

City of New Port Richey

Mayor – Rob Marlowe

Deputy Mayor – Bill Phillips

Councilman – Chopper Davis

Councilman – Jeff Starkey

Councilwoman – Judy DeBella Thomas



Main Street Economic Development

Take Away

- I. CRA's are an economic development tool**
- II. Understanding “Future Value” is important when solving economic development challenges**
- III. Know what “Entrepreneurial Risk” means**
- IV. Downtown businesses are “Relational Buyers”**

My Background



Helping Businesses
Grow & Succeed

- ✓ SBDC @ USF 12 Years
- ✓ Business Owner & Board Member
- ✓ Certified Public Accountant
- ✓ Certified Valuation Analyst
- ✓ College Adjunct Instructor 24 years



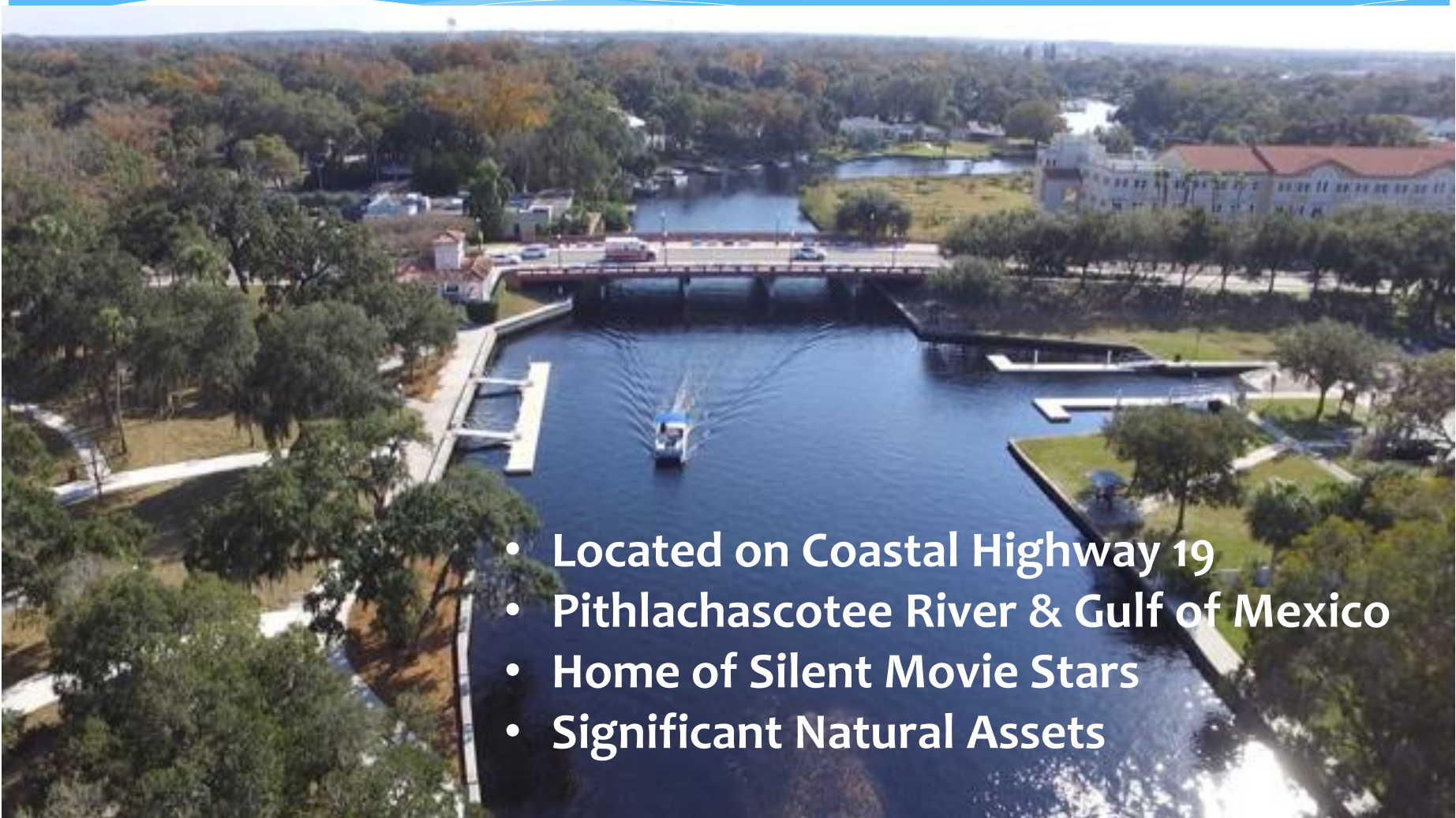
Where is New Port Richey?

