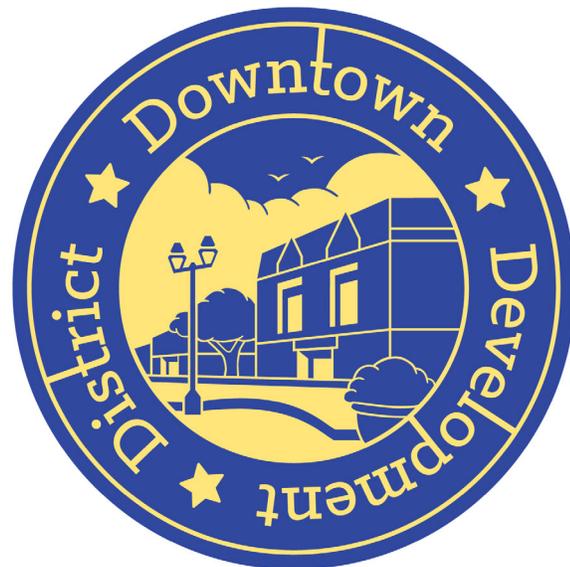


# Downtown Development Districts

Fiscal Year 2016  
Annual Report



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# INTRODUCTION

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After decades of losing residents who moved out to the suburbs, Delaware's cities and towns have been working hard to reestablish their downtowns as places where people can live, work, and thrive. However, poor building conditions, socioeconomic challenges, crime and perception of safety have made redevelopment a daunting task for both communities and potential investors. Fortunately, these same areas have desirable assets, such as

designated historic districts, traditional commercial corridors, compact walkable neighborhoods, parks, and architecturally beautiful buildings. The State and local governments are coordinating efforts to overcome these barriers to development so that new private investment and market opportunities can be shifted back to the heart of Delaware's communities.

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## DOWNTOWN DEVELOPMENT DISTRICT PROGRAM OVERVIEW

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In April of 2014 the General Assembly passed Senate Bill 191, the Downtown Development Districts Act (the Act), which was subsequently signed by Governor Markell on June 5, 2014. This Act created the Downtown Development Districts program which seeks to revitalize the downtown "Central Business District" in selected city, town, and county areas through the use of economic and other incentives. The purposes of the Act are to:

- Spur private capital investments in commercial business districts and other neighborhoods;
- Stimulate job growth and improve the commercial vitality of districts and neighborhoods;
- Help build a stable community of long-term residents by improving housing opportunities; and,
- Assist municipalities in strengthening neighborhoods while harnessing the attraction that vibrant downtowns hold for talented people, innovative small businesses, and residents from all walks of life.

Local governments can take advantage of the program by identifying an area in their downtowns as being desirable for revitalization and then developing a district plan and incentives to support revitalization of the area in accordance with the goals of the Act. The application process for designation as a Downtown Development District (DDD or District) is facilitated by the Office of State Planning Coordination. The applications

are then evaluated by the Cabinet Committee on State Planning Issues according to three criteria, as specified in the Act: the need and impact (50%), the quality of the district plan (30%), and the local incentives (20%). The Cabinet Committee then makes recommendations to the Governor who makes the final designation.

According to the legislation, the number of districts is limited to 15 at any one time. So far, there are a total of eight designated Districts. Three were designated in January 2015 and five were just recently designated in August 2016.

- Dover (2015)
- Seaford (2015)
- Wilmington (2015)
- Georgetown (2016)
- Harrington (2016)
- Laurel (2016)
- Milford (2016)
- Smyrna (2016)

Selection as a DDD entitles businesses and investors who invest in the commercial, industrial, residential, and mixed-use buildings or facilities located within designated DDDs access to state and local incentives as well as a host of other benefits.

- **Downtown Development District Grant (DDD Grant):** The DDD Grant provides up to a 20 percent grant of capital construction costs and is administered by the Delaware State Housing Authority.

- **Historic Preservation Tax Credits:** The Act allocates 30 percent of the State’s yearly allocation of Historic Preservation Tax Credits to be reserved for projects within a District.
- **Municipal Incentives:** Each municipality implements incentives specific to its designated District and to the identified projects in the district plan. Examples of municipal incentives include, but are not limited to:
  - Reduction or waiver in fees or taxes
  - Permit process reform
  - Special zoning districts or exemptions from local ordinances
  - Façade improvement grants
- **Partners:** Other entities who have seen the value in the program have provided incentives in addition to the state and local incentives.



*Small Project Commercial Rehab in Dover*

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## DOWNTOWN DEVELOPMENT DISTRICT GRANT SUMMARY

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The DDD Grant program awards grants to Qualified District Investors (Investors) who make Qualified Real Property Investments (QRPI) within the boundaries of a designated District and in conformance with the district plan. The investment must be necessary for the rehabilitation, expansion, or new construction of commercial, industrial, residential (including multi-family), or mixed-use buildings or facilities. To qualify for a DDD Grant, an Investor must first meet a Minimum Qualified Investment Threshold (MQIT) of \$15,000 or \$25,000, depending on the size of the project.

### PROGRAM DESIGN

Delaware was fortunate to have the highly successful Virginia Enterprise Zone program as a starting point when structuring the DDD program for Delaware. From there, DSHA conducted extensive outreach to various stakeholder groups to identify important considerations for Delaware’s program. The following is a summary:

- Concern about proceeding in hard-to-develop areas without assurance of funds.
- A variety of diverse projects are needed to reinvigorate distressed areas.
- Small investors may not access the program if it is too complex or if competing with large investors.
- Provide flexibility and ease of use to the greatest extent possible.
- Ensure that investors in all DDDs have reasonable access to funds.
- Provide incentives to projects that best meet local and state priorities

***A key component of the DDD Grant is funds are awarded only after successful project completion.***

As a result, the following components were incorporated into the program to support a variety of projects throughout the State and ensure State funds are used effectively and efficiently.

### Reservation Process

A Reservation process was created to give Investors assurance that their project will be funded once complete. A Reservation is required for Investors applying for the Large Project Set-Aside and a Lite-Reservation is an option for Investors accessing the Small Project Set-Aside.

### Flexibility and Threshold Requirements

Great effort was taken to incorporate flexibility in regard to eligibility of projects and applicants. However, there are four threshold requirements that must be met.

- The project must be made within the boundaries of a designated DDD.
- The project must be in conformance with the district plan.
- The QRPI must be in excess of the \$15,000 for Small Projects and \$25,000 for Large Projects.
- The Investor must demonstrate site control.

### Small and Large Project Set-Asides

To ensure a variety of projects, DSHA established two funding set-asides for DDD Grant awards.

#### Small Project Set-Aside

This set-aside is intended for Investors who may only use the program once, or are not familiar with the complexities of larger scale projects. The maximum DDD Grant award an Investor can receive from the Small Project Set-Aside is \$50,000 per building or facility. This award is based on a capped QRPI of \$250,000 regardless of the actual QRPI associated with a building or facility. Small Project Investors can apply throughout the year, as long as funding is available.

#### Large Project Set-Aside

The maximum DDD Grant award an Investor can receive from the Large Project Set-Aside is \$1,000,000 per building or facility. An Investor must apply for a Reservation to be considered for a DDD Grant from this set-aside. Applications for Large Project Reservations are accepted once per year; however, DSHA can offer additional application rounds.

