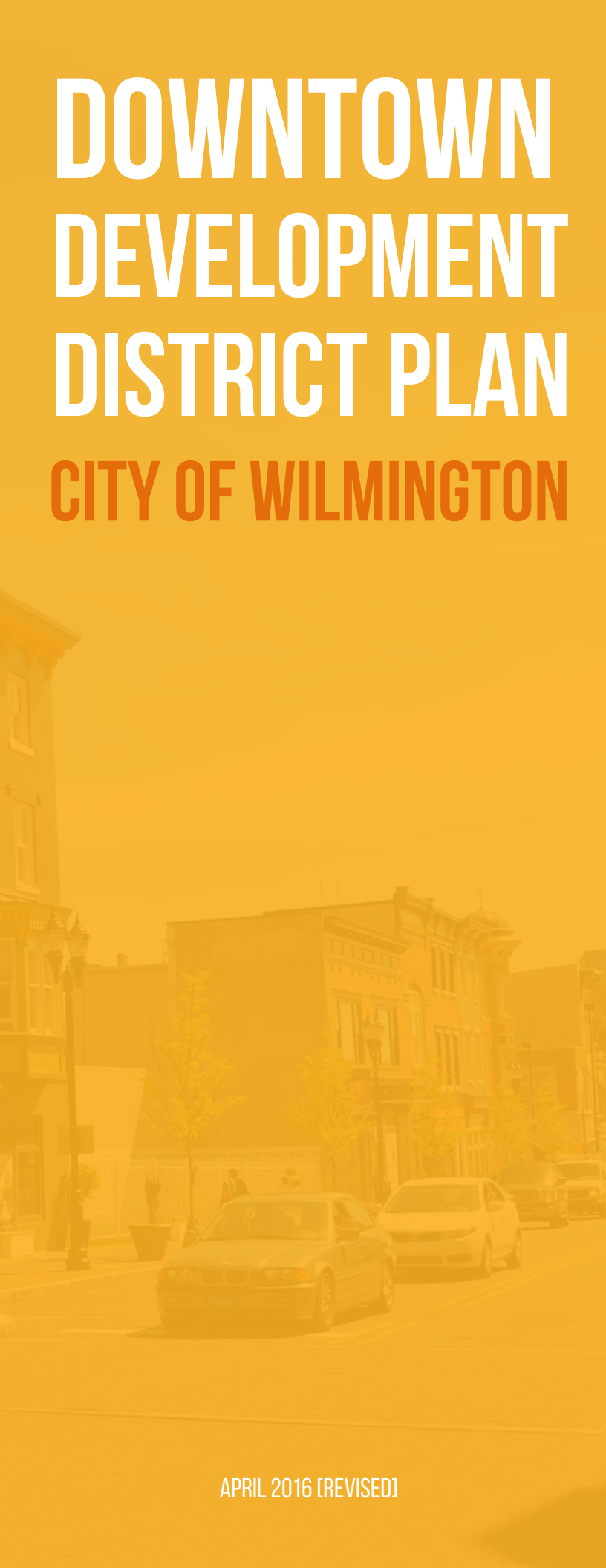


DOWNTOWN DEVELOPMENT DISTRICT PLAN CITY OF WILMINGTON



APRIL 2016 (REVISED)



NO STOPPING
7AM TO 5PM
NO PARKING
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DENNIS P. WILLIAMS
MAYOR

City of Wilmington
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October 24, 2014

Constance C. Holland, AICP
State of Delaware
Office of State Planning Coordination
122 Martin Luther King Jr. Boulevard South
Dover, DE 19901

Dear Ms. Holland:

On behalf of the City of Wilmington (the "City") and the City's Council, I am pleased to submit to the State Office of Planning Coordination, our municipality's Application, which has been prepared by the City's Department of Planning and Development, to the State of Delaware (the "State") for participation in the Downtown Development Districts Act (the "Districts Act"). Pursuant to the Districts Act, the State is accepting applications from districts within the State's cities and towns to qualify for significant development incentives and other State benefits.

The leaders of the Executive and Legislative branches of the City's government are seeking designation as a Downtown Development District in an effort to stimulate private investment in the City's commercial business districts. We strongly support this plan's focus on improving residential parts of downtown neighborhoods adjacent to the commercial core.

I am available to answer any questions you may have with respect to the City's application for designation as a Downtown Development District.

Sincerely,

A handwritten signature in dark ink that reads "Dennis P. Williams". The signature is written in a cursive style with a large initial "D".

Dennis P. Williams
Mayor

INTRODUCTORY STATEMENT

The Downtown Development District (DDD) proposed by the City of Wilmington will have a transformative effect on downtown Wilmington by strengthening downtown neighborhoods adjacent to Wilmington's commercial core and developing vibrant linkages throughout the area (see Figure 1). By leveraging state resources, strategically deploying local incentives, and coordinating the efforts of many organizational

partners, the Wilmington DDD will stimulate private investment and create a flourishing downtown area with equally attractive neighborhoods that are even more physically connected and represent a true live/work/play destination. This will further position Wilmington, the most prominent urban center in Delaware, as a hallmark metropolitan center.

