

City Commission Incentives Workshop

August 22, 2018

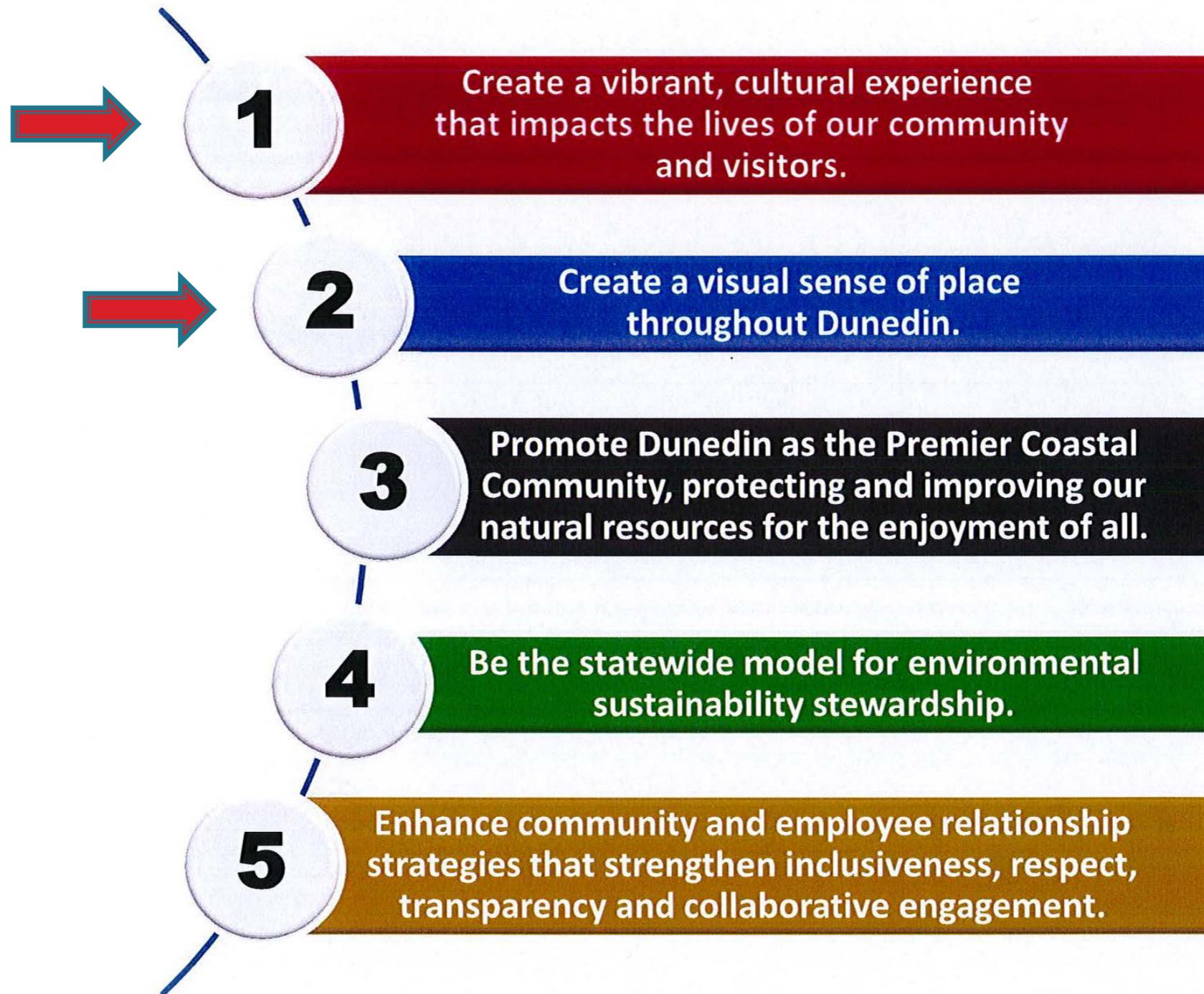


Why Incentives?