District Pool: To ensure that Investors from all Districts have reasonable access to DDD funding, the Large Project Set-Aside is further divided into a General Pool and a District Pool. District allocations are based on the population of each District.

### Priority Consideration

In cases where Reservation requests exceed the funding available, DSHA wanted to ensure that the highest quality projects would receive a DDD Grant. This is done by giving projects priority consideration when they meet additional state and local community objectives. These priorities were developed in collaboration with local governments with DDDs.

- Identified as a Priority Project in the district plan
- Readiness to proceed
- Creates permanent jobs
- Provides mixed-use development
- Expands housing opportunities
- Protects historic resources
- Actively reuses existing structures
- Promotes sustainable practices

***In Fiscal Year 2017 additional funding is available to promote sustainable practices through a SOFA grant for LEED Silver Certification.***

# DDD GRANT ACTIVITY

There have been a total of three completed rounds of applications for Large Projects. Round 1 was open in Fiscal Year 2015, while Rounds 2 and 3 were open in Fiscal Year 2016. At the time of this report, a fourth round of Large Project applications are currently under review. Figure 1 below details the funding availability by round for Large Projects.

## FISCAL YEAR 2015

When the DDD Act was enacted, the initial allocation was \$7 million to fund and administer the DDD Grant program. The DDD Funds in the first round leveraged over \$114 million in private investment for Large Projects. An additional \$608,103 was leveraged through the Small Project funds. For a more detailed description of the funded projects, see the 2015 Downtown Development Districts Annual Report.

## FISCAL YEAR 2016

The General Assembly allocated \$8.5 million to administer the DDD Grant program. During this fiscal year, DSHA held two application rounds for Reservations from the Large Project Set-Aside. There were a total of 22 Large Projects and 10 Small Projects that were selected between the three Districts in Fiscal Year 2016. When the DDD program was created, \$1,000,000 was designated for Small Projects. By the beginning of Round 3, there was approximately \$800,000 available for Small Projects. When the funding pool for Small Projects is depleted, the funds will be replenished.

### Funding Availability by Round

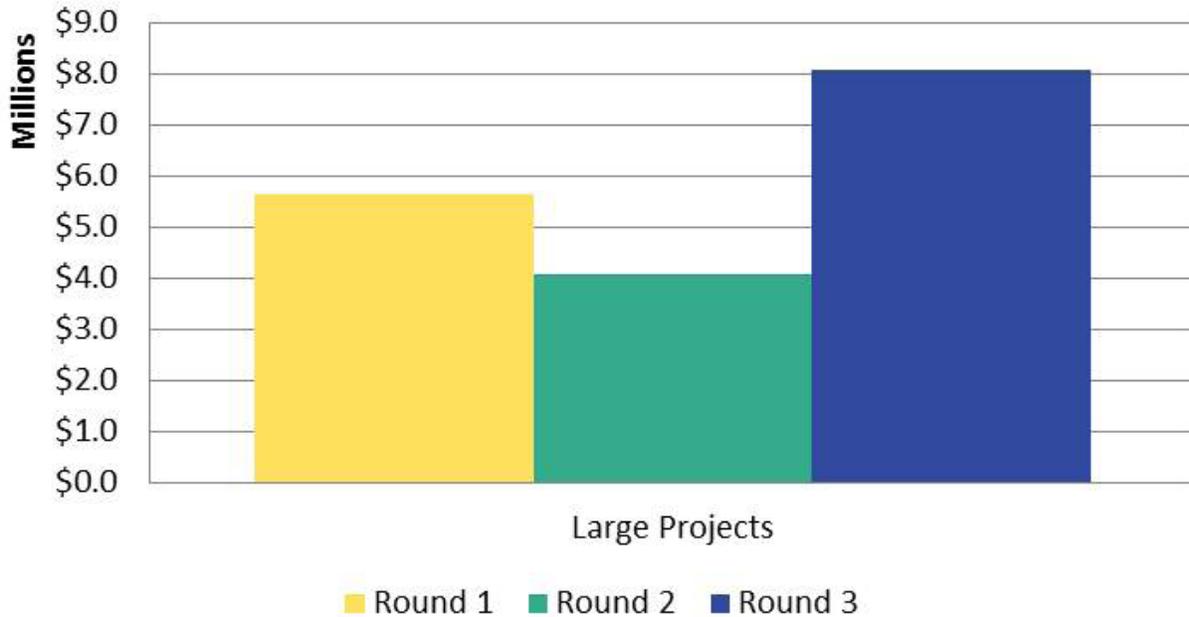


Figure 1: Funding Availability by Round

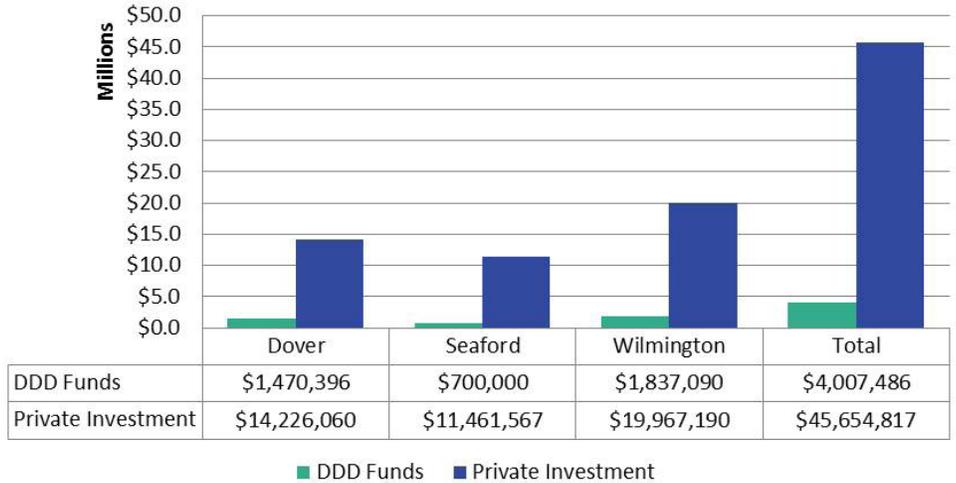
**Large Project Set-Aside - Round 2**

In September 2015, the second application round for Large Projects was launched. The Reservation awards were announced in January 2016. A total of 11 projects in the three DDDs were selected to receive just over \$4 million in DDD Grant funding. In addition, the DDD funding will leverage more than \$45.6 million in private investment.

The Large Project Set-Aside is divided into funding for each District, as well as a general pool. The District Pool ensures that each District has fair access to grant funds based on the population within the designated District. From the applications received, almost half of the funds went to Wilmington, where almost \$20 million will be leveraged by DDD funds. Dover had five projects that received a Reservation, leading to more than \$14 million leveraged in private funds. Figure 2 details the amount of private investment leveraged with the DDD Large Project Grant by District.