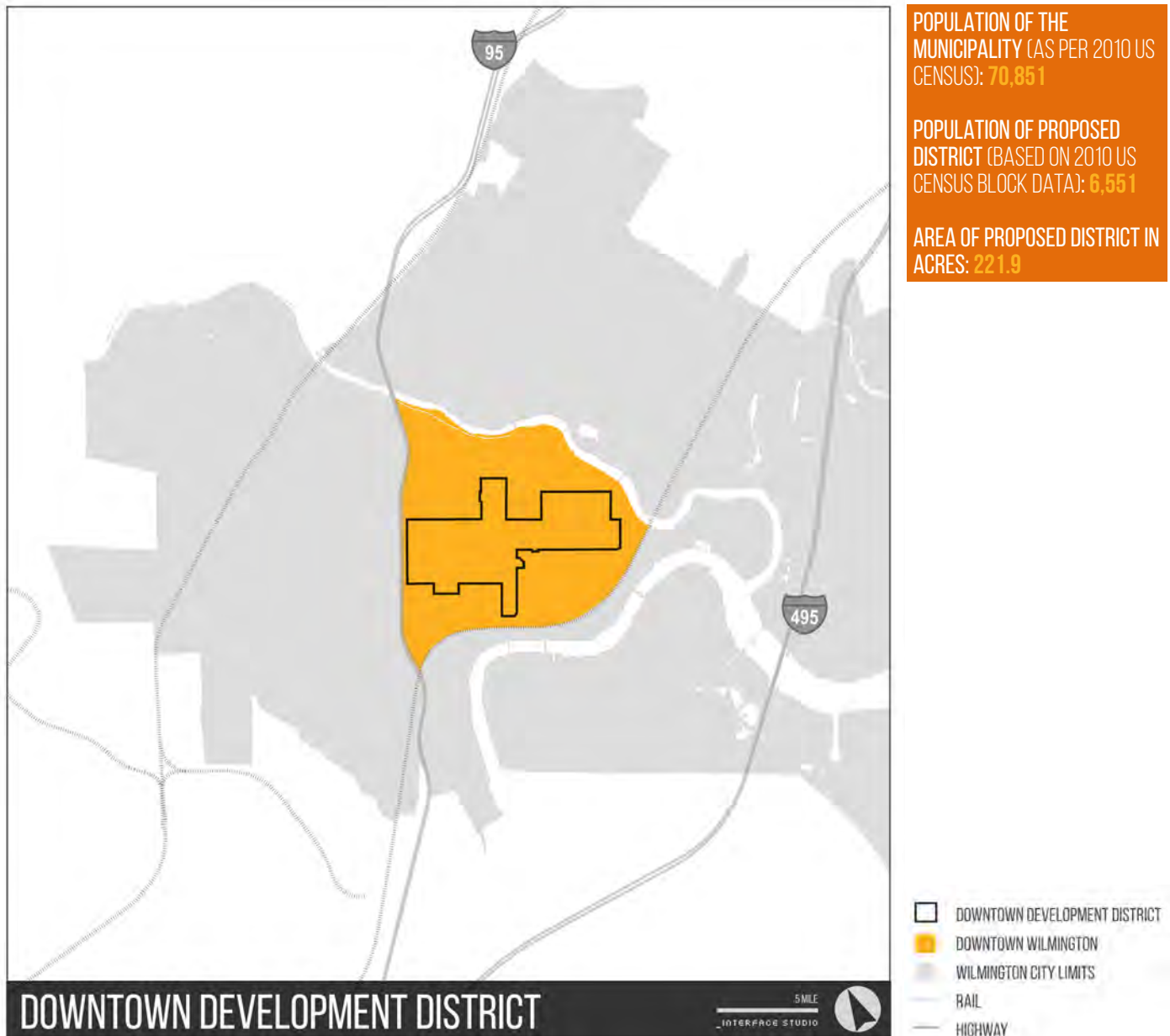


FIGURE 1

DISTRICT DESCRIPTION

ELIGIBILITY

The City of Wilmington developed its Downtown Development District boundaries to capture its commercial core and adjacent downtown neighborhoods. The Wilmington DDD is contiguous and represents 221.9 acres of space (see Figure 2). The Wilmington DDD, which includes the commercial core of downtown Wilmington, is reasonably shaped, and its boundaries were determined through a collaborative process involving numerous public, private, and not-for-profit stakeholders.

RATIONALE FOR THE BOUNDARIES OF THE PROPOSED DISTRICT

Wilmington is a diverse but physically segmented city that is experiencing growing momentum around specific downtown revitalization efforts. This resurgence of downtown living has attracted more affluent residents to Market Street and the south Riverfront which is helping to achieve the critical mass of people that are needed to support the amenities and residential services of a livable downtown. However, other neighborhoods adjacent to downtown exhibit some of the City's most distressed conditions, high unemployment, low income, vacancy, and blight. The success or failure of these neighborhoods has a critical impact on the downtown core. The district boundaries aim to illustrate a conceptual framework for a livable downtown that balances the concentration of activity in the downtown core with the residential neighborhoods that are crucial for the overall success of downtown.

The determination of the Downtown Development District boundaries was based on a data-driven process that identified areas of need, areas of strength, and areas where there is the opportunity to connect assets, build on strengths and transform communities. The Downtown Development District boundary was selected to incorporate the following key areas:

MARKET STREET

This is downtown's primary street, the City's public face, and the most successful example of a mixed use environment where major cultural institutions and entertainment venues, schools, restaurants, shops and housing combine to form a dynamic model of city life. Momentum is greatest here but prominent vacant properties require a push to complete the extensive revitalization of Market Street from 9th Street to 2nd Street.

CREATIVE DISTRICT

Located just west of Market Street, this area is in a prime position to become a mixed-use arts-based neighborhood. There is the opportunity to build off the strength of Market Street and expand it west to Washington Street. This effort will fill the gap in activity between the downtown core and the downtown neighborhoods west of Market Street with a mix of spaces for creative production, consumption and living.