To attract a targeted type of development that fulfills Dunedin City Epic Goals!



The City of Dunedin's Five **EPIC! GOALS**



Without a Targeted Approach

Development can occur but not always in keeping with community Vision on key parcels

Examples:

- Franchise stores
- Big Box Stores
- Less desired uses (storage, gas stations, etc..)
- Convenient Stores

Economic Development/CRA Goals

- Catalyst to revitalize an area
- To build a sense of place
- To foster redevelopment (adaptive re-use)
- To increase quality of life and build a tax base

Dunedin in the 1980's



Dunedin in the 1980's



Economic Development/CRA Tool Kit Incentives

- Development Agreement
- Tax Increment Financing rebate (per F.S. Chapter 163)
- Land contribution
- Ability to lease City-owned land
- Contributing to market consultant services
- Waiver of 50% Transportation
- Waiver of 50% Law & Fire Impact Fees
- Demolition site clearing grant

CRA Tool Kit/Incentives Budget

CRA 2019 FY Budget \$50,000

- Façade
- Design Review
 - Gateway Surgery Center
 - Christine's Collectibles
- Undergrounding Utilities
- Demolition Assistance

Economic Development Tool Kit/Incentives Budget

Economic & Housing Development

- ▶ 2019 FY Budget \$37,500
 - Façade
 - Design Review

Development Agreement Incentive

- ▶ 2019 FY Budget \$25,000

Tax Increment Financing

- ▶ CRA Fund
 - Revenue above the base year (1988)
 - City and County revenue to CRA
 - General Fund annually receives approximately \$146,000 from Downtown properties

Revenue – Returns from Downtown to General Fund

- ▶ Property Tax Revenue \$146,000
- ▶ Half-cent sales Tax \$235,000
- ▶ Business Tax Receipts \$ 27,000
- ▶ Job Growth (new jobs /past 10 years) 460
- ▶ Utility Taxes
- ▶ Utility Franchise fees

\$408,000 Annually to General Fund

The Importance of ROI

- ▶ Return investment – How Calculated
- ▶ $\text{ROI \%} = \text{net revenue to City} / \text{over incentive provided}$
- ▶ National Average for Municipalities/Ratio = 1 to 3 (early years)

Return on Investment

Incentives in Dunedin “*Performance based*”

ROI examples shown – only property tax revenue

Does not include

- Half-cent sales tax
- Business tax Receipts
- Job growth
- Utility taxes
- Utility franchise fees

Project Examples Over Past 6 Years



Achieva Credit Union



Achieva Credit Union

1159 Virginia Avenue



BANKING FOR
GOOD™

Goal: To attract Corporate Headquarters to Dunedin

Return on Investment

Revenue received: \$404,500*

Incentive given: \$127,034**

Earned: \$ **3.18** (every \$1 given = \$3.18 in return)