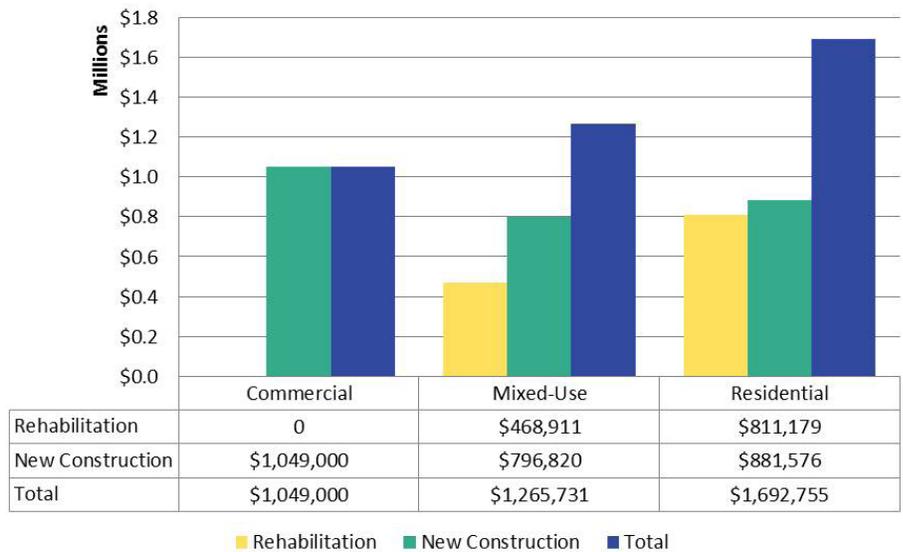
The awarded projects represent a variety of uses including commercial, residential, and mixed-use. The largest portion of the funds will go towards residential development and will include both single-family homeownership as well as rentals. Figure 3 summarizes the Reservations awarded by type and use of projects.

**Round 2: Leverage of Private Investment**



*Figure 2: Leverage of Private Investment*

**Round 2: DDD Funds by Type and Use**



*Figure 3: DDD Funds By Type and Use*

The following table details the cost breakdown of each project that was awarded a Reservation.

<i>District/Investor</i>	<i>Application Total Dev. Costs</i>	<i>Application QRPI</i>	<i>Awarded Reservation</i>
<b>Dover</b>	<b>\$14,226,060</b>	<b>\$11,096,123</b>	<b>\$1,470,396</b>
1. Central Delaware Habitat for Humanity	\$809,722	\$425,825	\$85,165
2. Faithwork, LLC Group Home	\$1,600,235	\$914,100	\$182,820
3. Faithwork, LLC Medical Office	\$3,792,260	\$2,460,000	\$492,000
4. Halpern Family Property Investment, L.P.	\$7,482,043	\$6,814,145	\$614,000
5. MauTiste LLC	\$541,800	\$482,053	\$96,411
<b>Seaford</b>	<b>\$11,461,567</b>	<b>\$9,512,678</b>	<b>\$700,000</b>
6. The Residences at River Place, LLC	\$11,461,567	\$9,512,678	\$700,000
<b>Wilmington</b>	<b>\$19,967,190</b>	<b>\$11,893,114</b>	<b>\$1,837,090</b>
7. 426 Market LLC	\$1,449,348	\$421,181	\$84,236
8. 829 Market LLC	\$3,398,227	\$1,923,376	\$384,675
9. Interfaith Community Housing of Delaware, Inc	\$2,108,396	\$1,555,893	\$311,179
10. James R. and M. Lorraine Nelson	\$8,149,479	\$5,155,546	\$557,000
11. Shipley Partners LLC	\$4,861,740	\$2,837,118	\$500,000

The following table summarizes the projects located in each District.

<i>Project Descriptions</i>
<b>Dover</b>
1. Construction of five new single-family homes on North New Street for homeownership.
2. New Construction of a residential group home building on a vacant parcel.
3. New construction of a medical office building on a vacant parcel.
4. Mixed-use construction with three floors of apartments and 6,100 sf ground floor retail.
5. New construction of three duplexed units or six homes on Reed Street.
<b>Seaford</b>
6. New construction of the third and fourth phases of two attached four-story apartment buildings with a total of 128 apartment units
<b>Wilmington</b>
7. A rehabilitation of an existing structure by a tenant. The ground floor retail space will be transformed into a new restaurant. There are currently seven residential units above the retail space.
8. Rehabilitation of existing structure to create seven walk-up apartment units and a ground floor retail space.
9. Redevelop six existing housing structures to create twelve new affordable homeownership units.
10. New construction of a six-story commercial building, the existing building will be demolished.
11. Rehabilitation of existing structure into 25 residential apartment units.

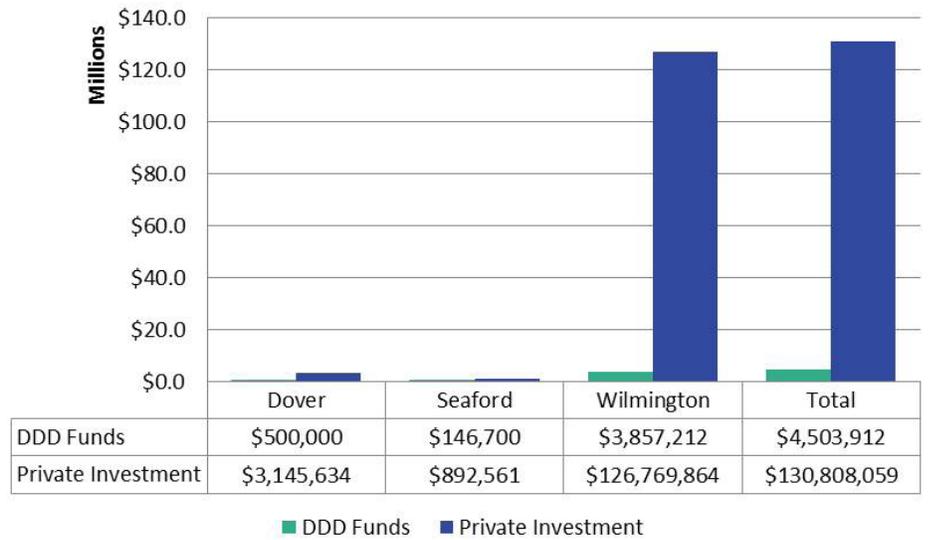
**Large Project Set-Aside - Round 3**

In March 2016, the third application round for Large Projects was launched. The Reservation awards were announced in June 2016. A total of 11 projects in the three DDDs were selected to receive \$4.5 million in DDD Grant funding. In addition, the Reservations will leverage more than \$130.8 million in private investment.

From the applications received, the majority of funds went to Wilmington, leveraging over \$126.7 million in private investment. One project was awarded a Reservation in both Dover and Seaford. Figure 4 details the amount of private investment leveraged with the DDD Large Project Grant by District.

