic Preservation Trust Fund is to foster the preservation and reuse of unoccupied, underutilized and deteriorating historic buildings located in downtown Jacksonville.

### **Minimum Eligibility:**

Project must be located within the Jacksonville Downtown Area boundary and must be a locally designated historic landmark or a contributing structure within a local historic district (as approved by the Historic Preservation Commission). Project must have prior approval from the Historic Preservation Division of the Planning and Community Development Department and received any required Certification of Appropriateness required by the Historic Preservation Division or Historic Preservation Task Force, if applicable. Project must also conform to the goals and objectives of the Downtown Master Plan and score a minimum of 10 points on the Downtown objective of the Project Evaluation Matrix.

### **Maximum Public Investment Eligibility:**

The maximum amount of assistance (grant and/or loan) allowed under the HPTF program is the lesser of \$1,000,000 or 20 percent of the proposed private capital. Project assistance is determined by its location within the Priority Areas of downtown:

| <b>Priority Area</b> | <b>Maximum% of PCI in City Investment</b> |
|----------------------|---|
| Area 1               | 20%                                       |
| All other areas      | 10%                                       |

### **Grant Eligibility:**

Grants are limited to the lesser of 50 percent of the eligible expenses or 50 percent of the total city assistance. Grant funds may be used only for exterior rehabilitation and restoration. Grant assistance is determined by a project's score on the Downtown objective within the Project Evaluation Matrix:

| <b>Downtown Score</b> | <b>Expenses Eligible for Grant</b> |
|-----------------------|------------------------------------|
| 10-13                 | Up to 20%                          |
| 14-17                 | Up to 35%                          |
| 18-20                 | Up to 50%                          |

**Loan Eligibility:**

Should a project request loan assistance for building and fire code improvements and/or interior rehabilitation and restoration, it may be evaluated utilizing the JEDC's formal underwriting process to determine eligibility. City loan funds must not exceed 20 percent of the total costs of these improvements.

**Program Guidelines:**

All project work must be approved for consistency with the United States Secretary of Interior Standards and applicable design guidelines. Business structures receiving Historic Preservation Trust funds must be in compliance with all existing City, State and Federal building codes, regulations and permitting requirements, including any applicable Certifications of Appropriateness, as a prerequisite to the receipt of funds.

**Approval Process:**

1. Utilize JEDC Small Business Prequalification Process (as required)
2. Historic Preservation Commission approval
3. Underwriting (if loan)
4. JEDC approval
5. City Council approval (if value exceeds \$50,000)
6. Mayor's approval and execution of agreement

## **Discretionary Program: Downtown Development Business Investment Program**

### **Summary Description:**

The Downtown Development Business Investment program is designed to encourage the development of first and second floor retail, restaurant and entertainment-themed business in the JEDC designated Downtown Commercial Corridors.

### **Minimum Eligibility:**

Project must be consistent with the Downtown Master Plan and the Downtown Zoning Overlay and must be located within one of the JEDC designated Downtown Commercial Corridors. Project must also score a minimum of 10 points on the Downtown objective of the Project Evaluation Matrix.

### **Maximum Public Investment Eligibility:**

The maximum amount of investment (grant and/or loan) allowed under this program is \$250,000. Façade grant assistance is limited to a maximum of \$20,000 for any one business or building. The program will provide a dollar for dollar matching grant for the renovation of first and second floor facades up to \$10,000. Façade improvements valued over \$10,000 may receive a façade grant of \$1 for every \$2 private capital investment up to the program cap of \$20,000. Buildings with multiple storefronts may receive assistance, but no building is eligible for more than \$20,000.

Should a project request loan assistance for façade improvements not covered by grant funds, code improvements, interior renovations and/or utility and mechanical upgrades, it may be evaluated utilizing the JEDC's formal underwriting process to determine eligibility. City loan funds must not exceed 30 percent of the total costs of these improvements.

### **Program Guidelines:**

Funds provided by this program may be used for exterior and interior improvements that are permanent and structural or consisting of new construction that will make the building available for property owners, tenants, new and existing businesses. Funds may not be used for the following: working capital, refinancing of debt, inventory, building permits, acquisition of property, machinery or equipment, or residential projects.