- 35 miles north of Tampa
- Part of Tampa Bay Region
- 15,000 residents
- 8,000 property lots
- Downtown for West Pasco
260,000 residents
**Half of County's Population



Authentic Old Florida City

Traditional Downtown and Main Street Setting

- 
- An aerial photograph of a river scene. A bridge with a red railing spans across the river in the middle ground. A small boat with a blue canopy is moving down the river, leaving a wake. The riverbanks are lined with lush green trees and some buildings. In the background, a large, multi-story building with a red roof is visible. The sky is clear and blue.
- Located on Coastal Highway 19
 - Pithlachascotee River & Gulf of Mexico
 - Home of Silent Movie Stars
 - Significant Natural Assets

What is a CRA?

Florida law (Chapter 163, Part III)

“local governments are able to designate Community Redevelopment Areas when certain conditions exist”

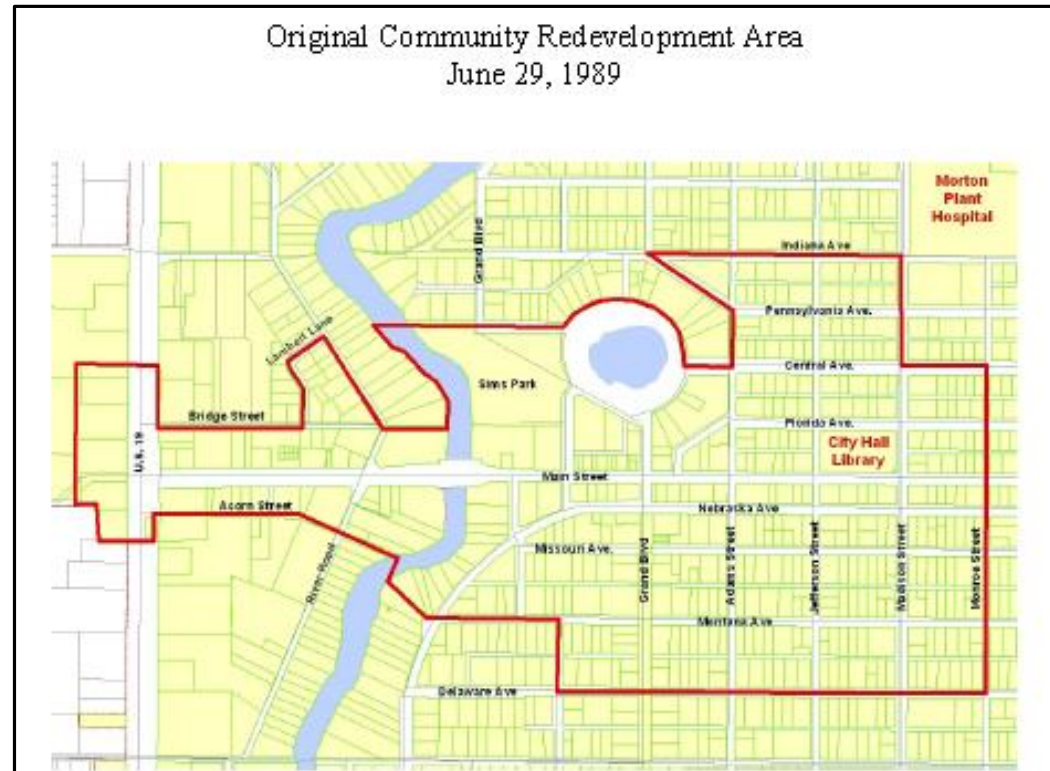
NPR Main Street CRA

1989 Downtown CRA

1947 Average Building Age

2001 CRA Expanded

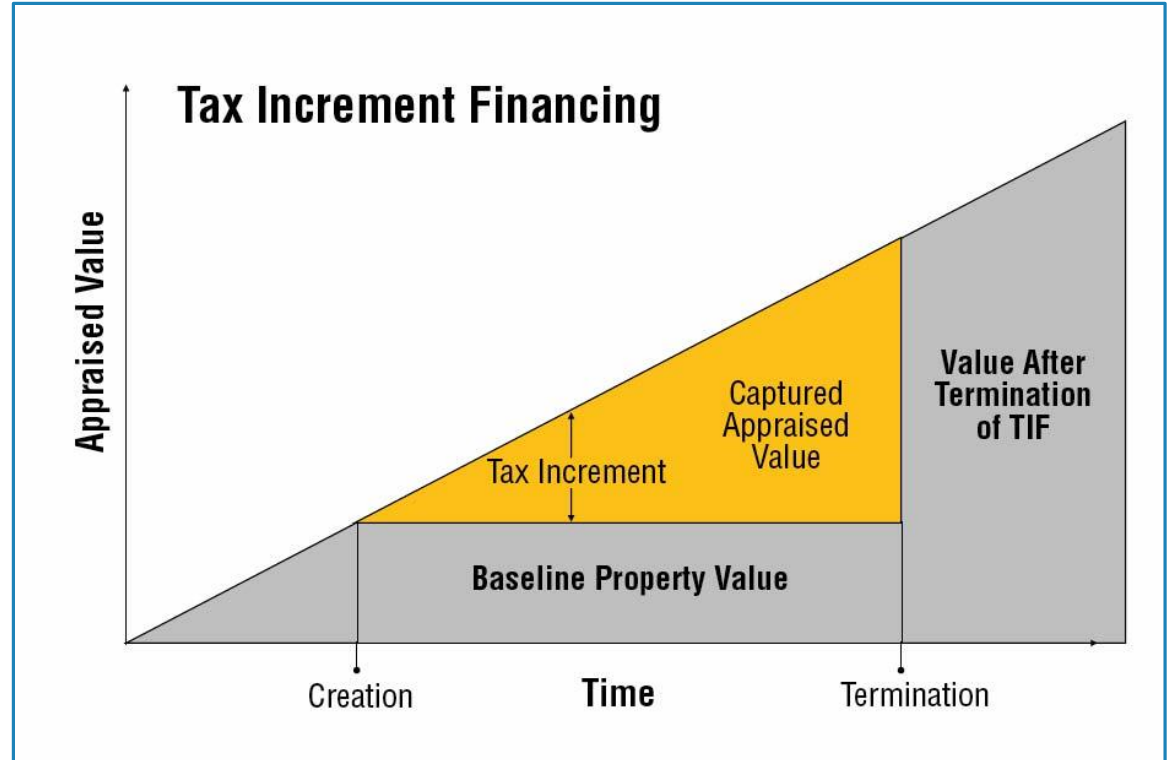
- \$25 million debt
- Non-ad valorem producing asset acquisitions
- Infrastructure Improvements



