



Delaware Downtown Development Districts

Spring 2020 Workshop
May 14, 2020



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May 14, 2020

10:00am

Online via Zoom

<https://us02web.zoom.us/j/83558521989?pwd=ZnkzRGpvMXJhWHVQR2s2d0lvY05Odz09>

Meeting ID: 835 5852 1989

Password: 809998

AGENDA

- I. Welcome – Governor John Carney, Connie Holland, OSPC and Anas Ben Addi, DSHA
- II. COVID-19 Update and Small Business Response – Damian DeStefano and Patti Cannon, Division of Small Business
- III. Interactive Session and Panel Discussion – we want to hear from you
Please be prepared to answer this question and discuss: *“When we start opening the economy in Phase 1, what will be different in your community and how will that impact your downtown redevelopment efforts?”*
- IV. Community Inventory of Projects and Prospects – Retail Market Answers
- V. Targeting the Small Investor, Strategies and Resources – DSHA and Division of Small Business
- vi. Program Updates and Next Steps – OSPC



All participants will be muted by the host.
Please remain muted until you're called on.



Discussions will be Moderated.
Use Raise Hand or Chat Box to speak.



Use speaker view to see who is talking.



Any presentations will show on the screen. If
you don't see the presentation, please use the
chat box and we'll help you troubleshoot.

Zoom Meeting Etiquette

Interactive Panel Discussion

- Panel
 - Connie Holland, Office of State Planning Coordination
 - Karen Horton, Delaware State Housing Authority
 - Patti Cannon, Division of Small Business
 - Rick Ferrell, Retail Market Answers LLC

 - Moderator: David Edgell, Office of State Planning Coordination

Please answer this question for your community

“When we start opening the economy in Phase 1, what will be different in your community and how will that impact your downtown redevelopment efforts?”



DDD Workshop: *Community Inventory of Projects and Prospects*

Retail Market Answers, LLC

May 14, 2020

- What is a Vacant and Under-Utilized Property Inventory
- Tracking Business Development Opportunities
- Implementation of DDD objectives: Articulating the Technical Assistance needed to Drive Projects

Vacant, Under-utilized, At-Risk, Development, Re-development Opportunity

Strategic Planning – Aligning space with opportunity:

Tracking Tool – SPACE

- Business Relocation
- Expansion
- Recruitment
- Transitioning Property
- Potential DDD Projects

Tracking Tool – IMPLEMENTATION

- Technical Assistance
- Who is responsible
- Prioritizing
- Timing

Vacant, Under-utilized, At-Risk, Development, Re-development Opportunity				
ADDRESS	CURRENT STATUS	TECHNICAL ASSISTANCE	PROSPECTS	COMMENTS
Main Street	Church	Relocation and business attraction assistance	None at this time	UNDER-UTILIZED - Does not require access to foot traffic to be successful
Main Street	Jewelry store	Retention of jewelry category in town	2 prospective buyer (wholesaler/existing employee)	Owners are aging and the children are not in the family business. Opportunity to sell business and keep this business downtown
Main Street	Current business is a gift shop	Needs Retention Assistance, Issues: Marketing and Access to Capital	None at this time	AT RISK - Owners need small loan for working capital to cover cost of goods for pre-ordered merchandise and services, and marketing assistance (social media training)
Main Street	Non Profit Services Organization	Relocation Assistance	Three potential sites (list addresses)	Business is expanding and requires larger space (4,000 sf)

Under-utilized, At-Risk, Development, Re-development Opportunity

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Vacant, Under-utilized, At-Risk, Development, Re-development Opportunity