### **Approval Process:**

1. DRC approval (all exterior improvements)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor's approval and execution of agreement

## **Discretionary Program: Residential Recapture Enhanced Value Program**

**Summary Description:**

A Residential “REV” grant is designed to bring private capital investment and redevelopment into a residential project site. Utilizing a “base year” assessed taxable property value (from the Property Appraiser’s database) for the project, a certain percentage of the City’s incremental increase in ad valorem taxes on real and/or tangible personal property paid by the project above the base year amount is available as a REV grant to the developer.

**Minimum Eligibility:**

Project must achieve a minimum score of 12 points on the Downtown objective of the Project Evaluation Matrix, with 3 of those points coming from the Project Profile Evaluation Criteria section of the Downtown Objective.

**Maximum Public Investment Eligibility:**

The maximum grant amount allowed under the Residential REV program is determined by its location within the downtown area:

| <b>Downtown Location</b> | <b>Market Rate Price Point</b>                | <b>Maximum Grant Terms</b>                             |
|--------------------------|---|--|
| Priority Area 1          | 20% or more below JEDC determined market rate | Up to 75% for 10 years                                 |
| Priority Area 1          | At JEDC determined market rate                | Up to 75% for first 5 years and 50% for second 5 years |
| All other areas          | At JEDC determined market rate                | Up to 50% for 10 years                                 |

Project grant may be reduced and/or terminated if a project’s cash-on-cash return exceeds 20 percent any time during the term of the grant.

The JEDC will calculate the annual “market rate” for downtown rental and for sale housing at least one time each year. For purposes hereof, the JEDC staff will determine whether a project meets the stated “market rate” based on the for rent or for sale per square foot value of each unit in the year in which the initial sale takes place. For purposes hereof, the “sale” of a unit includes the date on which exchange of title takes place and closing documents are executed or the effective date of a lease.

**Program Guidelines:**

A Residential REV grant is paid annually to the developer **AFTER** construction of the project that creates the “increment.” There are typically no restrictions on the use of funds.

**Approval Process:**

1. DRC approval (all exterior improvements)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor's approval and execution of agreement

# Countywide Programs

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## Discretionary Program: Business Infrastructure Grant/Loan (BIG)

**Summary Description:**

The BIG program is designed to attract economic development to targeted areas by providing access to capital for infrastructure improvements to commercial businesses that increase the tax base.

**Minimum Eligibility:**

Project must achieve the following minimum scores on the Standard Project Evaluation Matrix to be eligible for this program:

| Location Score | Combined Score<br>from remaining<br>Objectives |
|----------------|--|
| 0-7            | 46-60  |
| 8-14           | 31-45  |
| 15-20          | 20-30  |

**Maximum Public Investment Eligibility:**

The maximum amount of public investment is \$250,000 (grant and/or loan) and is determined by the following scores on the Standard Project Evaluation Matrix:

| Location Score | Maximum % of PCI<br>in City Investment |
|----------------|--|
| 0-6            | 10%                                    |
| 7-12           | 15%                                    |
| 13-17          | 20%                                    |
| 18-20          | 30%                                    |

**Grant Eligibility:**

If applicable, grants are limited to the lesser of \$100,000 or 40 percent of the total proposed private capital investment. Grant amounts are determined by a project's score on the Higher Wage objective within the Standard Project Evaluation Matrix:

| Wages Score | Grant Amount<br>per Job |
|-------------|-------------------------|
| 0-6         | Up to \$2,000           |
| 7-12        | Up to \$5,000           |
| 13-17       | Up to \$10,000          |
| 18-20       | Up to \$15,000          |

**Loan Eligibility:**

Should a project request loan assistance, it may be evaluated utilizing the JEDC's formal underwriting process to determine eligibility. Loan requests will not be considered for amounts less than \$25,000 and will not exceed \$250,000. JEDC approved loans are available to provide "gap" financing only after the project applicant has received conventional financing for the project. The loan shall not exceed 20 percent of the total private capital investment for the project or 50 percent of the primary lender's loan.

**Program Guidelines:**

Assistance provided under the BIG program may be used for infrastructure improvements including but not limited to road construction, water and sewer lines, fencing, sidewalks, entryways, lighting and handicap accessibility to the project site. Projects that receive assistance from the BIG Program for the construction of roads or for water or sewer utilities may be eligible for other public investment programs. Projects that receive assistance for fencing, sidewalks, entryways, lighting and handicap accessibility to the project site under the BIG program are *not* eligible for other programs funded through the Countywide Economic Development Fund except internally administered programs; e.g., Façade Renovation Grant.