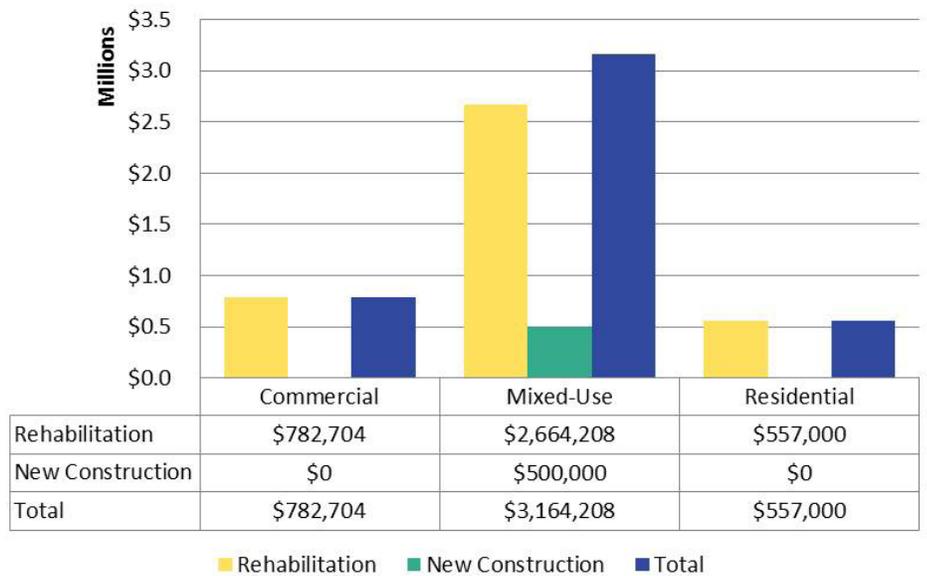
The projects represent a variety of uses including commercial, residential, and mixed-use. The largest portion of the funds will go towards mixed-use. Figure 5 summarizes the Reservations awarded by type and use of projects.

**Round 3: Leverage of Private Investment**



*Figure 4: Leverage of Private Investment*

**Round 3: DDD Funds by Type and Use**



*Figure 5: DDD Funds By Type and Use*

The following table details the cost breakdown of each project that was awarded a Reservation.

<i>District/Investor</i>	<i>Application Total Dev. Costs</i>	<i>Application QRPI</i>	<i>Awarded Reservation</i>
<b>Dover</b>	<b>\$3,145,634</b>	<b>\$3,010,156</b>	<b>\$500,000</b>
1. Loockerman Plaza LLC	\$3,145,634	\$3,010,156	\$500,000
<b>Seaford</b>	<b>\$892,561</b>	<b>\$733,500</b>	<b>\$146,700</b>
2. Nanticoke Memorial Hospital Inc.	\$892,561	\$733,500	\$146,700
<b>Wilmington</b>	<b>\$126,769,864</b>	<b>\$66,523,132</b>	<b>\$3,857,212</b>
3. 2 East 7th LLC	\$4,156,958	\$1,526,118	\$305,224
4. 200 West 9th LLC	\$5,703,904	\$2,442,903	\$488,581
5. 216 Ninth LLC	\$3,226,642	\$1,541,319	\$308,264
6. 629 Market Retail LLC	\$855,377	\$540,018	\$108,004
7. 1007 Market LLC	\$92,123,960	\$47,920,040	\$1,000,000
8. Christian Growth Ministries	\$5,528,037	\$3,776,240	\$528,000
9. Safari Lounge LLC	\$386,897	\$310,697	\$62,139
10. Delaware Center for Homeless Veterans, Inc.	\$10,959,589	\$5,042,297	\$557,000
11. Urban Connect LLC	\$3,828,500	\$3,423,500	\$500,000

The following table summarizes the projects located in each District.

<i>Project Descriptions</i>
<b>Dover</b>
1. Two mixed-use commercial buildings with retail on the first floor and apartments on the second and third floors.
<b>Seaford</b>
2. Rehabilitation of a commercial building that will be utilized by Nanticoke Memorial Hospital.
<b>Wilmington</b>
3. Rehabilitation of a historic building into a mixed-use building with a ground floor restaurant and fifteen apartments on the upper floors.
4. Redevelopment into a mixed-use building with 1,000 sf of retail space and 33 apartments on floors 2-6
5. Rehabilitation of a mixed-use building with 1,500 sf of ground floor retail and seven apartments on the upper three floors.
6. Expansion of a commercial building to outfit it for a Starbucks store.
7. Expansion and rehabilitation of an existing commercial building. The office space portion of the building will be renovated while the hotel portion will remain intact.
8. Rehabilitation of a two story commercial building housing an Adult Day Services program, offices, and a comprehensive childcare center.
9. Rehabilitation of an existing three-story building shell into a mixed-use building for commercial and residential uses.
10. Redevelop a vacant building into 51 permanent affordable housing units for Veterans.
11. Rehabilitation of five vacant parcels into a mixed-use facility including an anchor restaurant, a technical center, and ten market rate apartments.

**Small Project Set-Aside**

While both Set-Asides require project completion before funds are distributed, the Small Project Set-Aside does not require a Reservation. The option for a Lite-Reservation is available for Investors with a building permit. As a result, it is difficult to determine the number of projects accessing the funds until project completion.

In Fiscal Year 2016, DSHA awarded \$243,706 in DDD Grant funds to 10 Small Projects in all three Districts. The FY2016 DDD Small Project Grant awards leveraged more than \$1.27 million in private investment. Figure 6 summarizes the Small Project investments made in Fiscal Year 2016.

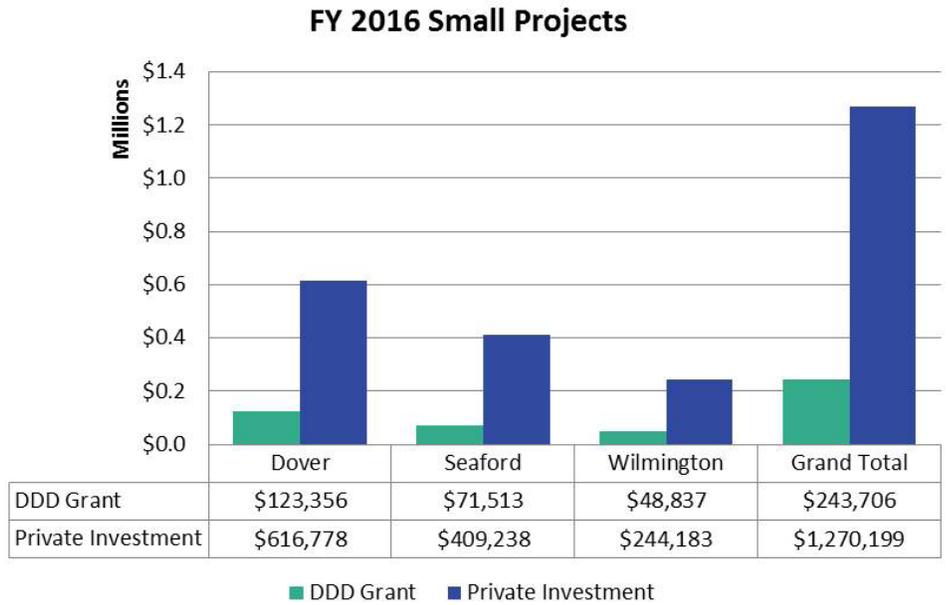


Figure 6: FY 2016 Small Project Grants

**FISCAL YEAR 2017**

**Large Project Set-Aside - Round 4**

The Application Round for Large Projects just closed in December 2016. With the addition of five new Districts, the District Pool is all the more important in ensuring that at least one eligible project for each District receives a Reservation. The District Pool allocates the funds to each District according to the population living in the District. In the event that a project is eligible for more funds than available in a particular District, then funds from the General Pool are used to fully fund the Reservation for that project. The allocation of funds are summarized in Figure 7.