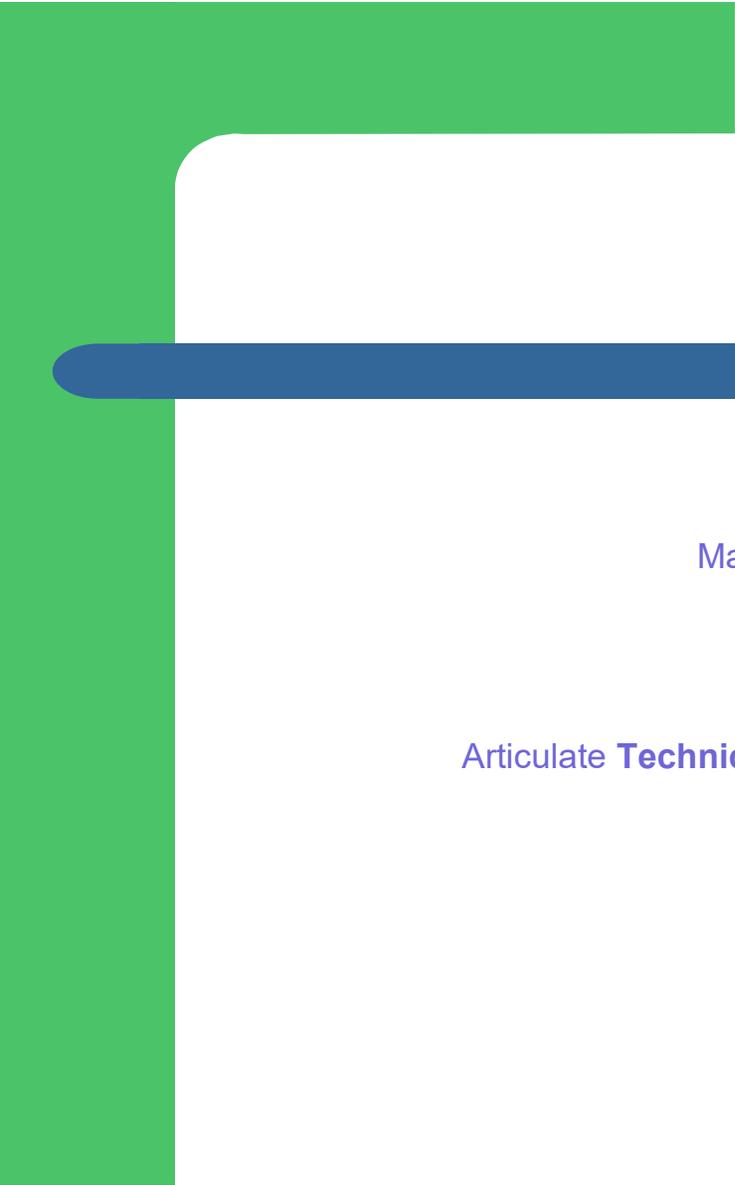
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OBJECTIVE:

Managing your **TIME** and limited **RESOURCES**

Organize and Track **Strategic Planning**

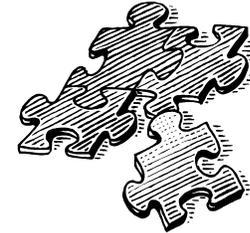
Articulate **Technical Assistance Necessary to Advance Strategic Planning Goals**

Drive Projects

Leverage Incentives

**Retain Businesses
And Establish a Path Forward**

Questions



Rick Ferrell
Retail Market Answers, LLC
Wilmington Delaware

917.335.1961



Targeting the DDD Small Investor *Strategies and Resources*



DDD ACTIVITY UPDATE

- Good news! Investor call activity remains steady.
- Projects underway continue moving forward

DDD Activity (3.31.20)	#
LP Active Reservations	45
LP Rebates Issued	35
SP Rebates Issued	126
Total Projects	206

- New projects preparing to commence
- DDD Rebate funding is available
 - *LP applications due June 1 (\$7M)*
 - *SP applications due on a rolling basis (\$2M)*



TARGETING THE DDD SMALL INVESTOR

- Small investors range from homeowners to seasoned residential/commercial developers
- Wide-range of experience and sophistication with planning, developing and executing a project
- Many are unfamiliar with navigating municipality and agency processes
- Less access to capital than larger investors
- Many are unfamiliar with available resources and/or how to secure them



TARGETING THE DDD SMALL INVESTOR

- Strategies and Resources
 - Reorganize building use to create revenue sources
 - Bring needed services to the downtown area
 - Is NOW the time to explore new opportunities with long standing vacant property owners?
 - Reimagine what “commercial store fronts”, “curbside shopping” and “sidewalks” might look like post COVID-19
 - Power of “stackable” incentives



POTENTIAL “STACKABLE” INCENTIVES

- DDD Rebate
- District Incentives
- Historic Preservation Tax Credits
- County DDD Matching Grants (Kent/Sussex)
- Energize Delaware
- Strong Neighborhoods Housing Fund
- Delaware’s Housing Development Fund