Additional Benefit: High wage jobs, 150 (annual wages \$8.5 million) employees

*Ten year property tax

**Façade and Demo

200 Main Street



Victoria Place - 200 Main Street



100% Occupied / 9 Retail Spaces

Victoria Place – Art Work



Victoria Place

200 Main Street

Goal: To attract Mixed Use Project

Return on Investment

Revenue received: \$1,410,000*

Incentive given: \$ 198,425**

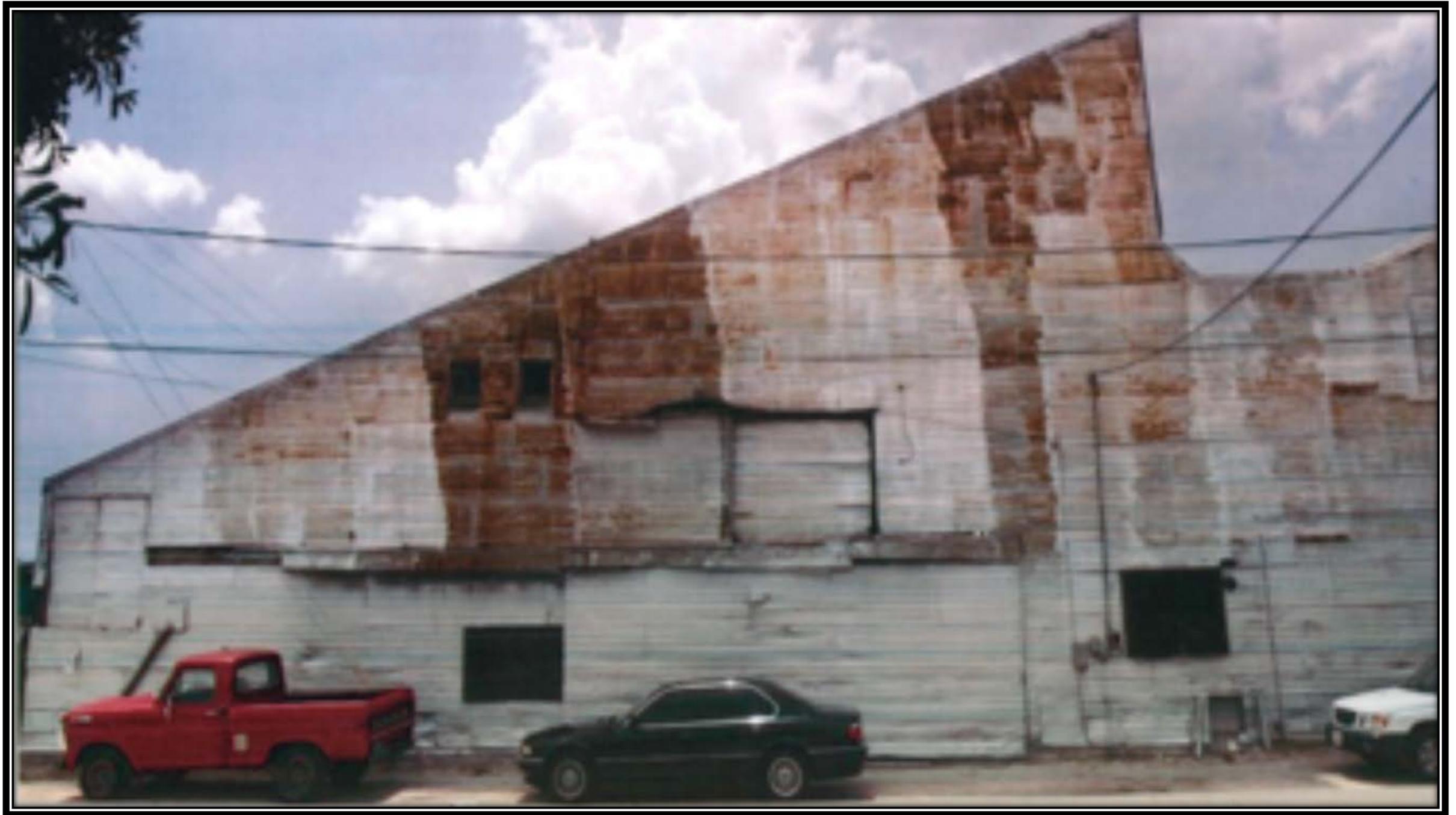
Earned: \$ **7** (every \$1 given = \$7 in return)

Additional Benefit: Public Space/Public
Art/catalyst)