CRA Tool Box

“But For!” Provision

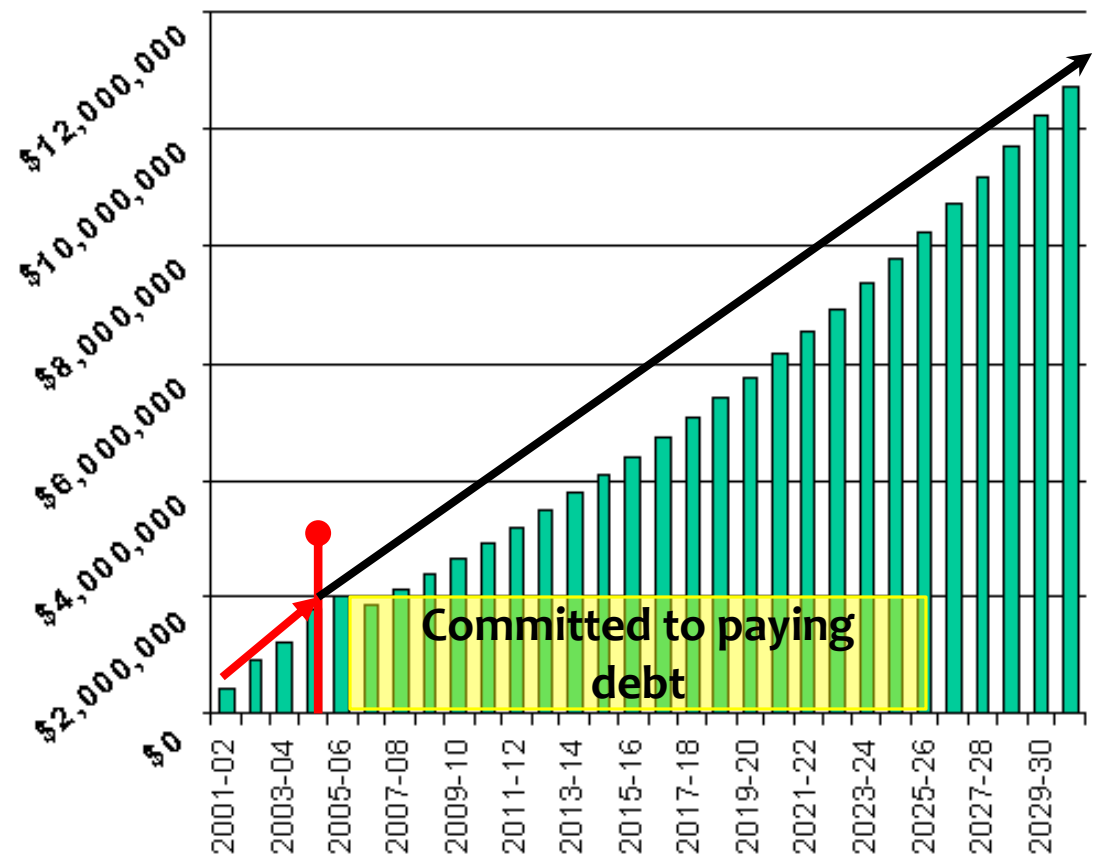
- ✓ Create Public/Private Partnerships
- ✓ Tax Increment Financing
- ✓ Loans & Tax Abatements
- ✓ Grants & Incentives
- ✓ Impact fees abatement
- _____
- New Market Tax Credits



Economic Forecasting is a Challenge

**Projected Tax Increment
2001 to 2031**

- ✓ **3.5% Logical Growth Projection**
 - Based on 13 year historical growth rate
- ✓ **\$25 million debt**
 - Asset Purchases & New Construction
 - Downtown Improvements
 - Main Street Program Funded