DOWNTOWN NEIGHBORHOODS WEST AND EAST OF MARKET ST

These neighborhoods demonstrate the greatest need for stabilization and better integration into the downtown core. Vacancy and blight could be replaced through the development of housing and neighborhood-based, and neighborhood-serving businesses, thus strengthening east-west connections that are critical to turning these neighborhoods around. The success of downtown is closely linked to the health of these neighborhoods that not only shape the perception of downtown, but the City as a whole.

In the neighborhoods west of Market Street, there is an opportunity to strengthen the entire area by building on undeveloped land while at the same time reducing the number of vacant properties. The northern edge of the DDD in this area runs along 9th Street which is an important corridor with a bus route that links planned priority projects in the Creative District to Market Street. The southern boundary along 4th Street is a major gateway into downtown.

In the downtown neighborhood east of Market Street, the opportunity exists to strengthen the neighborhood core where several significant projects are in progress between 7th and 11th streets. Walnut Street is one of the most heavily traveled streets in the City and should become a connection to the rest of downtown. Church Street, the eastern boundary of the district, is another important City gateway and improving the residential blocks on both sides of the street strengthens the link to Old Swedes Church and the 7th Street Peninsula.

These areas are included in the Downtown Development District to spur broader downtown revitalization. This plan is built upon the strength of the downtown core, highlights current downtown revitalization efforts, recognizes areas of opportunity and targets areas in need of strengthening.

This combination of areas in the Downtown Development District can further the vision of a revitalized downtown by emphasizing the continuity between the downtown core and adjacent neighborhoods. This conceptualization of downtown embraces a holistic view that supports the City’s comprehensive planning approach. The DDD will be instrumental in moving downtown away from the perception of being a 9 to 5

business-only center to an around-the-clock place to live where people raise families, work near where they live and enjoy city life. Within the selected Downtown Development District, specific projects and key sites have been identified that can further this vision and demonstrates the downtown partnerships that will guide its future.

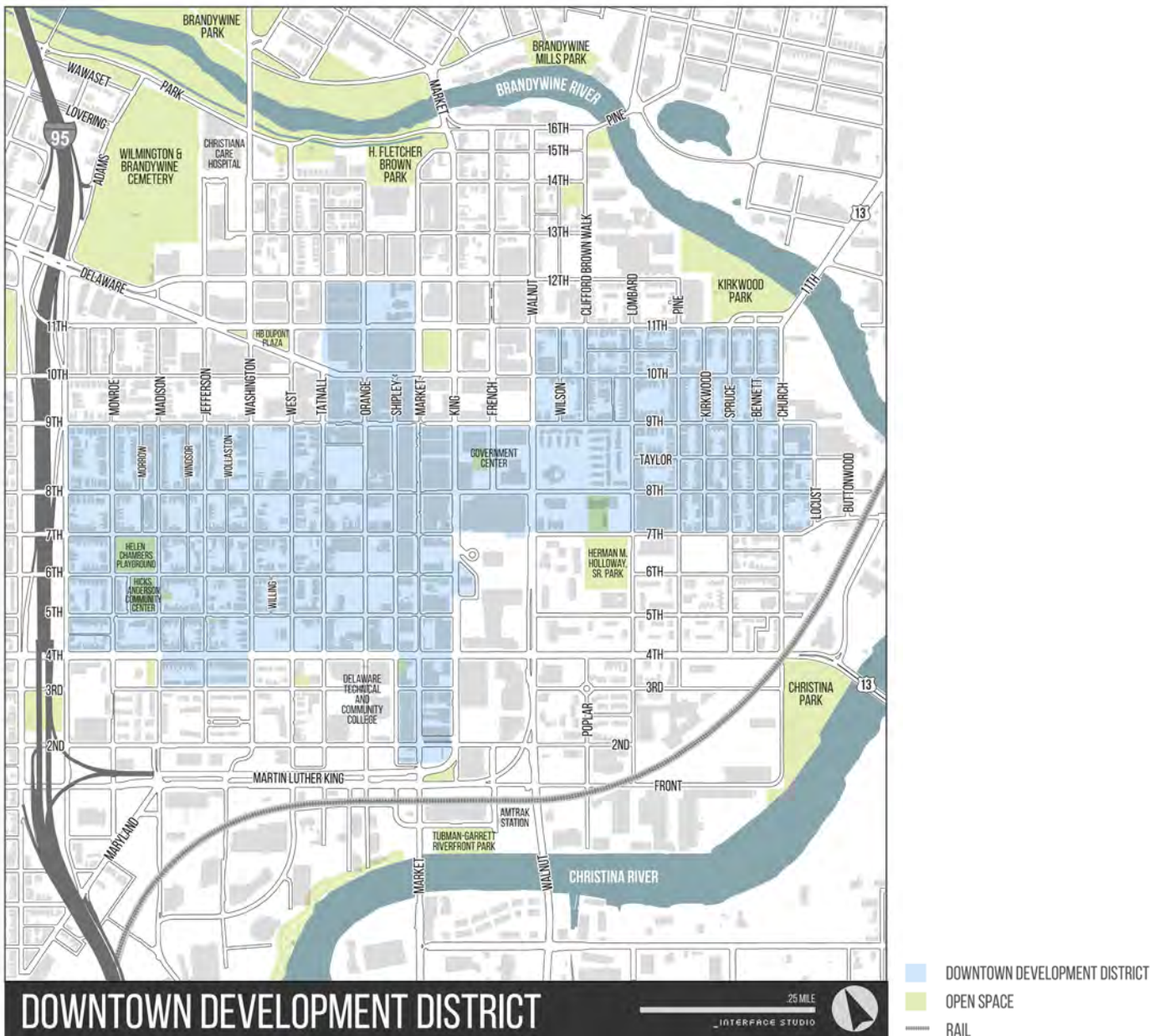


FIGURE 2

NEED FOR INCENTIVES

CENSUS TRACTS

The residential neighborhoods of downtown Wilmington that surround the central business district and are part of the Downtown Development District include West Center City, the Creative District (including Quaker Hill), and East Side.