**Approval Process:**

1. Utilize JEDC Small Business Prequalification Process (as required)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor's approval and execution of agreement

## **Discretionary Program: Large Scale Economic Development Fund**

**Summary Description:**

The Large Scale Economic Development Fund targets commercial projects that add to the tax base, project new employment in excess of 100 persons or makes a significant economic impact within a targeted area.

**Minimum Eligibility:**

Project must achieve the following minimum scores on the Project Evaluation Matrix to be eligible for this program:

| <b>Location Score</b> | <b>Combined Score from remaining Objectives</b> |
|-----------------------|---|
| 0-7                   | 46-60   |
| 8-14                  | 31-45   |
| 15-20                 | 20-30   |

Project must create at least 100 new jobs.

**Maximum Public Investment Eligibility:**

The maximum amount of investment (grant and/or loan) allowed under the Large Scale Economic Development program is the lesser of \$15,000 per new job created or 30 percent of the proposed private capital investment and must not exceed \$3,000,000. Maximum project assistance is determined by its score on the Economically Distressed Area objective within the Project Evaluation Matrix:

| <b>Location Score</b> | <b>Maximum % of PCI in City Investment</b> |
|-----------------------|--|
| 0-6                   | 10%  |
| 7-12                  | 15%  |
| 13-17                 | 20%  |
| 18-20                 | 30%  |

**Grant Eligibility:**

If applicable, grants are limited to the lesser of \$600,000 or 20 percent of the total proposed private capital investment. Grant amounts are also determined by a project's score on the Higher Wage objective within the Project Evaluation Matrix:

| <b>Wages Score</b> | <b>Grant Amount per Job</b> |
|--------------------|-----------------------------|
| 0-6                | Up to \$2,000               |
| 7-12               | Up to \$5,000               |
| 13-17              | Up to \$10,000              |
| 18-20              | Up to \$15,000              |

**Loan Eligibility:**

Should a project request loan assistance, it may be evaluated utilizing JEDC's formal underwriting process to determine eligibility. Loan requests will not be considered for amounts less than \$25,000 and will not exceed \$3,000,000. JEDC approved loans are available to provide "gap" financing only after the project applicant has received conventional financing for the project. The loan shall not exceed 20 percent of the total private capital investment for the project or 50 percent of the primary lender's loan.

**Program Guidelines:**

Funds provided through this program may be used for acquisition of land or buildings, infrastructure related costs, new construction and renovation of commercial buildings ("hard" costs only). Projects that receive assistance under the Large Scale Economic Development Fund program are not eligible for other programs funded through the Countywide Economic Development Fund except internally administered programs; e.g., Façade Renovation Grant.

**Approval Process:**

1. Utilize JEDC Small Business Prequalification Process (as required)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor's approval and execution of agreement

## Discretionary Program: Small Business Development Initiative (SBDI)

**Summary Description:**

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

**Minimum Eligibility:**

Project must achieve the following minimum scores on the Small Project Evaluation Matrix to be eligible for this program:

| Location Score | Combined Score from remaining Objectives |
|----------------|--|
| 0-7            | 46-60                                    |
| 8-14           | 31-45                                    |
| 15-20          | 20-30                                    |

**Maximum Public Investment Eligibility:**

The maximum amount of investment (grant and/or loan) allowed under the SBDI program is the lesser of \$250,000 or 30 percent of the total proposed private capital investment. The amount of public investment is determined by its score on the Economically Distressed Area objective within the Small Project Evaluation Matrix:

| Location Score | Maximum % of PCI in City Investment |
|----------------|-------------------------------------|
| 0-6            | 10%                                 |
| 7-12           | 15%                                 |
| 13-17          | 20%                                 |
| 18-20          | 30%                                 |

**Grant Eligibility:**

Grants are limited to the lesser of \$50,000 or 20 percent of total proposed private capital investment and amount is determined by the number of jobs to be created. Grant assistance is determined by a project's score on the Higher Wage objective within the Small Project Evaluation Matrix:

| Wages Score | Grant Amount per Job |
|-------------|----------------------|
| 0-6         | Up to \$2,000        |
| 7-12        | Up to \$5,000        |
| 13-17       | Up to \$10,000       |
| 18-20       | Up to \$15,000       |

**Loan Eligibility:**

Should a Project request loan assistance, it may be evaluated utilizing the JEDC's formal underwriting process to determine eligibility. Loan requests will not exceed \$250,000. JEDC approved loans are available to provide "gap" financing only after the project applicant has received conventional financing for the project. The loan shall not exceed 20 percent of the total private capital investment for the project or 50 percent of the primary lender's loan.