*Ten year property tax

**LDO (contribution by CRA)

940 Douglas Avenue



8/24/2018

Artisan Apartments



Artisan Art Work



8/24/2018

Artisan Garage and Wide Sidewalks



Artisan Parklet



Artisan

940 Douglas Avenue

Goal: Mixed use project, increase parking

Return on Investment

Revenue received: \$1,410,000*

Incentive given: \$ 56,686**

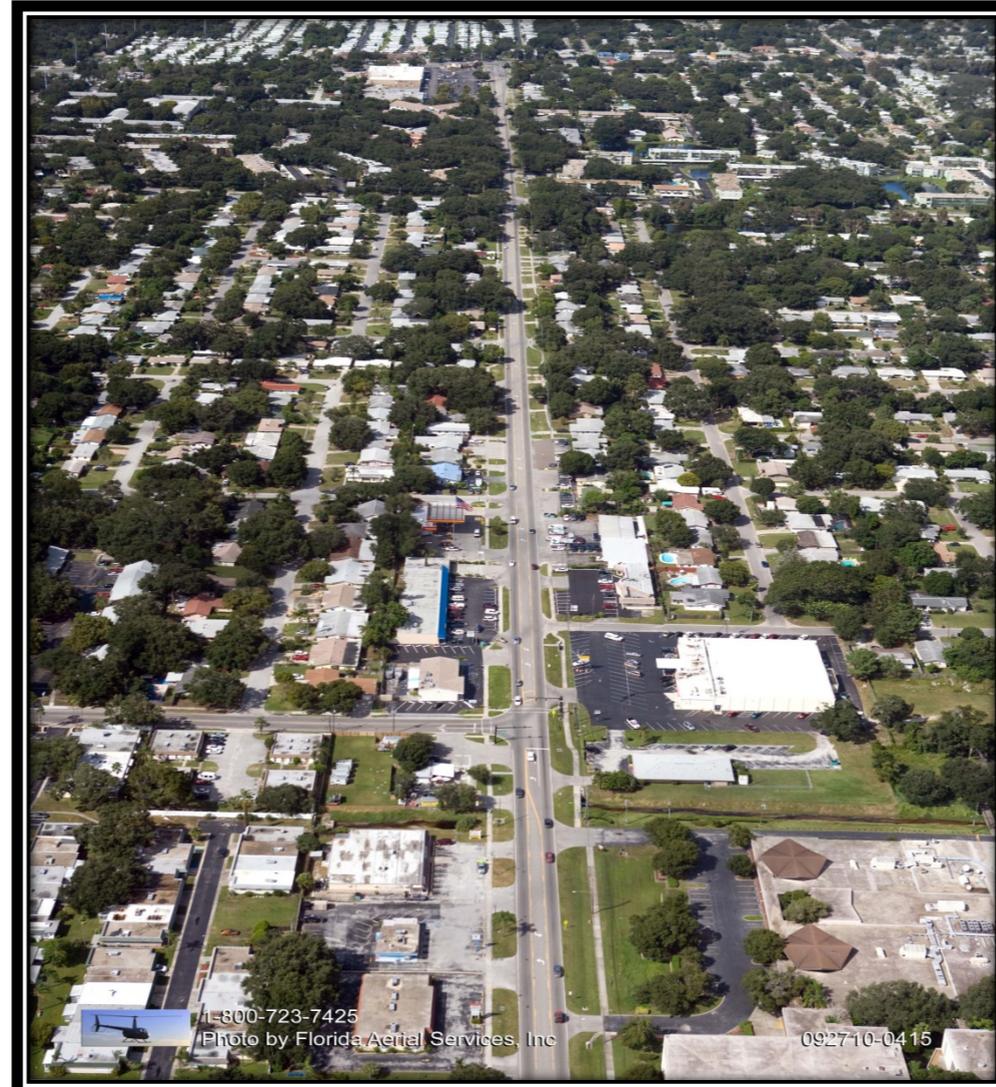
\$ 87,671***

Earned: \$ **10** (every \$1 given = \$10 in return)

Additional Benefit: Downtown parking, catalyst, housing, retail choices

*Ten year property tax revenue **Transportation, law/fire *** CRA/LDO contribution