These neighborhoods correspond generally to the following census tracts (see Figure 3):

- Census tracts 9, 29: East Side
- Census tracts 16, 21: West Center City
- Census tract 28: Creative District

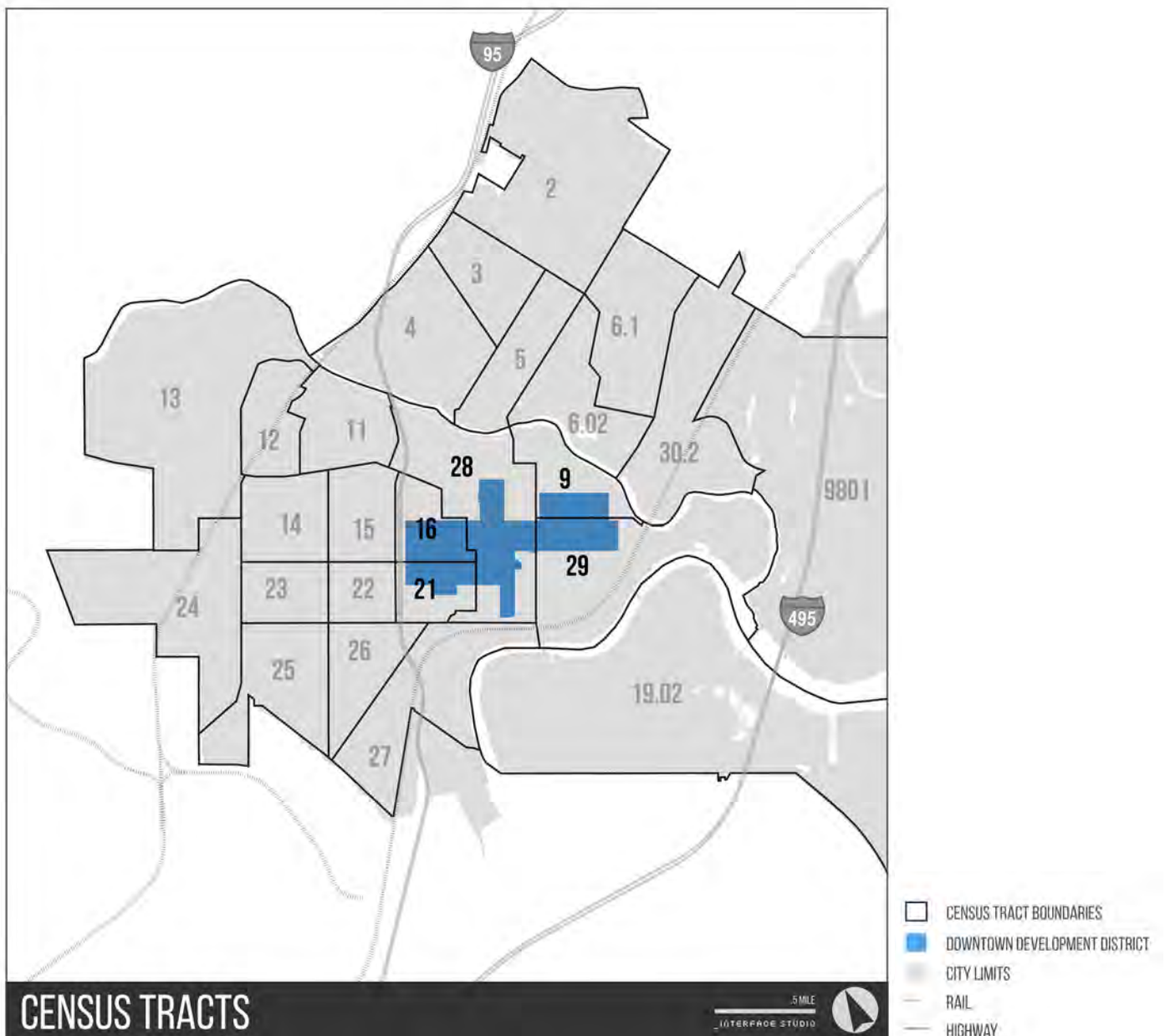


FIGURE 3

POPULATION CHANGE

The 2013 population estimate for the City was 71,525, a slight increase over the 2010 US census count of 70,581. In most neighborhoods, the population has held steady, increasing or decreasing only marginally. However, the census tracts that include Market Street showed dramatic population increases for the period between 2000 and 2010, corresponding in part to new market-rate housing built by the Buccini/Pollin Group (see Figure 4).

