



Financing, Value Capture, & Feasibility



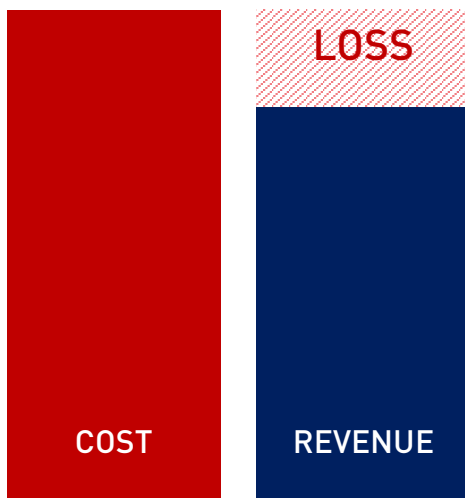


TOD Financing and Value Capture

Identifying and unlocking profitable TOD relies on the fundamentals of real estate development.

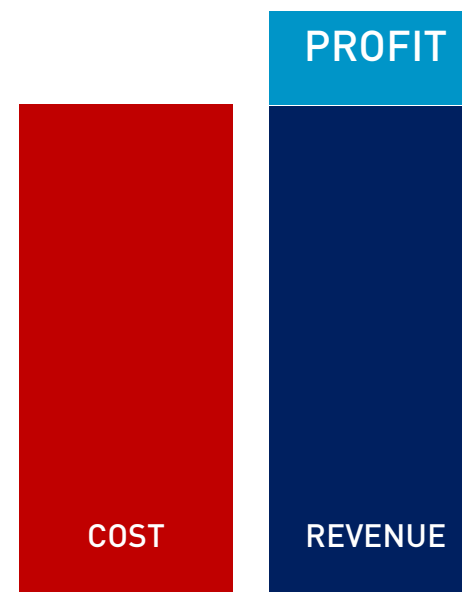
INFEASIBLE

$COST > REVENUE$



FEASIBLE

$COST < REVENUE$





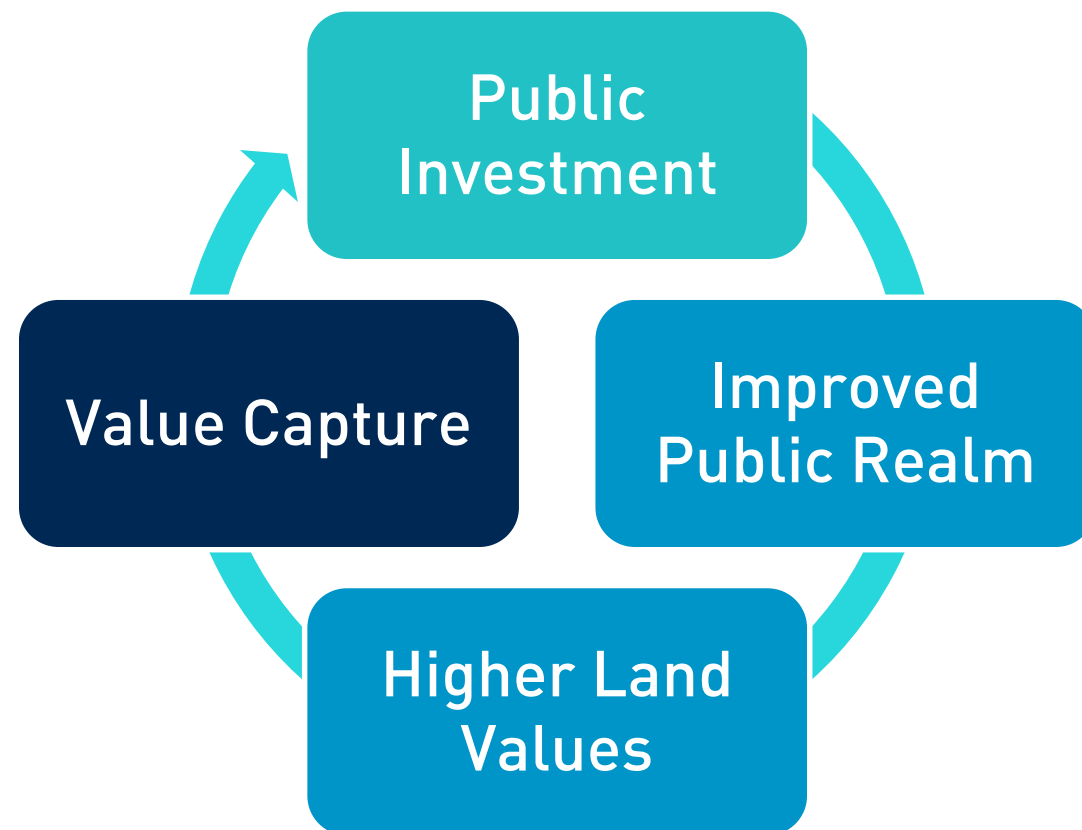
TOD Financing and Value Capture

Targeted public investment in transit, streetscape, and public realm improvements can **produce significant value** for the private sector, of which a portion can be captured to defray capital and ongoing costs.