Not Just Downtown



Patricia Ave

375 Patricia Avenue



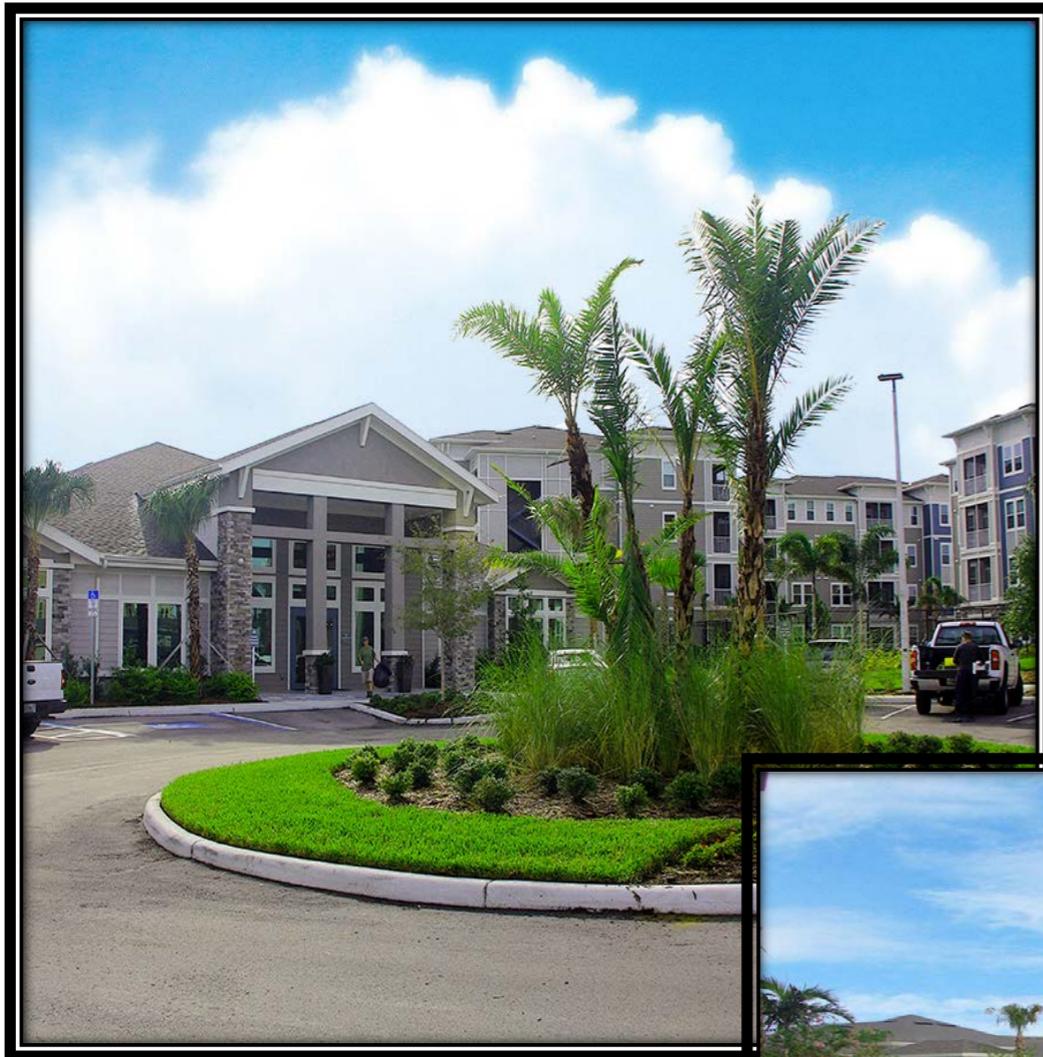
2015

8/24/2018

Dunedin Commons



Dunedin Commons



Aqua Solis



Dunedin Commons

375 Patricia Avenue

Goal: Facilitate Redevelopment/Nielsen property

Return on Investment

Revenue received: \$1,705,000*

Incentive given: \$ 150,000**

Earned: \$ **11** (every \$1 given = \$11 in return)