Large Project Set-Aside Round 4	
General Pool	\$3,379,287
District Pool	\$3,379,288
Dover	\$469,721
Seaford	\$118,275
Wilmington	\$1,551,093
Georgetown	\$395,377
Harrington	\$131,792
Laurel	\$118,275
Milford	\$334,550
Smyrna	\$260,205
<b>Total Large Project</b>	<b>\$6,758,575</b>

Figure 7: FY 2017 Allocation of Funds

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## NEW DISTRICTS

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In August 2016 five new Districts were announced. Smyrna, Milford, Harrington, Georgetown, and Laurel created Districts and local incentives. In the first months of Fiscal Year 2017, the Delaware State Housing Authority and the Office of State Planning Coordination helped each town launch their program through an orientation meeting and individual town outreach events for potential

investors. The Districts are eligible for projects beginning with round four applications. Various investors were eager to utilize the program incentives and there have already been a few submissions for Small Projects. More information on the new Districts can be found on the Central Incentive Website.

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## LEED GRANT

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The DDD Grant program seeks to promote sustainable practices by incentivizing projects that achieve high energy-efficiency; reduce the carbon footprint of the community; or, protect the many residents who are unable to pay high bills associated with keeping homes comfortable and safe during extreme weather. One way this is done is by making projects competitive that promote sustainable practices as identified in the Priority Consideration Guidelines. To further promote sustainable practices, in September 2016 Delaware State Housing Authority received a Strategic Opportunity Funds for Adaptation (SOFA)

grant from the Delaware Department of Natural Resources and Environmental Control (DNREC). The SOFA grant is to pay for third-party costs associated with achieving the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver certification. A grant of up to \$30,000 is available to pay for third-party costs associated with achieving LEED Silver Certification, which are not eligible expenses under the DDD Grant. This grant is only available to applicants receiving DDD Grant funds. It is a great opportunity to promote sustainability while reinvesting in Delaware's downtowns.



*FY 2016 Small Project  
Commercial Rehab in Seaford*

# CENTRAL INCENTIVE WEBSITE

The Office of State Planning Coordination has created a centralized website where all potential applicants can view all possible incentives related to the Downtown Development Districts. It has links to each municipality's incentives as well as other useful incentives through state agencies, historic tax credits, and bridge loans.

<http://www.stateplanning.delaware.gov/ddd/incentives/incentives.shtml>

In addition to the District Incentives, others have partnered with the program to offer incentives of their own. The following incentives are also available to projects located within each District.

<i>Partner/Incentive</i>	<i>Description</i>
Delaware Historic Tax Credits	30% of the state's yearly allocation of Historic Tax Credits is reserved for projects in DDDs.
Neighborhood Building Blocks Fund	The fund, supported by allocations from recent settlement agreements related to the financial crisis, offers grants to local governments, neighborhood associations, nonprofit and community organizations in their programs and activities to support crime reduction, neighborhood revitalization, and economic development programs in and around DDDs and other distressed communities.
Home Performance with Energy Star Program	Rebates that can cover up to 75% of the cost for participants who implement the energy efficiency audit recommendations.
Kent County Downtown Development District Incentives	Kent County offers a dollar-for-dollar matching grant for projects in Kent County DDDs, of up to \$10,000 per project.
Sussex County Downtown Development District Incentives	Sussex County offers a matching grant of .50 cents to the dollar for projects in Sussex County DDDs of up to \$10,000.
Cinnaire Bridge Loans	Cinnaire offers a Bridge Loan to bridge receipt of DDD Large Project Set-Aside Grants to cover the gap for the reimbursement Grant.
State Agency Incentives Booklet	Each cabinet agency offers incentives for the Districts. The state has created a booklet outlining the incentives offered by each cabinet agency and has designated a contact person.



*FY 2016 Small Project  
Residential Rehab in Seaford*

## SUMMARY

The first two fiscal years of the DDD Grant program has provided funds to 35 Large Projects and 10 Small Projects. The overall DDD Grant program has leveraged \$292.21 million in private investment over two years throughout the three Districts. Numerous agencies have partnered with the program to offer further incentives for projects located in the Districts. The program has helped encourage private investment back into the downtowns of Delaware’s cities and towns. The following chart summarizes the investments between Fiscal Year 2015 and 2016.