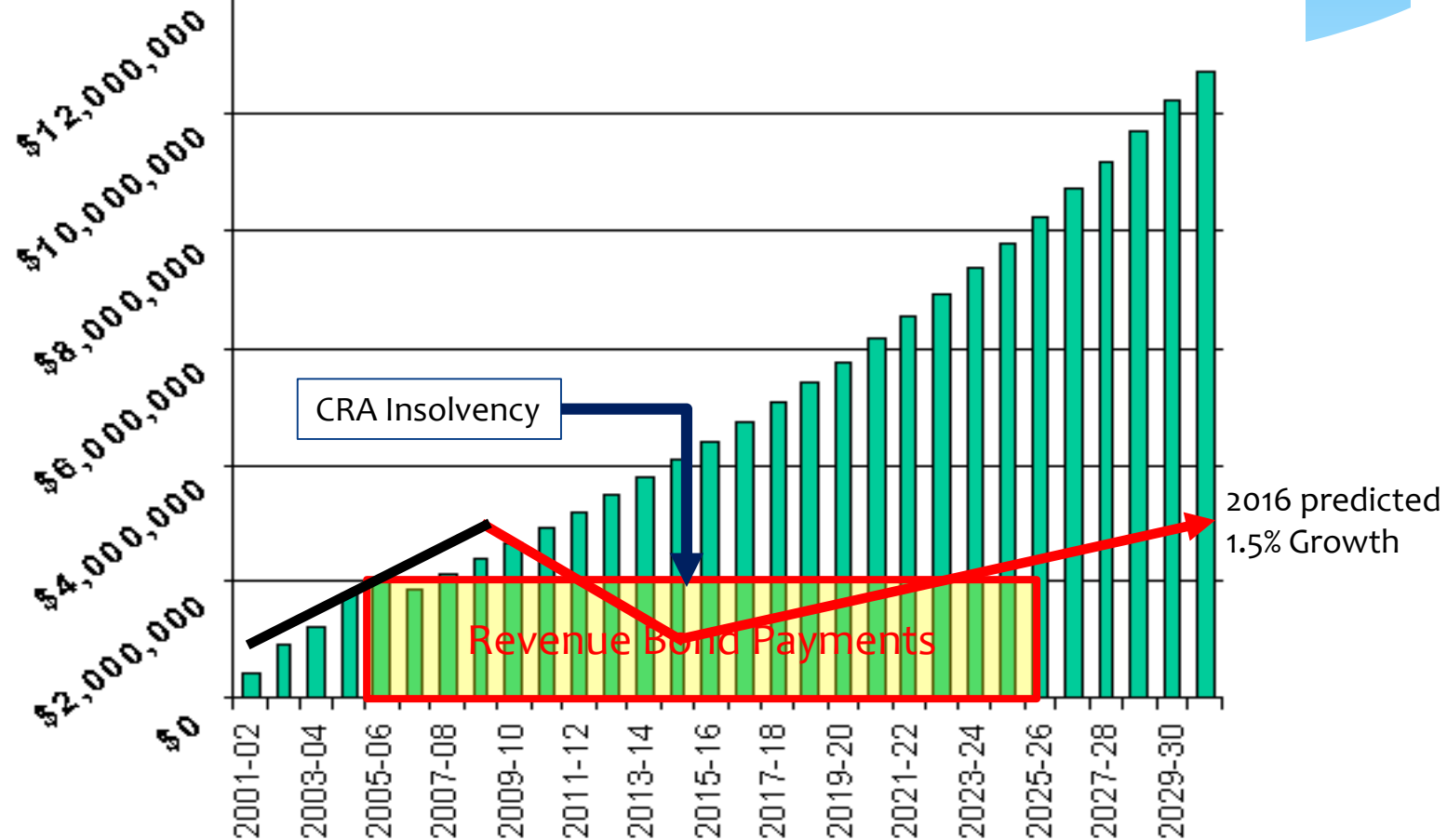
Economies are cyclical

What Happened?