**Program Guidelines:**

Funds provided through this program may be used for acquisition of land or buildings, infrastructure related costs, new construction, and renovation of commercial buildings. Funds may **NOT** be used for working capital, furniture and fixtures, office equipment and other non-capital related expenses. Projects that receive assistance under the SBDI program are not eligible for other programs funded through the Countywide Economic Development Fund except internally administered programs; e.g., Façade Renovation Grant.

**Approval Process:**

1. Utilize JEDC Small Business Prequalification process (as required)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor's approval and execution of agreement

## **Discretionary Program: Commercial Development Area Program**

### **Summary Description:**

The Commercial Development Area program is designed to retain and attract business development in designated Commercial corridors located in Neighborhood Action Plan Areas, Downtown and Town Center (“Commercial Development Areas”) areas by providing loans to finance the purchase of machinery and equipment and/or leasehold improvements.

### **Minimum Eligibility:**

Project must be located in a JEDC designated Commercial Development Area and must have a letter of recommendation from the Planning Department which states that the project is consistent with the established goals of the applicable planning document. Projects must also score a minimum of 12 points on the Economically Distressed Area objective within the Project Evaluation Matrix to be eligible for this program.

### **Maximum Public Investment Eligibility:**

The maximum amount of investment allowed under the Commercial Development Area program is the lesser of \$100,000 or 20 percent of the proposed private capital investment. All assistance will be in the form of low interest loans. Project assistance is determined by its score on the Distressed Area objective within the Project Evaluation Matrix:

| <b>Location Score</b> | <b>Maximum % of PCI in City Investment</b> |
|-----------------------|--|
| 12-14                 | 10%  |
| 15-17                 | 15%  |
| 18-20                 | 20%  |

### **Program Guidelines:**

Funds provided through this program may be used for leasehold improvements (including professional fees associated with the design and permitting of the proposed construction activities), purchasing machinery and equipment, purchasing furniture and fixtures (for retail buildings located on the first floor of commercial buildings providing a needed product/service), and professional fees and soft costs associated with closings and documentation of small business loans.

### **Approval Process:**

1. Utilize JEDC Small Business Prequalification Process (as required)
2. JEDC approval
3. City Council approval (if value exceeds \$50,000)
4. Mayor’s approval and execution of agreement

## **Internally Administered Program: Façade Renovation Grant Program**

### **Summary Description:**

The Façade Renovation Grant Program is designed to provide commercial or retail façade renovation funding assistance for existing businesses in targeted areas.

### **Minimum Eligibility:**

Project must be located within a JEDC designated Commercial Development Area.

### **Maximum Public Investment Eligibility:**

Grants are awarded based on the receipt of a completed application, acceptable design and availability of funds. The program matches dollar for dollar façade renovation costs up to a maximum of \$10,000 in city funding.

### **Program Guidelines:**

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

Businesses eligible for the Façade Renovation Grant Program must utilize JEDC approved design and engineering professionals. Business structures receiving Façade Renovation Grant funds must be in compliance with all existing city, state, and federal building codes and regulations and permitting requirements as a prerequisite to the receipt of funds.

### **Approval Process:**

JEDC staff approval

## **Discretionary Program: Tax Increment District Infrastructure Development (TID Infrastructure Development)**

**Summary Description:**

The TID Infrastructure Development program is designed to attract economic development to targeted areas of the city by providing access to capital for infrastructure improvements to commercial businesses that increase the tax base.