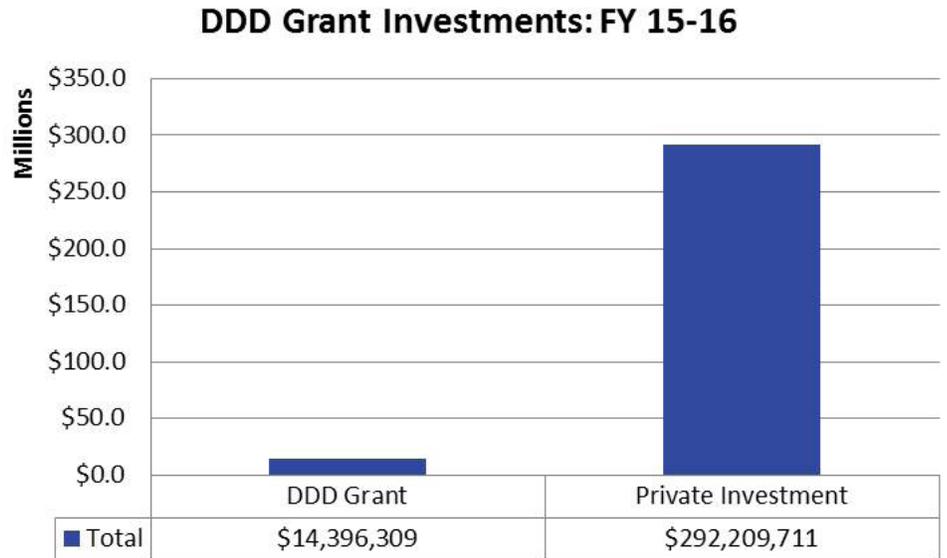


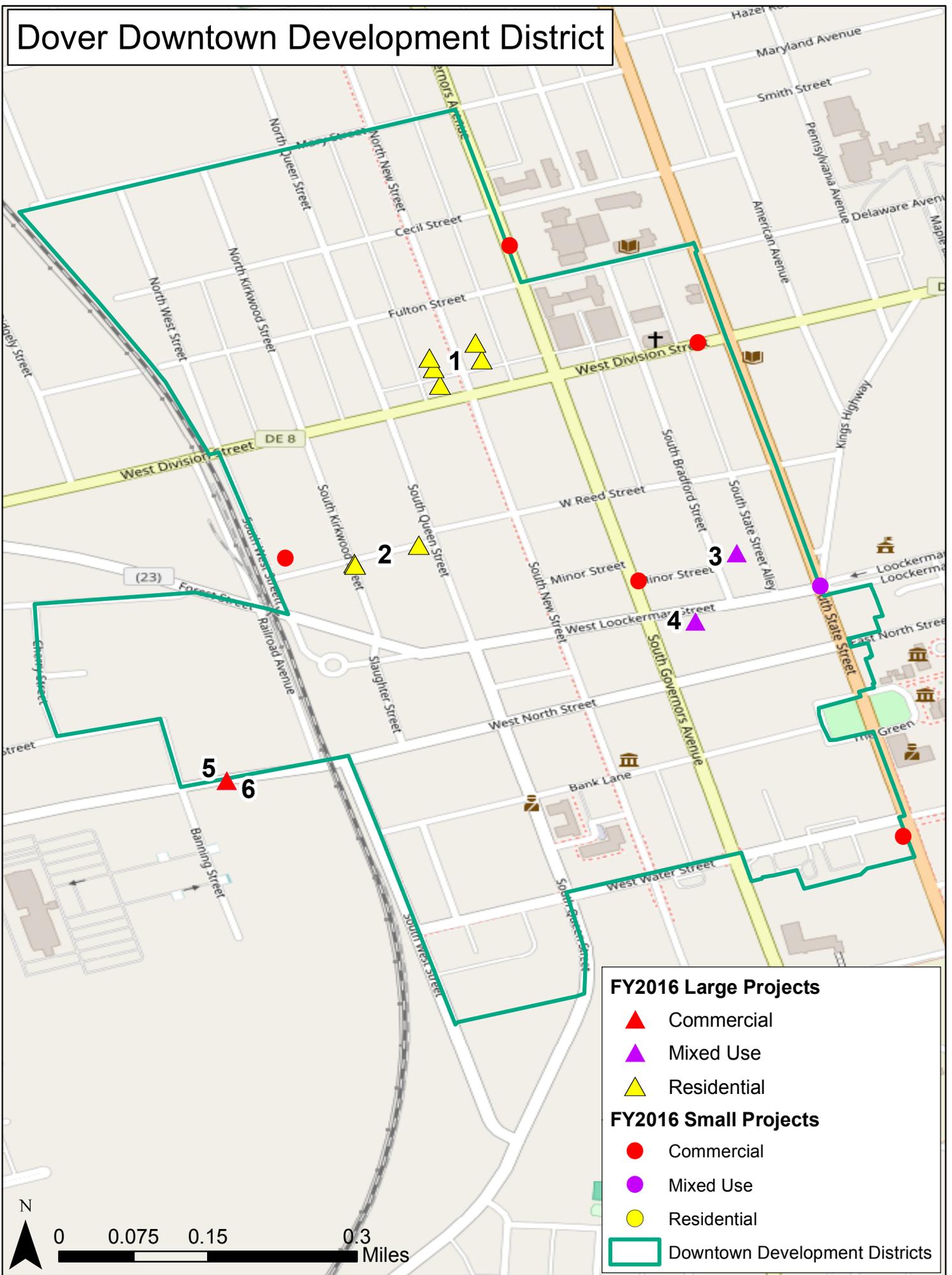
Figure 8: FY 2015-2016 DDD Grant Investments

## MAPS

The following maps display both the Large and Small Projects that were approved in Fiscal Year 2016. Not all of the projects have been completed. Funding will be disbursed when Large Projects

are completed within the three year mark after approval. The numbers on each map correspond to the numbers of the following project descriptions.

# Dover Downtown Development District



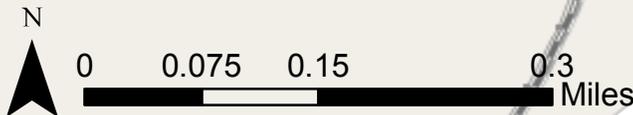
### FY2016 Large Projects

- ▲ Commercial
- ▲ Mixed Use
- ▲ Residential

### FY2016 Small Projects

- Commercial
- Mixed Use
- Residential

Downtown Development Districts



# DOVER

1



**Applicant:** Central Delaware Habitat for Humanity  
**Project Type:** Residential  
**Total Development Cost:** \$809,722  
**DDD Grant Award:** \$85,165  
**Project Description:** Construction of five new single-family homes on North New Street for homeownership.

2

Proposed Duplex Unit



**Applicant:** MauTiste Investment Group  
**Project Type:** Residential  
**Total Development Cost:** \$541,800  
**DDD Grant Award:** \$96,411  
**Project Description:** New construction of three duplex units or six homes on Reed Street.

3



**Applicant:** Halpern Family Property Investment LP  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$7,482,043  
**DDD Grant Award:** \$614,000  
**Project Description:** Mixed-use construction with three floors of apartments and 6,100 sf ground floor retail.

4



**Applicant:** Lookerman Plaza LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$3,145,634  
**DDD Grant Award:** \$500,000  
**Project Description:** Two mixed-use commercial buildings with retail on the first floor and apartments on the second and third floors.