The Great Recession

Funding for Main Street Programing dried up

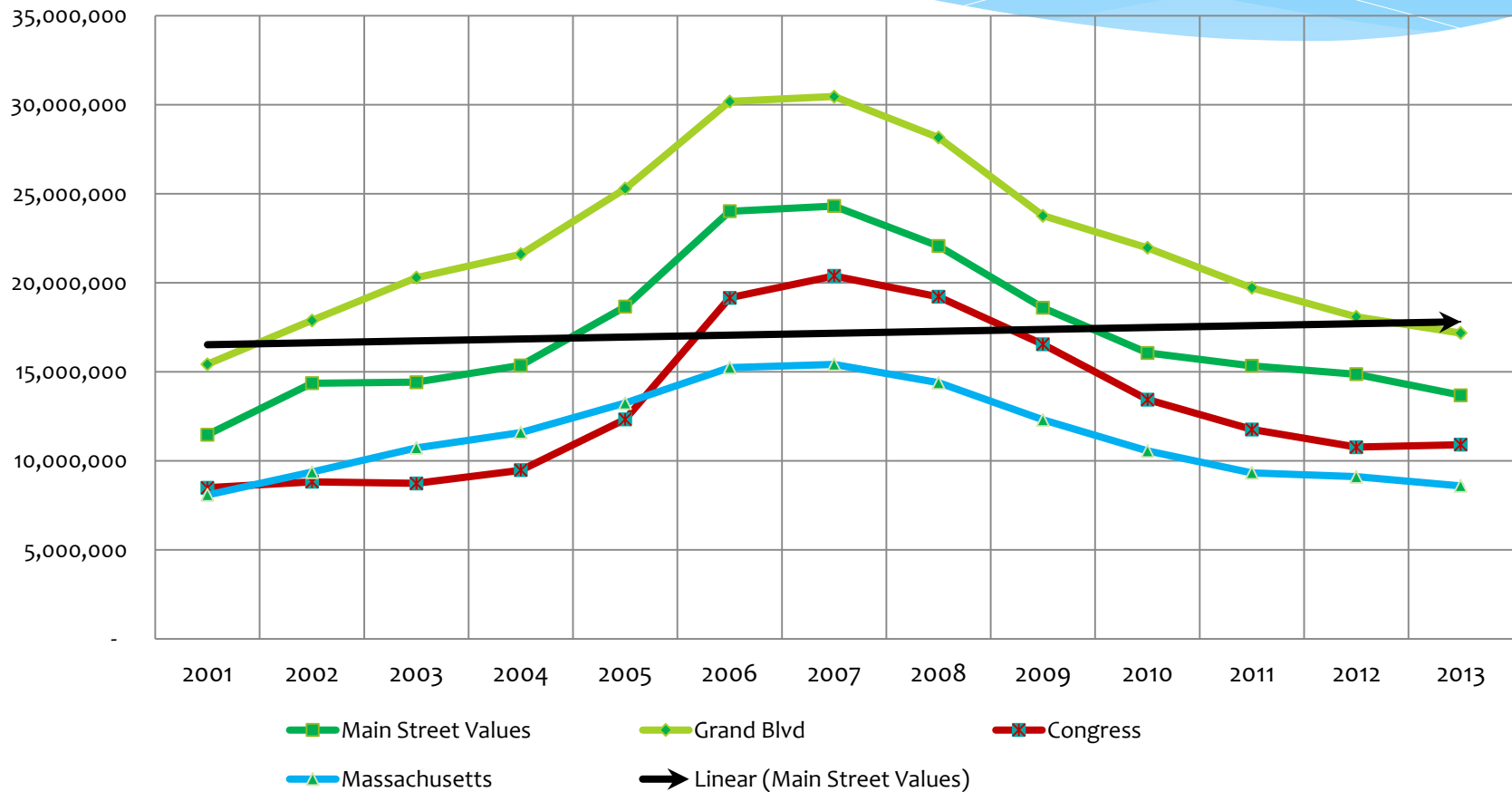
No cash flow for further development



2005 Atlantic hurricane season shattering numerous records

Housing Market Collapse – Recession – Laws Change

NPR Commercial Corridors Taxable Values



Recessions Create

- ✓ **Downtown Vacancies**
- ✓ **Wrong Tenant Mix**
- ✓ **Stop Redevelopment Projects**
 - Historic Hacienda Hotel – 10 year delay
 - Residences of Main Street Landings – 11 year delay
 - Residences of Orange Lake – 10 Year delay
- ✓ **City Codes and Ordinances conflict with investment climate**
- ✓ **Regulatory friction forces entrepreneurs to go elsewhere**

Where do you start?