**Minimum Eligibility:**

The TID Infrastructure Development program is available for projects that are located within the Tax Increment Districts of Duval County. Project must create at least 100 new full-time jobs with wages at or above the county average wage or average wage for the census tract. Projects must also achieve the following minimum scores on the Standard Project Evaluation Matrix to be eligible for this program:

| <b>Location Score</b> | <b>Combined Score from remaining Objectives</b> |
|-----------------------|---|
| 0-7                   | 46-60   |
| 8-14                  | 31-45   |
| 15-20                 | 20-30   |

**Maximum Public Investment Eligibility:**

The maximum amount of investment allowed under the TID Infrastructure Development program is \$250,000 (grant and/or loan). Maximum project assistance is determined by the projects scores on the Standard Project Evaluation Matrix:

| <b>Location Score</b> | <b>Maximum % of PCI in City Investment</b> |
|-----------------------|--|
| 0-7                   | 10%  |
| 8-14                  | 15%  |
| 15-20                 | 20%  |

**Grant Eligibility:**

If applicable, grants are limited to the lesser of \$100,000 or 40 percent of the total proposed private capital investment. Grant amounts are also determined by a project's score on the Higher Wage objective within the Standard Project Evaluation Matrix:

| <b>Wages Score</b> | <b>Grant Amount per Job</b> |
|--------------------|-----------------------------|
| 0-7                | Up to \$1,000               |
| 8-13               | Up to \$2,500               |
| 14-20              | Up to \$5,000               |

**Loan Eligibility:**

Should a project request loan assistance, it may be evaluated utilizing JEDC's formal underwriting process to determine eligibility. Loan requests will not be considered for amounts less than \$25,000 and will not exceed \$250,000. JEDC approved loans are available to provide "gap" financing only after the project applicant has received conventional financing for the project. The loan shall not exceed 20 percent of the total private capital investment for the project or 50 percent of the primary lender's loan.

**Program Guidelines:**

Investment provided under the TID Infrastructure Development program may be used for infrastructure improvements including but not limited to road construction, water and sewer lines, fencing, sidewalks, entryways, lighting and handicap accessibility to the project site.

**Approval Process:**

1. JEDC approval
2. City Council approval (if value exceeds \$50,000)
3. Mayor's approval and execution of agreement

## Discretionary Program: Recapture Enhanced Value (REV)

### Summary Description:

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

### Minimum Eligibility:

Project must achieve the following minimum scores on the Project Evaluation Matrix to be eligible for this program:

| Objective      | Minimum Points                |
|----------------|-------------------------------|
| PCI            | 15                            |
| Wages          | A combination of<br>30 points |
| Small Business |                               |
| Location       |                               |

### Maximum Public Investment Eligibility:

The maximum grant amount allowed under the REV program is determined by its scores on the Project Evaluation Matrix:

| Minimum PCI Score | Combined Score from remaining Objectives | Maximum Grant Terms         |
|-------------------|--|-----------------------------|
| 15                | 30 and above                             | Up to 35% for up to 5 years |
| 17                | 40 and above                             | Up to 50% for up to 7 years |
| 20                | 45 and above                             | Up to 50% for up to 10years |

If a project’s proposed private capital investment exceeds \$100 Million, it need only meet the minimum eligibility criteria discussed in the previous section to qualify for the maximum investment outlined above.

Based on the specific facts and circumstances of each project, JEDC staff will negotiate the “base year” for the REV Grant formula and a maximum cap for the total amount of the REV Grant.

### Program Guidelines:

A REV grant is paid annually to the developer **AFTER** construction of the project that creates the “increment.” There are typically no restrictions on the use of funds.

### Approval Process:

1. Utilize JEDC Small Business Prequalification Process (as required)
2. JEDC approval
3. City Council approval (if grant value exceeds \$50,000)
4. Mayor’s approval and execution of agreement

## **Discretionary Program: Industrial Revenue Bonds**

### **Summary Description:**

The JEDC is the sole industrial development authority for the City of Jacksonville. In this capacity, JEDC is authorized to issue tax-exempt bonds to finance the expansion or relocation of industrial development.

### **Minimum Eligibility:**

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

### **Maximum Public Investment Eligibility:**

Project assistance is determined by the needs and parameters of the project.

### **Program Guidelines:**

Project must submit written application for this program, including an application fee as specified by local ordinance. Industrial Revenue Bonds are conduit financing instruments and although the bonds are issued by the JEDC and the City, there is no recourse against the issuing body.

### **Approval Process:**

1. IRB Committee Approval
2. City Council approval
3. JEDC approval

# State and Federal Programs

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## Discretionary Program: Qualified Targeted Industries/Qualified Defense Contractors (QTI/QDC)

**Summary Description:**

State-sponsored tax refund program based on the creation of high-wage jobs. New jobs must pay at least 15 percent above the state or county average wage (whichever is less).

