

# APPENDIX: STRATEGIES



## ENHANCE DOWNTOWN AS A PLACE



## ATTRACT DOWNTOWN RESIDENTS



## ATTRACT DOWNTOWN JOBS

### BACK TO BASELINE (6-18 months)

- Retain existing restaurants and retailers
- Continue appeal to current Downtown residents

### NEAR TERM (2-5 years)

- Work to fill retail/entertainment gaps and grow demand
- Renovate older or obsolete spaces to appeal to modern retail standards

### LONG TERM (6-10 years)

- Build on placemaking district (e.g. innovation-type district)

- Maintain existing Downtown residential buildings

- Prioritize residential buildings offering units at a variety of price points

- Continue to grow work and play downtown ecosystem to further generate residential demand














- Retrofit existing, vacant office space to smaller-format spaces

- Retain existing office tenants
- Lease existing vacant space
- Attract new tenants through marketing, generating amenities

- Consider incubators to build demand around edges of Downtown
- Focus on growth industries to generate demand for new office space














# CURRENT DAVENPORT INCENTIVES

DRAFT

|                           | DESCRIPTION   | ENHANCE DOWNTOWN<br>AS A PLACE  | ATTRACT<br>DOWNTOWN RESIDENTS   | ATTRACT<br>DOWNTOWN JOBS  |
|---------------------------|---|---|---|---|
| Loan Program              | Economic Development Loan - \$25,000 per job created  |   |   |    |
| SSMID                     | Downtown Davenport SSMID is one of eight SSMIDs in the City; administered by Downtown Davenport Partnership (DDP)   |    |    |   |
| Commercial Improvements   | Façade and commercial interior improvement grants, up to \$15,000   |    |   |    |
| Property Tax Exemptions   | Property tax exemptions on improvements for up to 10 years in Urban Renewal Areas (URTE) in Central URA, covering Downtown Davenport  |   |   |   |
| TIF                       | Downtown Urban Renewal Area has spurred key redevelopment projects (Downtown River Center, Blackhawk Hotel, City Square)  |  |  |  |
| High Quality Jobs Program | Iowa’s High-Quality Jobs (HQP) program provides a combination of loans, forgivable loans, tax credits, exemptions and/or refunds for employers who create jobs which exceed 120% of laborsheds’ average wages |   |  |  |
| Historic Tax Credits      | Used primarily for residential projects downtown  |  |  |   |

# INCENTIVES USED ELSEWHERE

DRAFT

|                                      | DESCRIPTION   | ENHANCE DOWNTOWN<br>AS A PLACE  | ATTRACT<br>DOWNTOWN RESIDENTS   | ATTRACT<br>DOWNTOWN JOBS  |
|--------------------------------------|---|---|---|---|
| Property Tax Assessment Districts    | Additional property tax levy in a defined district for improvements   |    |   |    |
| TIF                                  | Revenues generated from incremental property taxes in a defined boundary  |    |    |    |
| Tax Abatements                       | Temporary or permanent reduction in tax burden for businesses or developers   |   |   |   |
| Revolving Loan Fund                  | Self-sustaining, low-interest loans for property improvements   |   |  |  |
| Public Infrastructure Grant Programs | Federal and state grants for key infrastructure projects  |  |  |   |
| Innovation Districts                 | Clustering of businesses in areas with improved technological infrastructure to support start-up, entrepreneurial ecosystem |  |  |  |

## POTENTIAL STRATEGIES ADDRESSED

Enhance Downtown as a Place

Attract Downtown Residents

Attract Downtown Jobs

## CONSIDERATIONS

Competition with Illinois Quad Cities that use TIF more frequently

## IMPLEMENTATION

Political buy-in

## CASE STUDIES



### Des Moines, IA – Metro Center URA

#### Key Details

- URA established in 2000
- Current taxable value of \$1.9 billion
  - Frozen base value of \$396 million
- TIF funds to help finance Iowa Events Center (2012), Wellmark Corporate Campus (2011), and Riverpoint West mixed-use development (2016), among other projects
- At least 25% of available TIF revenue returned to taxing districts, as per City policy



### Greenville, SC – Downtown TIF Districts

#### Key Details

- Three TIF districts established in the downtown area
- TIF districts were able to attract nearly \$1.5 billion in private investment to downtown Greenville, including ONE Greenville (2015), a mixed-use hub home to CertusBank and Clemson University's MBA program
- The Viola Street TIF District was retired in 2016 as it achieved its revitalization goals ahead of schedule

# PUBLIC INFRASTRUCTURE GRANTS

## POTENTIAL STRATEGIES ADDRESSED

Enhance Downtown as a Place

## CONSIDERATIONS

Depends on priority/availability of federal funds

## IMPLEMENTATION

Keep track of new federal programs

## CASE STUDIES



### Cedar Rapids, IA – Riverfront Improvements

#### Key Details

- Two-pronged approach to increasing flood protection in Downtown area
- Strengthen at-risk areas; nearly \$200 million in FEMA grants and low-interest loans to add levees, pumps and other infrastructure improvements to Cedar River
- Integrating greenspace in floodplains; property buyout program following 2008 flood through CDBGs (1,400 properties, \$94 million)



### Chattanooga (TN) – Gig City

#### Key Details

- EPB (Chattanooga's public utility board) led efforts towards modernization of city's electric grid, installation of 'smart meters' on residential properties, laying of fiber optics cable
- \$169 million loan (levied through bonds) to EPB from City to build network in conjunction with \$111 million US Department of Energy federal stimulus grant
- Offers service to 180,000 homes and businesses (SE Tennessee and NW Georgia); 83,000 internet customers