Property owners and developers benefit from zoning actions and other **public investments** that improve the public realm.

These improvements are often funded by the public but result in **increased property values** for private landowners.

Value capture aims to allocate some of the net new tax revenue generated by this growth to fund capital and operating costs that would otherwise be borne by the public





TOD Financing and Value Capture

JTA and the City of Jacksonville can utilize a broad range of **value capture mechanisms** and **other funding sources** to help finance the U²C System.

Value Capture	Other Sources
Density Bonus Programs	Advertising
Developer Agreements	FDOT Financing Corp. Bonds
Development Impact Fees	FTA Capital Investment Program
Mobility Fees	FTA Pilot Program for TOD Planning
Special Assessments & Taxing Districts	Public Land Disposition
Tax Increment Financing (TIF)	U.S. DOT TIFIA Loan Program



TOD Financing and Value Capture

The appropriateness of a mechanism depends on the factors below, which should be aligned with the specific project needs.

REVENUE MAGNITUDE

- Gross Revenue Potential
- Cost of Collecting Revenue
- Expected Financing Costs
- Timing of Revenues

REVENUE STABILITY

- Sensitivity to Market Conditions
- Predictability of Revenue Stream
- Ease of Earmarking
- Cannibalization of Other Revenues

SUPPORT POLICY GOALS

- Accomplish Economic Development and Equity Goals:
 - Provision of Affordable Housing
 - Creation of Jobs
 - Provision of Public Facilities

EASE OF IMPLEMENTATION

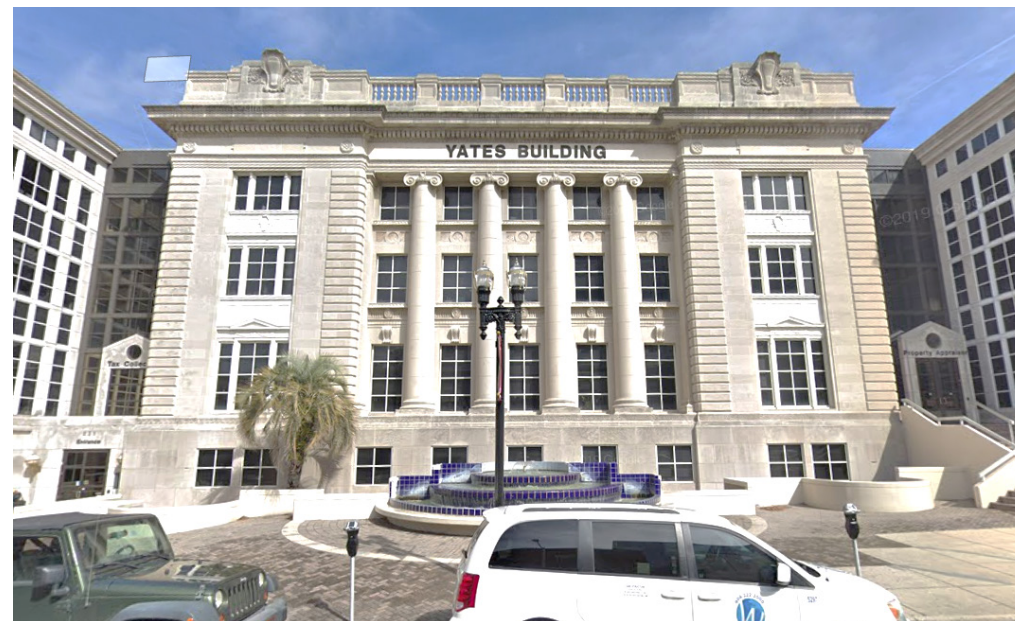
- Appropriate Regulatory Framework
- Community Support
- Private Sector Appetite



TOD Financing and Value Capture

Jacksonville is still auto-oriented, and there are ways for JTA to incentivize reduced parking for developments in the U²C System corridors.

- Shared parking using existing structures.
- A parking district approach, in which developers pay a smaller fee to get out of their parking requirement but retain access to parking resources at a district level.
- Parking pricing for residents and workers to change user behavior.
- Transportation demand management strategies to reduce auto usage at a broad, district level.