**Minimum Eligibility:**

In order for a project to be eligible for the QTI or QDC program it must be a State of Florida targeted industry, pay at least 15 percent above the state or county average wage and meet all other requirements as determined by the state.

**Maximum Public Investment Eligibility:**

The amount of investment available under the QTI/QDC program is dependent on several variables as illustrated in the following table:

| Project Average Wage | Award   |               | Potential Bonus Award<br>(based on location of project) |                 |
|----------------------|---------|---------------|---|-----------------|
|                      | QTI     | QDC           | Enterprise Zone   | Brownfield Area |
| 115%                 | \$3,000 | Up to \$5,000 | \$3,000   | \$2,500         |
| 150%                 | \$4,000 | Up to \$5,000 | \$3,000   | \$2,500         |
| 200%                 | \$5,000 | Up to \$5,000 | \$3,000   | \$2,500         |

The maximum amount of assistance available under the QTI/ QDC program is \$5,000,000 per applicant. The maximum Enterprise Zone bonus available is \$3,000,000 per applicant. The maximum Brownfield bonus available is \$3,000,000 applicant.

Assuming that a project meets all other program specific requirements, it must also meet the following criteria in order to receive the Enterprise Zone or Brownfield Area bonus awards:

- A. If the project is located in a census tract block group that meets both of the Enterprise Zone criteria of poverty and unemployment, the project is eligible for both the Enterprise Zone and Brownfield Area bonus awards.
- B. If the project is located in a census tract block group that meets one of the Enterprise Zone criteria, the project must create at least 100 new QTI wage level jobs and must invest at least \$5 million in new Private Capital Investment in order to receive either bonus award. The project must also hire 5 percent of the new jobs from within the Enterprise Zone.
- C. If the project is located in a census tract block group that does not meet either of the Enterprise Zone criteria, the project must create at least 250 new QTI wage level jobs and must invest at least \$10 million in new Private Capital Investment in order to receive either bonus award. The project must also hire 10 percent of the new jobs from within the Enterprise Zone.

At the JEDC’s discretion, the 5 percent and 10 percent Enterprise Zone hiring requirements will be reviewed on a case by case basis and may be waived for good cause and reason as determined by the Commission.

**Program Guidelines:**

This program is administered by the State of Florida's Office of Tourism, Trade and Economic Development (OTTED).

**Approval Process:**

1. JEDC approval
2. City Council approval (if value of City match exceeds \$50,000)
3. Mayor's approval and execution of agreement
4. State approval (OTTED)

## **Discretionary Program: Economic Development Transportation Fund (EDTF)**

### **Summary Description:**

State grant for transportation infrastructure that is used to help eradicate location specific transportation issues related to a company's decision to expand or relocate.

### **Minimum Eligibility:**

In order for a project to be eligible for the EDTF program it must be a State of Florida targeted industry, serve markets outside the State of Florida (economic-base jobs) and meet all other requirements as determined by the state.

### **Maximum Public Investment Eligibility:**

The maximum amount of investment available under the EDTF program is \$2,000,000. Funding is determined by the number of jobs created and/or retained and proposed private capital investment.

### **Program Guidelines:**

This program is administered by the State of Florida's Office of Tourism, Trade and Economic Development (OTTED).

### **Approval Process:**

1. State approval (OTTED)
2. JEDC approval
3. City Council approval (if value of grant exceeds \$50,000)
4. Mayor's approval and execution of agreement

## **Discretionary Program: Quick Response Training (QRT)**

### **Summary Description:**

State-sponsored program for the development of customized training programs.

### **Minimum Eligibility:**

In order for a project to be eligible for the QRT program it must create new full-time jobs and/or employ Florida workers who require customized entry-level skills training, serve markets outside the State of Florida (economic-base jobs) and meet all other requirements as determined by the state.

### **Maximum Public Investment Eligibility:**

Amounts are awarded based upon the company's training needs as determined by the State of Florida's Office of Tourism, Trade and Economic Development (OTTED) working with a "local training provider" (FCCJ).

### **Program Guidelines:**

Training programs are administered through Florida Community College at Jacksonville (FCCJ). FCCJ uses different programs and funding to develop a training package for a business. Reimbursable training expenses include instructors' and trainers' salaries, curriculum development, textbooks/manuals, materials/supplies and training equipment. Training is limited to 18 months or less.