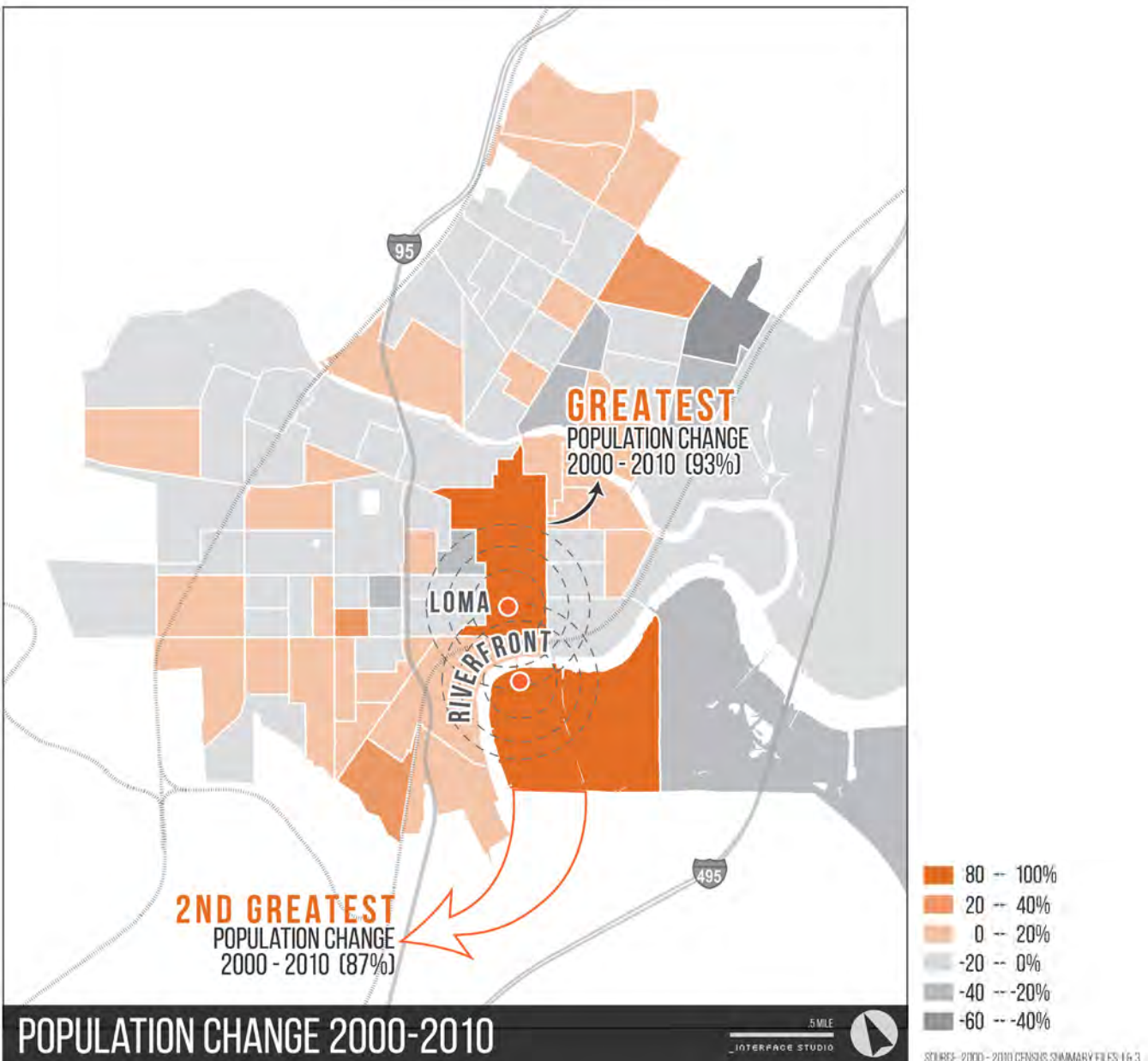


FIGURE 4

INCOME

Median household income is about \$38,000, well below the state average of \$60,000. In the proposed District, the median income is only \$19,612. Some of the lowest income census tracts in the City are concentrated in the downtown neighborhoods of West Center City and East Side, where median household incomes all fall below \$30,000 and over 30% of families live in poverty (see Figure 5).

EDUCATION ATTAINMENT

Census tract 28 outpaces the City average and the other downtown neighborhoods in educational attainment; with 89% of residents obtaining at least a high school diploma, compared with the City average of 79%. In the other downtown neighborhoods, the proportion of residents with at least a high school diploma range from a low of 64% to a high of 85%.

Educational attainment has a significant impact on poverty and unemployment, which are serious concerns throughout the City of Wilmington. Almost one-quarter (24%) of Wilmington residents live below the poverty level, double the state average of 12%.