5

NO  
PHOTO  
AVAILABLE

**Applicant:** Faithwork, LLC (Group Home)

**Project Type:** Mixed-Use

**Total Development Cost:** \$1,600,235

**DDD Grant Award:** \$182,820

**Project Description:** New construction of a residential group home building on a vacant parcel.

6

NO  
PHOTO  
AVAILABLE

**Applicant:** Faithwork, LLC (Medical Office)

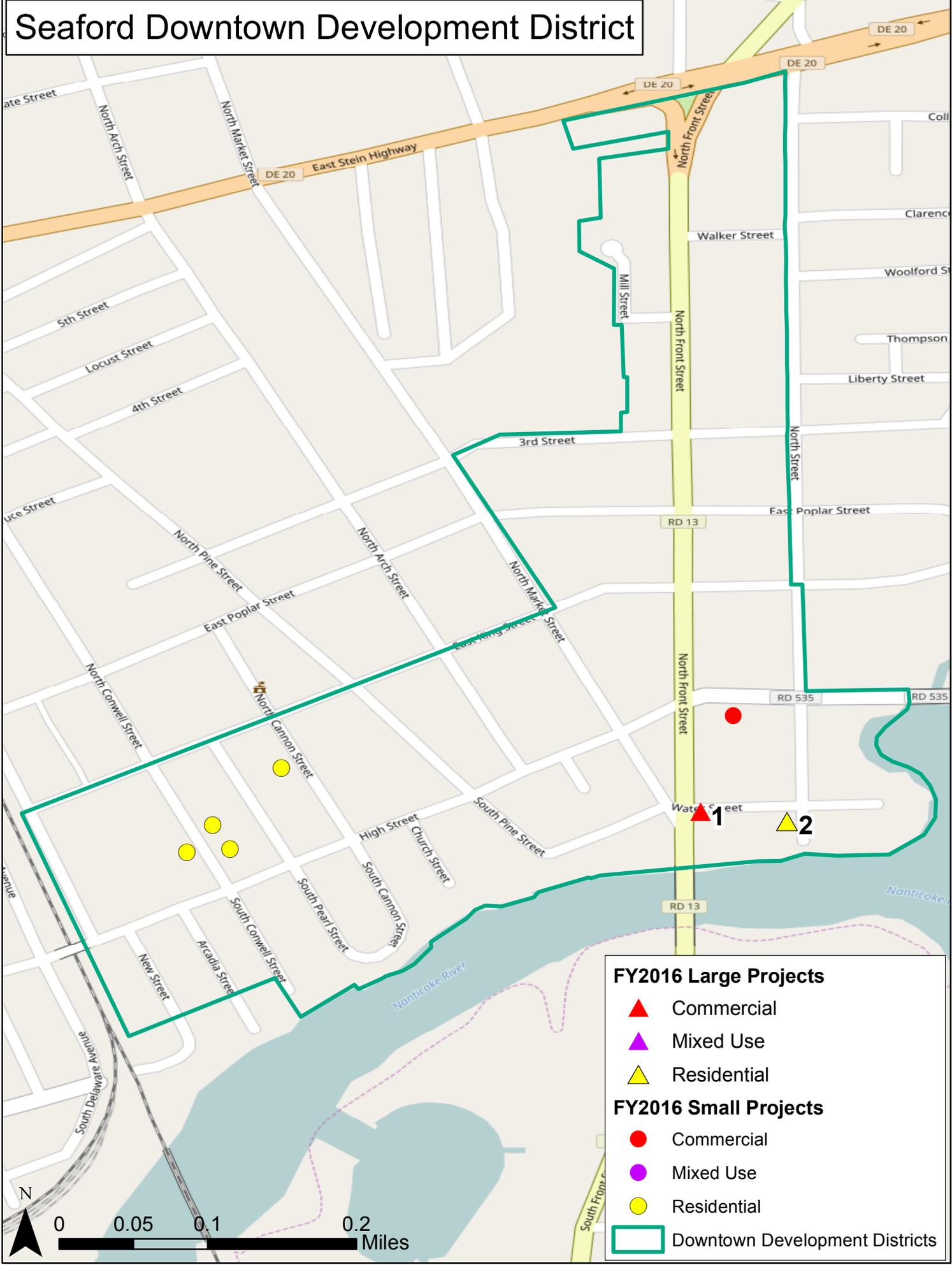
**Project Type:** Mixed-Use

**Total Development Cost:** \$3,792,260

**DDD Grant Award:** \$492,000

**Project Description:** New construction of a medical office building on a vacant parcel.

# Seaford Downtown Development District



## FY2016 Large Projects

- ▲ Commercial
- ▲ Mixed Use
- ▲ Residential

## FY2016 Small Projects

- Commercial
- Mixed Use
- Residential

□ Downtown Development Districts

# SEAFORD

1



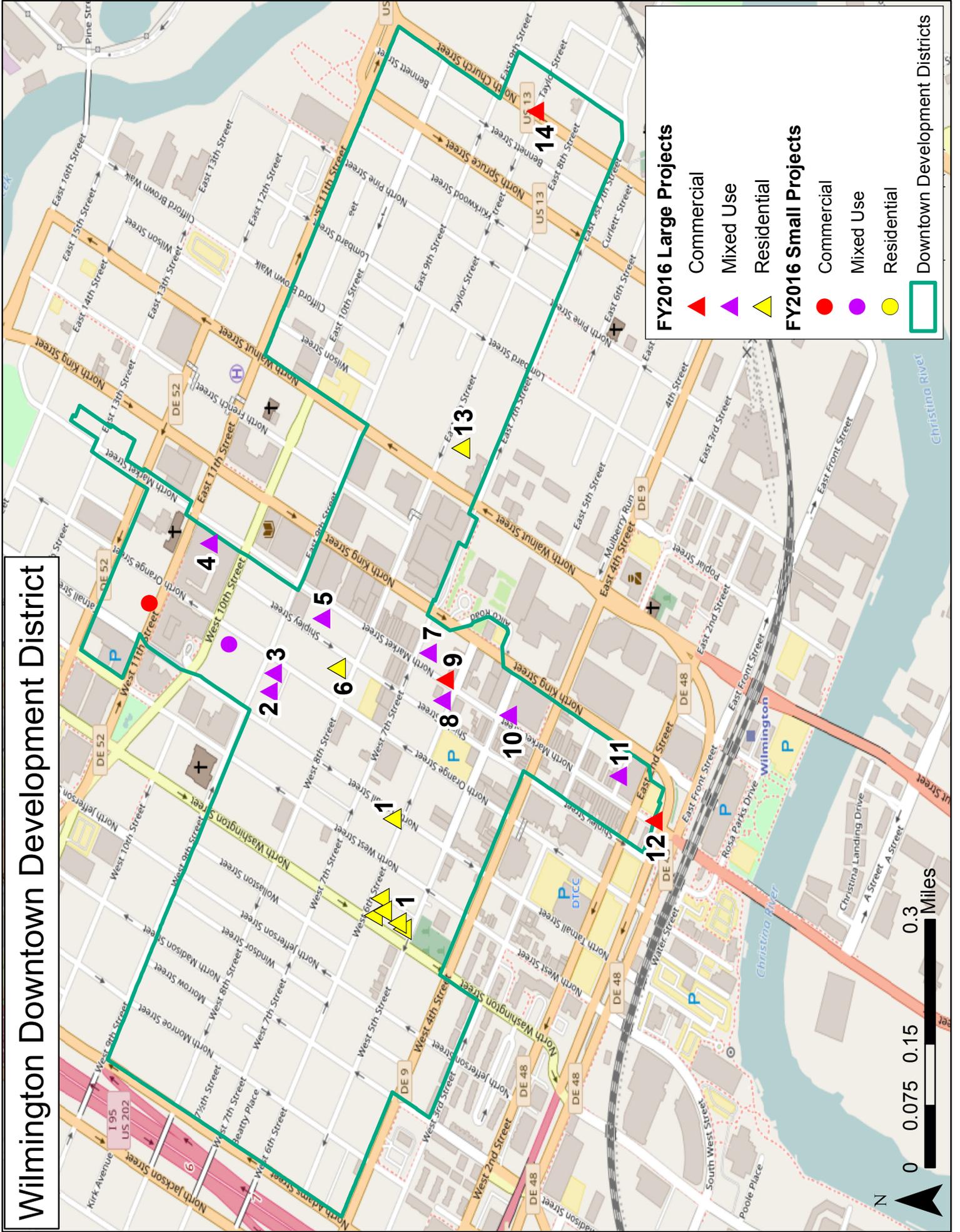
**Applicant:** Nanticoke Memorial Hospital  
**Project Type:** Commercial  
**Total Development Cost:** \$892,561  
**DDD Grant Award:** \$146,700  
**Project Description:** Rehabilitation of a commercial building that will be utilized by Nanticoke Memorial Hospital.

2



**Applicant:** The Residences at River Place, LLC  
**Project Type:** Residential  
**Total Development Cost:** \$11,461,567  
**DDD Grant Award:** \$700,000  
**Project Description:** New construction of the third and fourth phases of two attached four-story apartment buildings with a total of 128 units.

# Wilmington Downtown Development District



# WILMINGTON

1



**Applicant:** Interfaith Community Housing of Delaware, Inc.

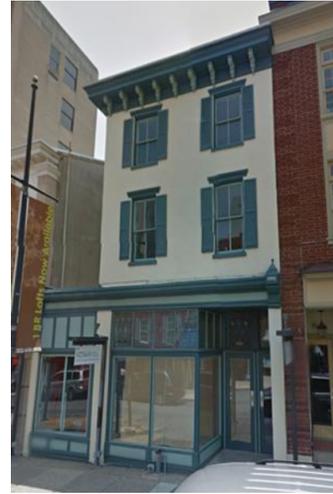
**Project Type:** Residential

**Total Development Cost:** \$2,108,396

**DDD Grant Award:** \$311,179

**Project Description:** Redevelop six existing housing structures to create twelve new affordable homeownership units.

2



**Applicant:** 216 Ninth LLC

**Project Type:** Mixed-Use

**Total Development Cost:** \$3,226,642

**DDD Grant Award:** \$308,264

**Project Description:** Rehabilitation of a mixed-use building with 1,500 sf of ground floor retail and seven apartments on the upper three floors.

3



**Applicant:** 200 West 9th LLC

**Project Type:** Mixed-Use

**Total Development Cost:** \$5,703,904

**DDD Grant Award:** \$488,581

**Project Description:** Redevelopment into a mixed-use building with 1,000 sf of retail space and 33 apartments on floors 2-6.