### **Approval Process:**

1. State approval (OTTED)
2. JEDC approval
3. City Council approval (if value of grant exceeds \$50,000)
4. Mayor's approval and execution of agreement

## **Discretionary Program: High Impact Performance Grant (HIPI)**

### **Summary Description:**

State grant used to attract and grow high impact businesses in Florida.

### **Minimum Eligibility:**

Eligibility for this program is determined by the State of Florida.

### **Maximum Public Investment Eligibility:**

Project assistance is determined by the number of jobs created and amount of private capital investment.

### **Program Guidelines:**

This program is administered by the State of Florida's Office of Tourism, Trade and Economic Development (OTTED).

### **Approval Process:**

1. OTTED approval

## **Discretionary Program: Capital Investment Tax Credit (CITC)**

### **Summary Description:**

State-sponsored credit against corporate income tax for high impact business relocations or expansions.

### **Minimum Eligibility:**

Eligibility for this program is determined by the State of Florida.

### **Maximum Public Investment Eligibility:**

Project assistance is determined by the number of jobs created and amount of private capital investment.

### **Program Guidelines:**

This program is administered by the State of Florida's Office of Tourism, Trade and Economic Development (OTTED).

### **Approval Process:**

1. OTTED approval

## **Internally Administered Program: Non Ad Valorem Enterprise Zone Investment**

### **Summary Description:**

State-sponsored program developed to bring revitalization to the city's designated Enterprise Zone.

### **Minimum Eligibility:**

To qualify, companies must be expanding in or relocating to the city's Enterprise Zone.

### **Maximum Public Investment Eligibility:**

The amount of assistance available depends upon the program segment(s) used by the company.

### **Program Guidelines:**

The following program segments are available for use in the Enterprise Zone:

- Community Contribution Tax Investment Program
- Job Tax Credit
- Property Tax Credit
- Credit Against Sales Tax for Job Creation
- Sales Tax Exemption for Electrical Energy
- Sales Tax Exemption for Building Materials
- Sales Tax Exemption for Business Property

### **Approval Process:**

No approvals are necessary. Application must be submitted to the JEDC for processing.

## **Internally Administered Program: Sales and Use Tax Exemptions on Machinery and Equipment**

### **Summary Description:**

Exemption for sales and use taxes paid on the purchase of new machinery and equipment used (directly related) to produce a product for sale.

### **Minimum Eligibility:**

Program is for manufacturing and printing businesses or businesses which use a portion of a manufacturing process that are relocating to the area, opening a new facility, or expanding.

### **Maximum Public Investment Eligibility:**

The amount of assistance depends upon amount of equipment purchased.

### **Program Guidelines:**

This program is administered through the Florida Department of Revenue.

### **Approval Process:**

1. Apply for a tax exemption number through the Florida Department of Revenue

## **Internally Administered Program: Sales Tax Exemption on Electricity Used in Manufacturing Process**

### **Summary Description:**

An exemption on the sales tax for electricity used in the manufacturing process.

### **Minimum Eligibility:**

In order to be eligible for this exemption, a minimum of 75 percent of electricity used must be for the manufacturing process.

### **Maximum Public Investment Eligibility:**

The amount of assistance depends upon electric usage.

### **Program Guidelines:**

This program is administered through the Florida Department of Revenue and coordinated with the JEA.

### **Approval Process:**

1. Application forms are available from the JEA

## **Internally Administered Program: Federal Empowerment Zone Incentives**

### **Summary Description:**

Federally-sponsored program developed to create self-sustaining, long-term development in the city's designated Empowerment Zone.

### **Minimum Eligibility:**

Generally, to qualify companies must be located in the city's Empowerment Zone; however, some businesses outside of the Empowerment Zone can receive benefits for environmental cleanup and/or for employing people that live within the Empowerment Zone boundaries.

### **Maximum Public Assistance Eligibility:**

The amount of assistance available depends upon the program segment(s) used by the company.