I. Invest in Intellectual Capital

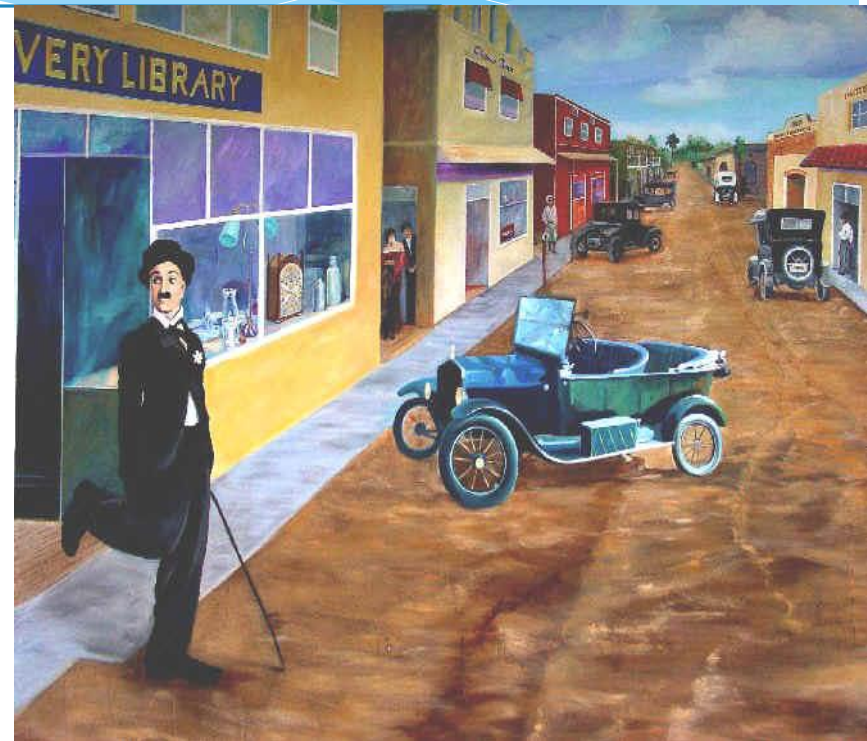
- Get Smart People Downtown

II. Define the problem and set objectives

- Identify the **critical path**
- Get stuff done
- Change negative perceptions

III. Lay the Groundwork

- Message – **Authentic Downtown**
- Incubate – **Open for Business**
- Knit – **Public Investment Breeds Private Investment**
- Rebrand – **Live, Work, Play · New Urbanism Movement**



Know who will invest first?

Investment Risk Rates

1.5% 10 YR US T-Bill

2.0 5 Year CD

4.0 Corporate Dividend Yields

8.0 Real Estate Investment Risk Rate (Landlords)

13.0 S&P 30 year average

27.0 Business Risk (Tenants)

40.0+ Venture Capital Fund Returns

Tip: Rate of Return is actual higher for wealthy investors
Real Estate 13% · Business 45%

Identify Opportunities?