4



**Applicant:** 1007 Market LLC

**Project Type:** Mixed-Use

**Total Development Cost:** \$92,123,960

**DDD Grant Award:** \$1,000,000

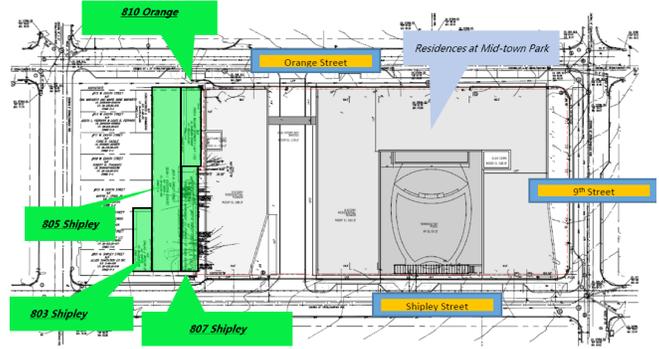
**Project Description:** Expansion and rehabilitation of an existing commercial building. The office space portion of the building will be renovated while the hotel portion will remain intact.

5



**Applicant:** 829 Market LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$3,398,227  
**DDD Grant Award:** \$384,675  
**Project Description:** Rehabilitation of existing structure to create seven walk-up apartment units and a ground floor retail space.

6



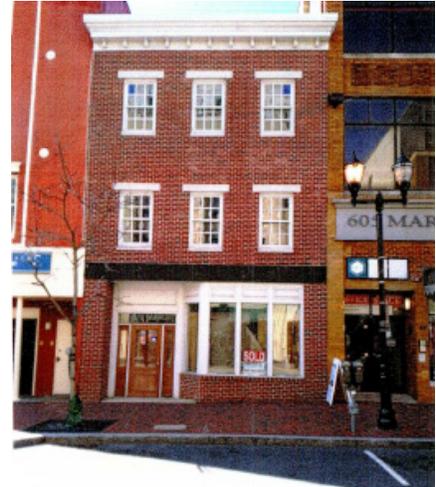
**Applicant:** Shipley Partners LLC  
**Project Type:** Residential  
**Total Development Cost:** \$4,861,740  
**DDD Grant Award:** \$500,000  
**Project Description:** Rehabilitation of existing structure into 25 residential apartment units.

7



**Applicant:** 2 East 7th LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$4,156,958  
**DDD Grant Award:** \$305,224  
**Project Description:** Rehabilitation of a historic building into a mixed-use building with a ground floor restaurant and fifteen apartments on the upper floors.

8



**Applicant:** Safari Lounge LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$386,897  
**DDD Grant Award:** \$62,139  
**Project Description:** Rehabilitation of an existing three-story building shell into a mixed-use building for commercial and residential uses.

9



**Applicant:** 629 Market Retail LLC  
**Project Type:** Commercial  
**Total Development Cost:** \$855,377  
**DDD Grant Award:** \$108,004  
**Project Description:** Expansion of a commercial building to outfit it for a Starbucks store.

10



**Applicant:** 426 Market LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$1,449,348  
**DDD Grant Award:** \$84,236  
**Project Description:** A rehabilitation of an existing structure by a tenant. The ground floor retail space will be transformed into a new restaurant. There are currently seven residential units above the retail space.

11



**Applicant:** Urban Connect LLC  
**Project Type:** Mixed-Use  
**Total Development Cost:** \$3,828,500  
**DDD Grant Award:** \$500,000  
**Project Description:** Rehabilitation of five vacant parcels into a mixed-use facility including an anchor restaurant, a technical center, and ten market rate apartments.

12



**Applicant:** James R. & M Lorraine Nelson  
**Project Type:** Commercial  
**Total Development Cost:** \$8,149,479  
**DDD Grant Award:** \$557,000  
**Project Description:** New construction of a six-story commercial building, the existing building will be demolished.

13



**Applicant:** Delaware Center for Homeless Veterans  
**Project Type:** Residential  
**Total Development Cost:** \$10,959,589  
**DDD Grant Award:** \$557,000  
**Project Description:** Redevelop a vacant building into 51 permanent affordable housing units for Veterans.

14



**Applicant:** Christian Growth Ministries  
**Project Type:** Commercial  
**Total Development Cost:** \$5,528,037  
**DDD Grant Award:** \$528,000  
**Project Description:** Rehabilitation of a two-story commercial building housing an Adult Day Services program, offices, and a comprehensive childcare center.

## LIST OF DISTRICT INCENTIVES

As a requirement of a Downtown Development District, a list of local incentives have to be created and available to projects within the District. The following is a list of incentives for Dover, Seaford, and Wilmington.

<i>District/Investor</i>	<i>Description</i>
<b>Dover</b>	
First Time Homebuyer Transfer Tax Exemption	Transfer tax exemption for first time homebuyers if property is used as principal residence.
Tax Abatement for Owner Occupied Properties	4-year property tax abatement as long as home is principal residence. The first year is a 100% tax reduction and is reduced 25% each subsequent year.
Waiver of Water/ Sewer Fees	Applies to multi-story, mixed-use; residential; office; and commercial uses.
Business License Fee Waiver	Waives business license fees for new businesses for three years.
Property Tax Abatement	10-year abatement of City property tax on the value of improvements.
Transfer Tax Abatement for Businesses	50% transfer tax rebate upon issuance of Certificate of Occupancy.
Facade Improvement Grants	Grants to offset the cost of facade improvements. From the Downtown Dover Partnership.
Architectural Expense Reimbursement	Architectural support services up to \$5,000 for new business or expansion.
<b>Seaford</b>	
Reinvestment Tax Incentive	Substantial qualifying improvements may receive a 10-year rebate (upfront cash payment) from the City for taxable value of improvements.
Sidewalk Loan Program	4-year, no interest loan up to \$2,000 for sidewalk/curb repairs.
C-3 Riverfront Enterprise Zone	Mixed-use zoning district encompassing 50-acre Riverfront area that allows for downtown style development.
Fee Reduction Incentive	Fee reduction for water capacity charge, downstream sewer assessment and electric system cost recovery fee.
C-3 Zone Facade Improvement Program	5-year tax reduction on expenses above \$25,000- cannot exceed 50%. The percentage would equate to the amount of tax reduction the property owner would receive for the 5-year period.
Fee Waiver for Sewer Tap Fees	Waives the tap fees for water and sewer for Large Project Investors.
<b>Wilmington</b>	
Expedited Permitting	Permit applications in DDD are walked through multi-development approval process to ensure shortest possible review time. A city-wide permitting reform process is underway to reduce review time further in the DDD.
Architectural and Engineering Feasibility Assistance	50% match (up to \$20,000) for architectural and engineering feasibility work for for-profit small business developers to explore capital investments in DDD. (Total development is capped at \$1 million, program allocation of \$100,000, approval based). [city-wide].
Grow Wilmington Fund	SBA 7(a) loan that offers 3.75% rate for qualified borrowers making investments in downtown that result in new jobs or capital improvements. [city-wide]
Creative District Mixed-Use Overlay Zone	Special DDD-specific zoning overlay to facilitate mixed-use development. This zone is in the process of being written and is not yet adapted.