

Summary of Proposed Public Financial Participation in the Cascades Mixed-Used Development

Public financial participation in the Cascades development will contribute to the creation of a significant community asset that increases the local tax base, spurs additional development in the area, contributes to the goal of an 18-hour downtown, and generates a **total economic impact of \$353 million and 2,900 jobs**. Public financial involvement in the project will occur in the following ways.

I. Amphitheater Support and Operations Space

This CRA-requested, city-owned space will support large and small performances at the Capital City Amphitheater and events at Cascades Park by providing dressing rooms, a green room, storage space, reception area, kitchen and other amenities. This space will help attract popular and more sophisticated performances to the park. The total cost to build this public asset is **\$2.5 million**, which will come from a combination of existing Tourist Development Tax Arts funds and the city-controlled Johns/Clemons fund.

II. Public Parking

This item was requested by the CRA as part of the original RFP and provides 229 public parking spaces to replace the existing spaces that will be lost to new construction and to help support Cascades Park and potentially the redevelopment of the adjoining Waterworks site. These spaces are being provided **in addition to** the required parking that NAP will build to support the development. The cost to purchase the public parking is **\$6.5 million**.

III. Public Fees, Infrastructure and Improvements

Development costs include public fees (permitting, inspections, etc.), as well as improvements to public infrastructure that will benefit both the development and the community. Infrastructure improvements include the creation of public spaces and gathering spots, children's play areas, food truck hook-ups, restoration of the former County Health Unit, construction of a historic memorial, improvements to the sidewalks connecting the development to downtown, and enhancements to the fountain ("splash pad"), among other items.

NAP has proposed that local government contribute **\$2.25 million of the \$7.1 million in total anticipated public fees and improvements**. The \$2.25 million in public funds for these improvements will come from a variety of sources, including fee waivers, grants and other support from various city departments. NAP will bear the balance of \$4.85 million for these efforts.

IV. Increment Tax Refunding

Tax refunding is necessary in order to offset the reduced economic potential of the project caused by the incorporation of CRA-requested public components, including the amphitheater support space, public plaza and restoration of the former Leon County Health building. These public components limit NAP's ability to maximize revenue that would otherwise be generated by increased office, retail and residential space.

With tax refunding, **no CRA funds are advanced to NAP**. NAP will invest the **full cost of the project (approximately \$132 million) up-front**, thereby assuming all of the market and financial risk. Once the project is finished, and after NAP pays its first property tax bill, the CRA will reimburse NAP 90% of its property tax bill each year from 2021 through 2034 – which will still result in a **net gain** of approximately **\$3.6 million in new property taxes collected by local government** over the 13-year timeframe.