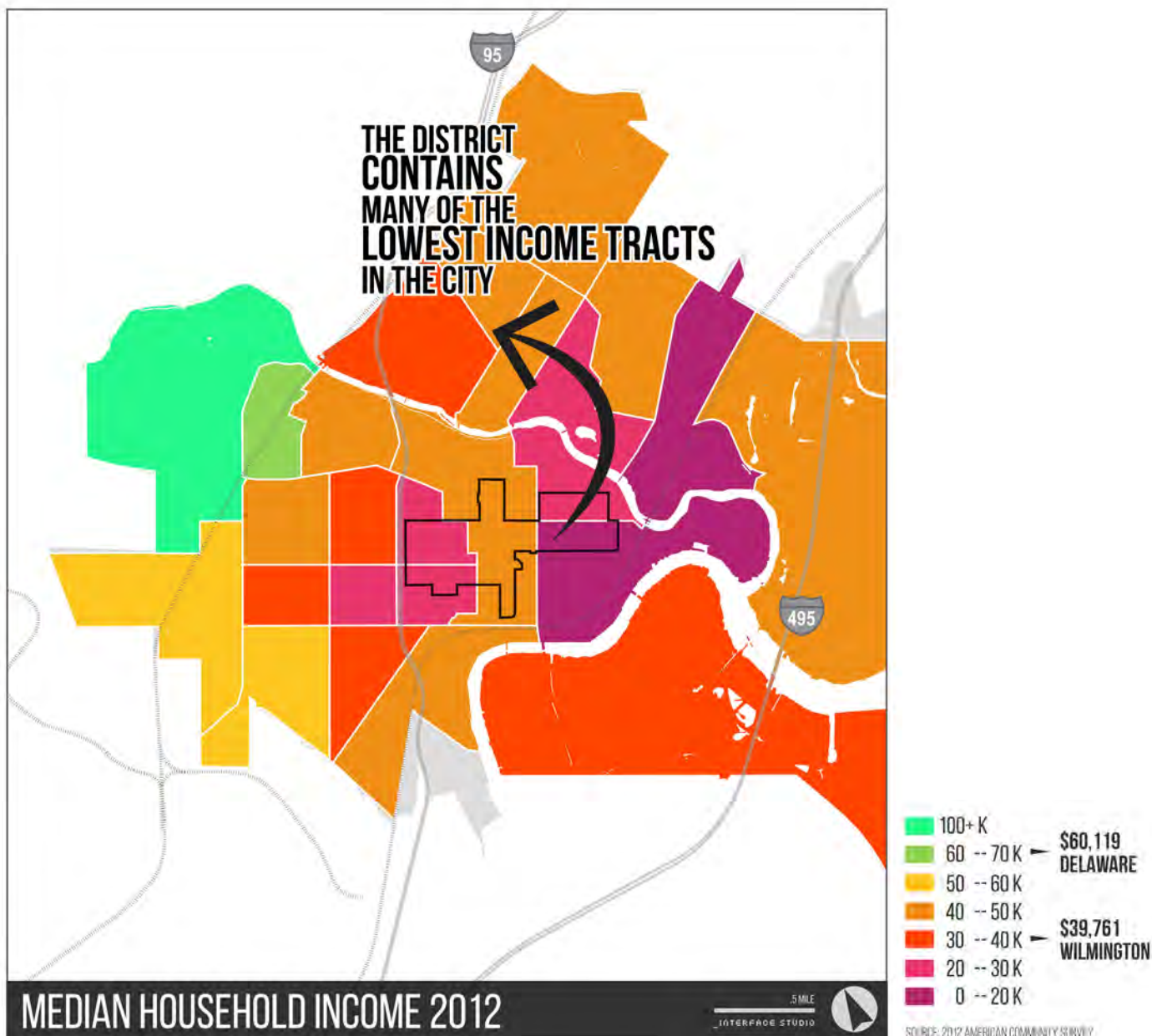


FIGURE 5

EMPLOYMENT

Unemployment rates are higher in the downtown neighborhoods (17%) than the average for the entire City (12.5%). West Center City and East Side have the highest concentration of low income and high unemployment census tracts.

The City’s employment base dropped significantly through a decline in manufacturing and a drastic reduction in the City’s population in the second half of the 20th century. Unfortunately the employment base continued to erode in recent years especially due to the recent recession. Primary jobs within the City fell 5% from 54,200 in 2002 to 51,300 in 2011, according

to Census data. The City has struggled to attract and retain younger workers. Jobs held by workers 29 and younger in Wilmington declined by 21% between 2002 and 2011.

While 60% of the City’s primary jobs are found in the downtown core, only 15% of the City’s primary workers live in the City. The vast majority of employed City residents (73%) work outside of the City. On any given work day, over 40,000 non-resident workers commute into the City and over 20,000 City residents commute out of the City for employment (See Figure 6).