Jacksonville's Office of Public Parking

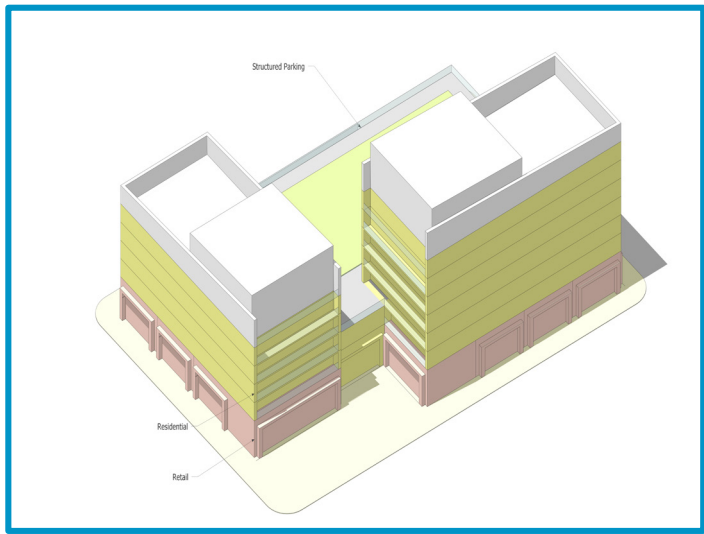
The office operates public parking lots and garages and enforces the city's parking laws.



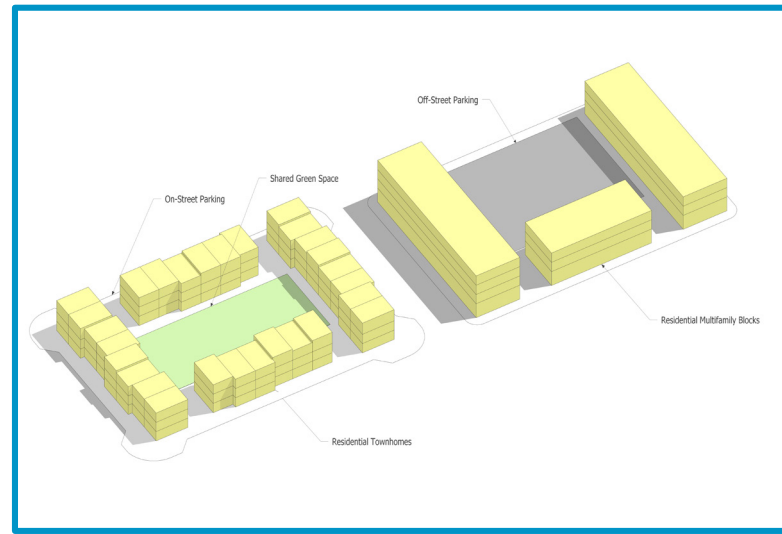
TOD Financing and Value Capture

HR&A analyzed the financial feasibility of three program concepts designed by WSP. Each program resembles recent deliveries and pipeline projects in a different area of downtown Jacksonville and represents a potential mixed-use TOD for the U²C System.

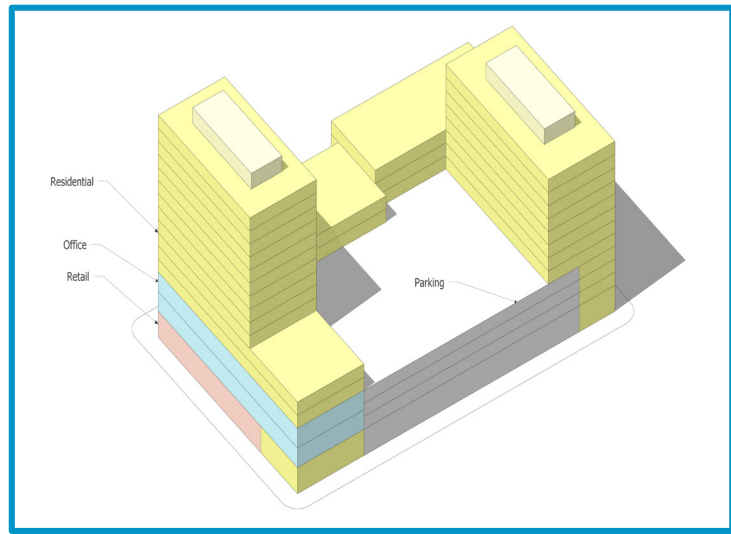
1. Mid-rise multi-family block with retail and structured parking
Resembles projects in Brooklyn and Riverside



2. Low-rise multi-family block with surface parking
Resembles projects in the U²C's North Corridor, e.g. Springfield



3. High-rise multi-family block with retail, office, and structured parking
Resembles projects in central downtown, e.g. near JRTC





TOD Financing and Value Capture

HR&A's financial feasibility analysis identified gaps for all three programs, meaning that subsidies are needed to make market-rate TOD feasible in downtown Jacksonville.