### **Program Guidelines:**

The following program segments are available for use in the Empowerment Zone:

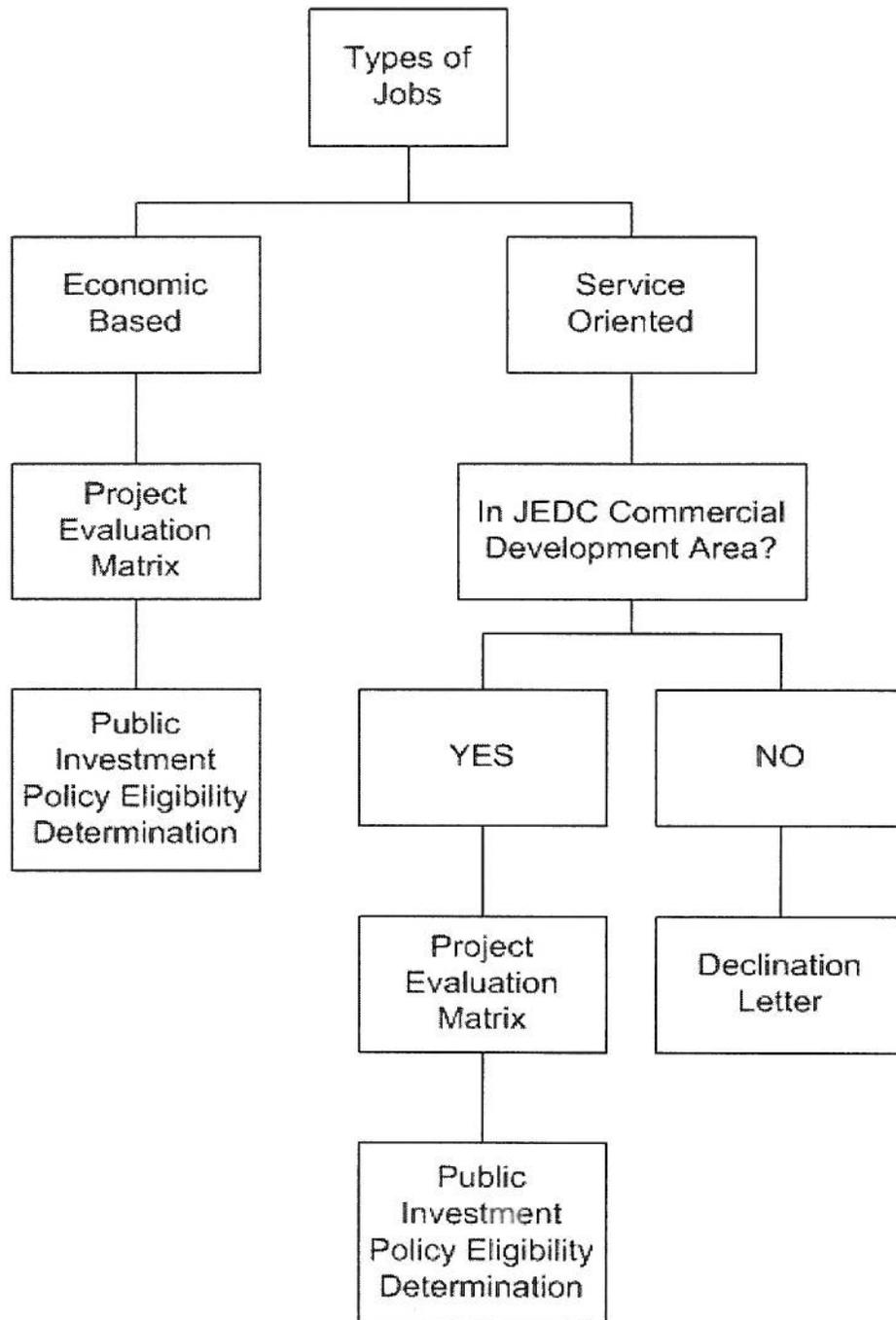
- EZ Employment Wage Credit
- Work Opportunity Tax Credit
- Welfare to Work Wage Credit
- Indian Employment Tax Credit
- Increased Section 179 Deduction
- Environmental Cleanup Cost Deduction
- Depreciation of Property Used on Indian Reservations
- Enterprise Zone Facility Bonds
- Qualified Zone Academy Bonds
- Nonrecognition of Gain on Sale of Empowerment Zone Assets
- Partial Exclusion of Gain on Sale of Empowerment Zone Stock
- New Markets Tax Credit
- Low-Income Housing Tax Credits

### **Approval Process:**

No approvals are necessary. Contact your Tax Accountant or the JEDC for more information.

## APPENDIX 1

### Initial Eligibility Determination



## APPENDIX 2

### Overview of Eligibility Process