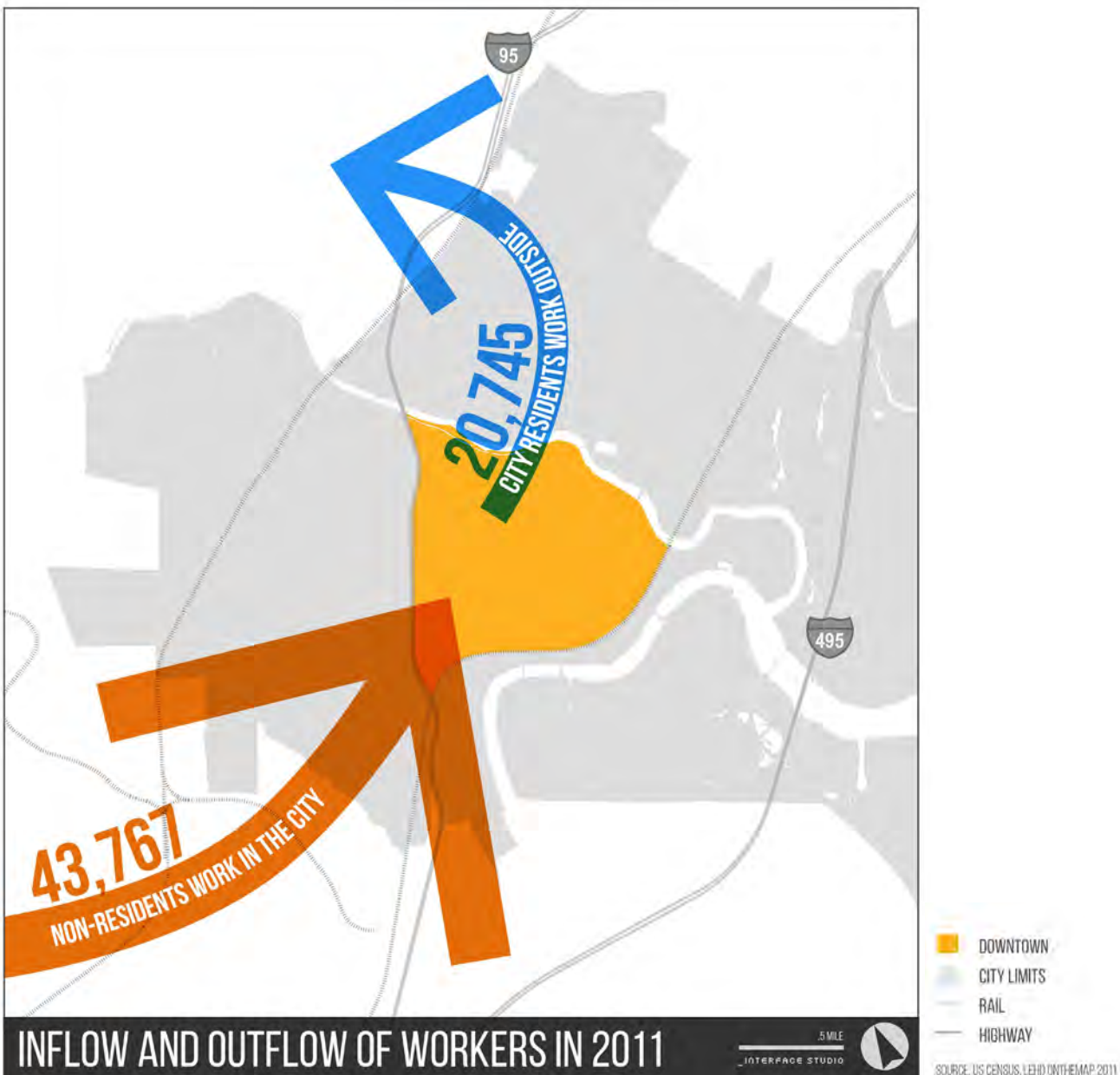


FIGURE 6

HOMEOWNERSHIP

Wilmington's homeownership rate of 48% lags behind the state (74%) and the national rate (65%). In the downtown neighborhoods, the homeownership rate is even lower, ranging from 25% in East Side to 30% in West Center City and the Creative District.

Housing affordability is a serious concern in the City and housing costs eat up a significant portion of household expenses. Households are considered cost burdened if they spend more than 30% of their household income on housing costs and severely cost burdened if they spend more than 50%. Among renters citywide,

54% of households are considered cost burdened and 28% are severely cost burdened.

According to 2012 Census data, the housing vacancy rate across the City was 15%, above the national average of 11.3%. However, in downtown areas of Wilmington the vacancy rate is far higher, rising from 17% in the Creative District census tract to a high of 24% in East Side (See Figure 7). Property tax revenue growth has been impeded by vacancy and blighted properties. Property tax collections citywide fell 2% in FY 2013.

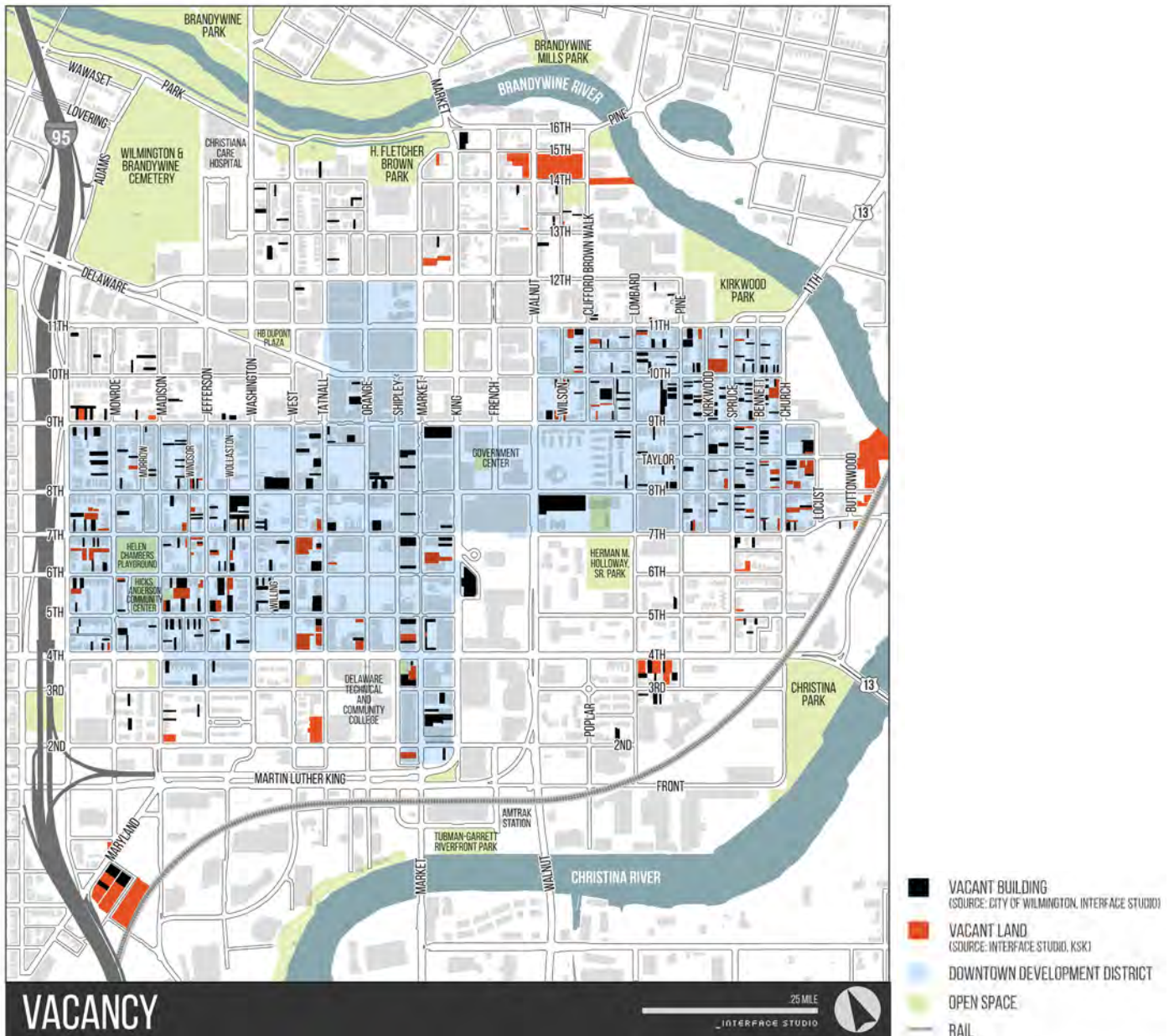


FIGURE 7

IMPACTS

The potential designation as a Downtown Development District could bring significant benefits to the City of Wilmington as a whole. The downtown areas it has designated, some of which are full of blighted and vacant properties, are in need of improvements. Not only would a Downtown Development District open opportunities for private investors and build stronger communities, but it would also revitalize historic and cultural establishments.