Additional Benefit: catalyst, job creation, well sites, drainage easement

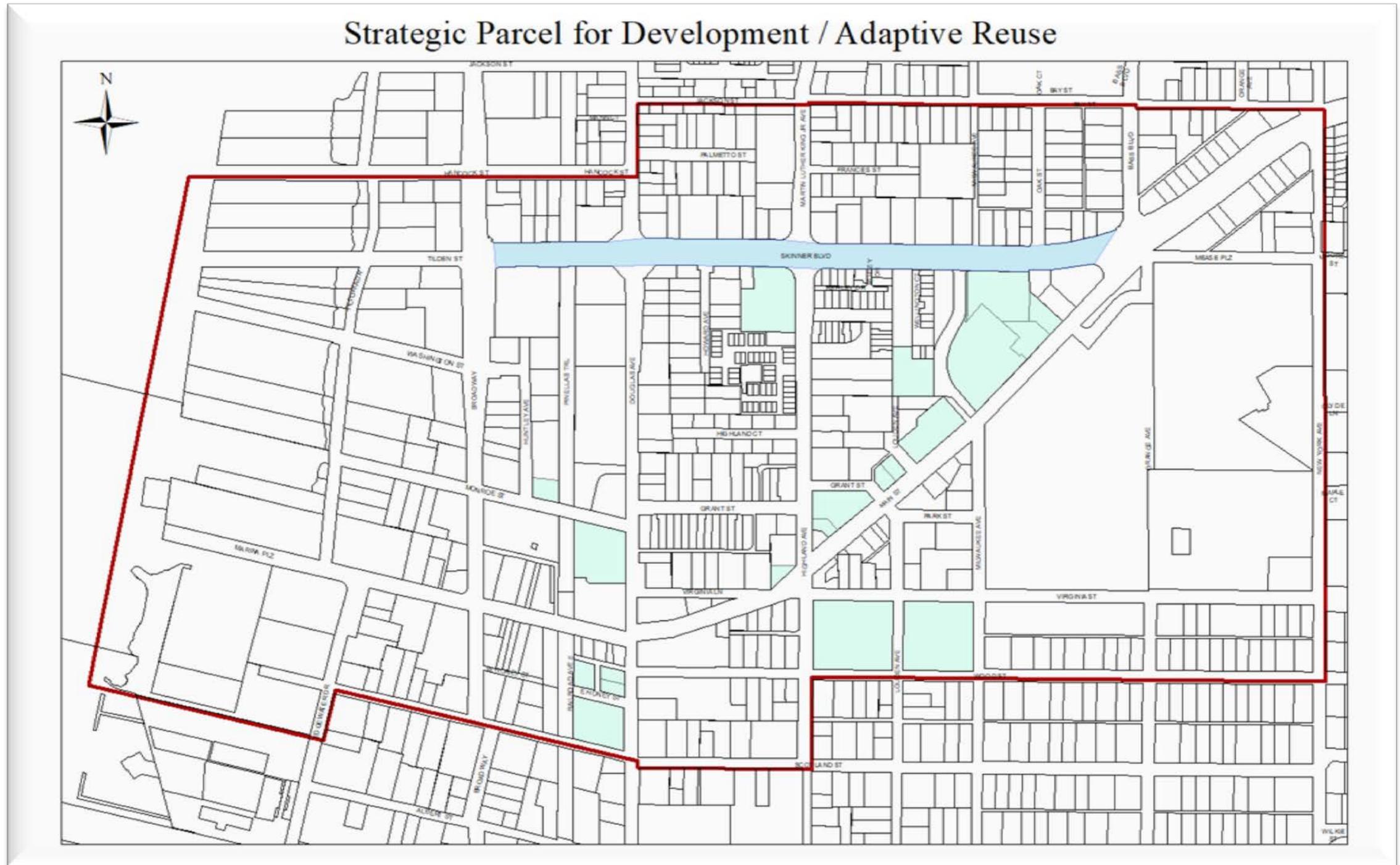
*Ten year property tax revenue

**Site Clearing grant and City land (contribution \$33,000)

Redevelopment/Adaptive Re-Use Still Needed?

- ▶ Yes
- ▶ Dunedin/Downtown has many older properties
- ▶ Next slide provides a quick glimpse of Downtown
- ▶ Citywide opportunities includes
 - Various Corridors (a major Commission emphasis)

Downtown Properties/Adaptive Re-Use



Questions?