Dover District

Historic Property Renovation for Offices		
	Value of Incentives	
Construction Costs	\$ 350,000	
Building Permit Fee	\$ 2,417	Permit Issuance
Tax on Value of Improvement	\$ 22,993	Over 10 Years
Business Licenses	\$ 5,634	Over 3 years
Transfer Tax	\$ 5,100	At C.O.
DDD Grant	\$ 65,000	At C.O.
Kent County Grant	\$ 10,000	At C.O.
City Historic Prop. Tax Credit	\$ 6,000	Over 10 Years
State Historic Pres. Tax Credit	\$ 15,000	
TOTAL VALUE	\$ 132,144	

New Retail Building		
	Value of Incentives	
Construction Costs	\$ 861,868	
Building Permit Fee	\$ 6,913	Permit Issuance
Tax on Value of Improvements	\$ 14,417	Over 10 Years
Business Licenses	\$ 189	Over 3 years
Transfer Tax	\$ 4,500	At C.O.
DDD Grant	\$ 167,374	At C.O.
Kent County Grant	\$ 10,000	At C.O.
TOTAL VALUE	\$ 203,393	

New Multi-Story Mixed Use Building		
	Value of Incentives	
Construction Costs	\$ 5,869,387	
Building Permit Fee	\$ 46,977	Permit Issuance
Impact Fees	\$ 192,000	At C.O.
Tax on Value of Improvements	\$ 112,227	Over 10 Years
Transfer Tax	\$ 3,750	At C.O.
DDD Grant	\$ 585,000	At C.O.
Kent County Grant	\$ 10,000	At C.O.
TOTAL VALUE	\$ 949,954	

New Home Construction		
	Value of Incentives	
Construction Costs	\$ 119,300	Est. Assessed Value
Building Permit Fee (1,400 sf house)	\$ 1,121	Permit Issuance
Tax Phase-In (5 years)	\$ 1,008	Over 4 years
Transfer Tax**	\$ 1,790	At settlement
DDD Grant	\$ 18,860	At C.O.
Kent County Grant	\$ 10,000	At C.O.
TOTAL VALUE	\$ 32,779	

* Income qualifying buyers are also eligible for downpayment assistance through
 ** 5895 of the transfer tax exemption applies to all first time home buyers in Dover



Before



After



ADDITIONAL “STACKABLE” INCENTIVES

- Low Income Housing Tax Credit
- Angel Investor Tax Credit
- Research & Development Tax Credit
- New Business Facility Tax Credit
- Opportunity Zones
- Brownfield Remediation Programs



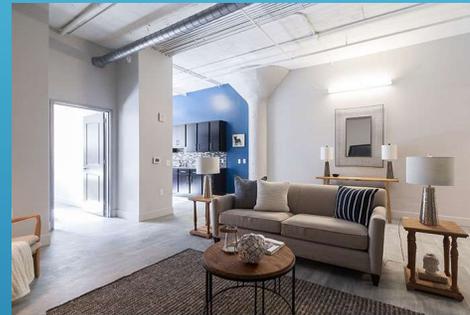
STACKING RESOURCES

Clifford Brown Walkway is an example of a project that qualified for LIHTC, Historical Tax Credits and Brownfield Remediation ~ Options in Delaware!

Before



After



RESOURCE LINKS

- Resources to help develop a business idea into a business plan and executable project
<https://business.delaware.gov/>
- Information to form a new business, register and license your business in Delaware
<https://onestop.delaware.gov/>
- DDD Program/District Information/Incentives
<https://stateplanning.delaware.gov/about/ddd.shtml>
- Building better communities
www.mainstreet.org



CONTACT INFORMATION

- Patty Cannon, MSM, AZS
Director of Special Projects & FTZ #99 Grantee Administrator
patricia.cannon@delaware.gov
302-943-0000 mobile
- Penny Pierson
Community Development Manager
penny@destatehousing.com
302-739-0246 office



Program Updates and Next Steps

- DDD Annual Reports
 - Due July 1
 - Format/Template simplified this year
- Continued outreach from Community Development Coach and DDD Resource Team
- Please reach out with ideas, questions, concerns via email
david.edgell@delaware.gov

Thank you for participating