- I. Understand the Law of Comparable Advantages
- II. Housing and Transportation (H+T) Affordability Index
- III. Natural & Historical Assets Value Propositions
- IV. Activate Idle CRA Assets
- V. New Urbanism Movement (Traditional Downtown)

“Open for Business”

Change the Message



Old Post Office turned into an 9,000 sf. business incubator

- Get Smart People Downtown
- Give them a place to meet, create and exchange ideas
- Create a hub for community business organizations



New Urbanisms Movement

Residential Urban Core Analysis

Conducted by
ZIMMERMAN/VOLK ASSOCIATES, INC.
 P.O. Box 4907
 Clinton, New Jersey 08809



Average Annual Market Potential For New Housing Units Households In Groups With Median Incomes Over \$50,000 The Urban Core

City of New Port Richey, Pasco County, Florida

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Rental Multi-Family (lofts/apartments, leaseholder)	375	63.0%
For-Sale Multi-Family (lofts/apartments, condo/co-op ownership)	115	19.4%
For-Sale Single-Family Attached (townhouses/live-work, fee-simple ownership)	<u>105</u>	<u>17.6%</u>
Total	595	100.0%

Annual Market Potential by Draw Area The Urban Core *City of New Port Richey, Pasco County, Florida*

City of New Port Richey (Local Draw Area):	14.8%
Balance of Pasco County (County Draw Area):	12.9%
Hillsborough, Pinellas, and Hernando Counties (Regional Draw Area):	36.8%
Balance of US (National Draw Area):	<u>35.5%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2015.

Seeking \$50,000+ household incomes

Create Demand

New Downtown Residential Development

Zimmerman/Volk Urban Core Residential Analysis

Market Potential New Housing Units Over \$50,000 Income

The Urban Core

<i>Housing Type</i>		<i># of Households</i>		<i>Percent</i>
Rental Multi-Family		375		63.0%
For-Sale Mult-Family		115		19.3%
For-Sale Single Family Attached		105		17.6%
Total		595		100%

Where will they come from?

- ✓ 37 % from Tampa Bay Area
- ✓ 36% US outside the region
- ✓ 76% Young Singles & Couples
- ✓ 110 units per year absorption rate

“Meeting the pent-up demand for walkable urban development will take a generation.” Leinberger

Results

168 New Downtown Residential Units

Residence of Orange Lake



- ✓ 88 Residential Units
- ✓ New Urbanist Features
- ✓ TIF & Impact Credits
- ✓ Construction this winter

Main Street Landings



- ✓ 80 new residential units
- ✓ 14 new commercial units
- ✓ TIF & Impact Credits
- ✓ Construction to resume this fall

\$8.6 Million additional household incomes within the Urban Core

Hacienda Hotel

Historic Preservation as Economic Development Driver

Make something happen!

1927 Boutique Hotel & Event Venue

- ✓ \$250,000 in architectural/engineering work
- ✓ \$1,000,000 in historic stabilization and preservation
- ✓ \$950,000 grant applications

Goal

Make the Market for the Developer



HACIENDA HOTEL, NEW PORT RICHEY, FLORIDA

1352

National Historic Register 1992

Historic Architects on the Project

- Stephanie Ferrell
- Vivian Salaga – Atelier, Inc.
- Bert Bender – Bender & Associates

Sims Park

“Public Investment Breeds Private Investment”



Kimley»Horn

Phase 1: \$3.2 Million

Phase 2: \$500,000

Improved Downtown Walking Patterns

Business Incentive Grant Program

More Public Investment

Types

- **Commercial Façade** – 50% match
- **Business Façade** – 50/75% match
- **Leasehold Improvement** – same
- **Upper Floor Downtown Residential Unit**
- **Mini-Development Agreement** 1:3 ratio

For targeted businesses and city districts



Market Driven Results



- \$1.8 million Investment
- Water Front Restaurant



- \$1 million Investment
- Urban Spoon Award
- Creative Loafing Award

Small Business Results



- 32 New Businesses
- 132 New Jobs
- \$500,000 Private Investment

White Heron Tea Room



Rose's Bistro



Vintage Chickabees



Thank You

Questions?

Contact Information:

Mario Iezzi

Economic Development Director

City of New Port Richey

5919 Main St.

New Port Richey, FL 34652

727-853-1019

iezzoni@cityofnewportrichey.org



City Manager - Debbie Manns