# CARES ACT RESOURCES

Nearly \$1.5 billion in federal grant money available to alleviate economic impacts of COVID-19

- CARES Act grants, administered by the US Economic Development Administration, are available to local governments, universities, and non-profit organizations
- Grants can be used to fund 80-100% of eligible project costs. Further considerations for whether applicant has:
  - Exhausted taxing and/or borrowing capacity
  - Extent of economic impact of COVID-19 in region
  - Other thresholds for elevated needs based on relative economic distress in region
- Applications are now being accepted on a rolling basis
- Funds available through September 2022

## Eligible Uses of CARES ACT Grant Funds

- Construction of water and water-related infrastructure
- Public buildings
- Telecommunications infrastructure
- Innovation grants
- Capitalization/recapitalization of revolving loan funds

## Investment priorities for CARES ACT Grant Funds

- Recovery and resilience
- Critical infrastructure
- Workforce development and manufacturing
- Exports and foreign direct investments
- Opportunity Zone development

# TAX ABATEMENTS

## POTENTIAL STRATEGIES ADDRESSED

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## CONSIDERATIONS

What improvements are eligible?

## IMPLEMENTATION

May require due diligence reviews

## CASE STUDIES



Fargo, ND – Renaissance Zone

### Key Details

- 39 blocks of downtown Fargo
- 5-year property tax exemptions for new developments/rehabs
- 5-year income tax exemptions from businesses/investment properties (up to \$500,000 per year)
- 5-year personal income tax liabilities for up to \$10,000 on residential purchases
- **SUCSESSES:** \$93 M in new investments within Renaissance Zone since 1999



Kansas City, MO– Tax Abatement Incentives

### Key Details

- Chapter 100 Bonds: providing real and personal property tax exemptions for up to 10 years through a sale-leaseback bond structure
- Planned Industrial Expansion Authority (PIEA) and Chapter 353 Program: real property tax abatements on improvements (75% for 10 years; 37.5% for 15 years) to assist in removal of blight and blighting conditions
- Sales Tax Exemption on Construction Materials
- Tax redirections via agreements with the City: economic activity taxes and payments in lieu to reimburse qualified development expenditures
- **SUCSESSES:** Since 2012, nearly \$2.2 billion in development investments have occurred in downtown Kansas City

# PROPERTY TAX DISTRICTS

## POTENTIAL STRATEGIES ADDRESSED

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## CONSIDERATIONS

Potential for expanded use of SSMID funds in Davenport

## IMPLEMENTATION

Adapt current program

## CASE STUDIES



**Des Moines, IA –  
Downtown Des Moines**

### Key Details

- Created in 1987, renewed 4 times
- Generates over \$100k annually
- Used primarily for promotion of main street area



**Cedar Falls, IA –  
Downtown Des Moines**

### Key Details

- SSMID established in 1998, renewed 5 times
- Generates approximately \$1.3M annually
- Used primarily for maintenance, cleaning and beautification projects within the district

# INNOVATION DISTRICTS

## POTENTIAL STRATEGIES ADDRESSED

Enhance Downtown as a Place

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## CONSIDERATIONS

Absence of an anchor institution downtown challenges viability

## IMPLEMENTATION

Key infrastructure investments, branding efforts

## CASE STUDIES



**Chattanooga, TN –  
Innovation District of Chattanooga**

### Key Details

- “Re-imagined urban area” model: transformation of historically industrial or warehousing districts via transit access, rehabilitation/renovations
- Anchors are City's public electric and telecom utility company (EPB) and Edney Innovation Center (10-story collaborative center with accelerator and office spaces)
- Designated in 2015; attempt to capitalize on city's public high-speed internet structure ("the Gig") and local accelerators through targeted marketing and branding efforts
- Downtown growth catalyzed with innovation district, including residential population increase, unemployment decrease, and declining retail vacancies



**Rochester, MN –  
Discovery Square**

### Key Details

- “Anchor-plus” innovation district model: large-scale, mixed-use development centered around major anchor institution (Mayo Clinic) with concentration of related firms and startups aiming to commercialize innovations
- One Discovery Square: 90,000 square feet healthcare innovation campus (delivered 2019); tenants include Mayo Clinic (wet and dry lab spaces, start-up accelerators) and UM-Rochester
- Discovery Square Two: 124,000 square foot expansion (by 2021); 5G infrastructure installments
- Discovery Square developments have also spurred additional market-rate housing and retail services within the district

# REVOLVING LOAN FUNDS

## POTENTIAL STRATEGIES ADDRESSED

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## CONSIDERATIONS

Reallocation of existing funds to establish revolving loan fund

Competition with other municipalities for regional funds

## IMPLEMENTATION

Identify funding sources and organization to oversee funds

## CASE STUDIES



### Cedar Rapids, IA – CVNB Main Street District

#### Key Details

- Revolving loan fund to assist new and existing businesses within the Czech Village/New Bohemia (CVNB) Main Street District in business development and expansion efforts
- Low interest loans for up to 10 years
- Loan amounts for up to \$25,000; \$5,000 loan awards per job created
- Funds may be used for working capital, machinery and equipment purchase, real property purchase, and/or tenant improvements



### Tulsa, OK – Brownfield Redevelopment

#### Key Details

- Funding to brownfield property owners for low-interest loans to remediate contaminated properties
- Loan terms include up to 2.5% interest rates, 3-5-year terms with a cost match of at least 20% (up to \$600,000)
- As loans are repaid, loan amount is returned to RLF to re-lend to other borrowers
- Current brownfield RLF has approximately \$1.3 million available for brownfield cleanup projects