Upon approval of DDD designation, the City of Wilmington will be able to support the continuation and creation of revitalization projects within the growing downtown area. It is anticipated that the DDD will prove to be a catalyst in creating positive momentum towards private investment, which will create jobs, revitalize blighted areas, and produce a vibrant mix of uses in a compact urban setting.

By working with local stakeholders, the City can preserve its historic areas, increase commercial activity, and create additional investment in downtown neighborhoods. This will solidify Wilmington as Delaware's preeminent urban center and its most exciting downtown in which to live/work/play.

Importantly, Wilmington's DDD strategy focuses heavily on improving the residential parts of the downtown neighborhoods adjacent to the commercial core. There is significant attention and resources devoted to shoring up existing residential properties for current homeowners, creating attractive residential space to expand the downtown population, and increasing the number of people who can walk to places of work, recreation, and entertainment. These strategies have proven to be effective mechanisms by which cities of all sizes across the US have increased the vitality, mix, and safety of their downtown neighborhoods. The City of Wilmington is committed to pursuing these strategies to achieve the same ends.

See Appendix A for additional detail on need within the City of Wilmington and the Wilmington DDD.

DEVELOPMENT/REDEVELOPMENT STRATEGY

OBJECTIVES

The Downtown Development District (DDD) proposed by the City of Wilmington will have a transformative effect on downtown Wilmington by strengthening downtown neighborhoods adjacent to Wilmington's commercial core and developing vibrant linkages throughout the area. By strategically deploying local incentives, leveraging state resources, and coordinating the efforts of many organizational participants, the Wilmington DDD will stimulate private investment and create a flourishing downtown area that is more physically connected and becomes a true live/work/play destination.

The City is well-positioned to capitalize on this opportunity. Over several decades, the City has pursued a variety of strategies to build its downtown population and assets. The City's riverfront has been transformed by private and public investment, and its commercial core features a solid base of employers and cultural assets unmatched in Delaware. The City also boasts an engaged private sector that continues to demonstrate its commitment to downtown revitalization.

However, the City still faces persistent problems in and around its commercial core. Some downtown neighborhoods feature high levels of unemployment, vacancy, and blight, which continue to impede development and depress the City's tax base. The diversity of neighborhoods and uses in and around the commercial core is not as much of a plus for the City as it could be, because there are too many visual gaps, physical separations, and geographic barriers to encourage the kind of circulation that is characteristic of vibrant mixed-use downtowns.

The DDD program provides an opportunity to leverage state resources and coordinate local efforts to address these issues. The Wilmington DDD boundaries were determined through a data-driven and collaborative process that accounted for broader economic development objectives, identified areas of need and areas of strength, and targeted specific sites and projects that could be successfully catalyzed as a result of successful implementation of the DDD. These boundaries and these priorities were chosen to have the greatest impact on the downtown area and to spur a larger wave of city-wide revitalization.

Specifically, the Wilmington DDD will focus on four priorities:

1. In the downtown neighborhoods west of Market Street, the Wilmington DDD will initiate an incentive program to stimulate the renovation of vacant or blighted housing stock in the Creative District into a cluster of live/work/play space that will repopulate that part of the downtown area and infuse it with creative and entrepreneurial activity.
2. In the downtown neighborhoods east of Market Street, the Wilmington DDD will package multiple incentives in and around key corridors, with the aim of improving the housing stock for existing residents and rejuvenating key corner retail locations.
3. The DDD will provide the push to complete the revitalization of Market Street, strengthening this corridor as a mixed-use destination and as the spine of Wilmington's downtown area.
4. Finally, the DDD will help direct resources to reintegrate the downtown neighborhoods east and west of Market Street through development and infrastructure improvement along key corridors.

The Wilmington DDD will build from the many and related initiatives of a wide range of government, for-profit, and not-for-profit entities, and will be a mechanism for continuing and extending these collaborative efforts. As such, the City designates the board of directors of the Wilmington Housing Partnership (WHP) to jointly administer the Wilmington DDD, in conjunction with the City's Department of Planning and Development. WHP's board represents a diversity of stakeholders throughout the City, and WHP has had a long-standing track record of bringing together multiple entities towards shared objectives and successful projects.

The City's Department of Planning and Development is the natural arm of the City to jointly administer the Wilmington DDD with WHP, so that the DDD can be seamlessly coordinated with other citywide planning and land initiatives, including the emerging citywide comprehensive plan and anticipated land banking efforts. All of these actions, including the Wilmington DDD, work together under the Department's evolving "Neighborhood Conservancy" concept, which represents

an innovative and collaborative approach to achieving the Department’s planning and land use goals throughout the City.

The incentives that will be available within the Wilmington DDD will draw from tools currently available at the local and state level, as well as from tools that have been successfully used in other, similar cities. These incentives will be carefully and strategically deployed to accomplish the immediate goals of the areas in which they will be used, as well as the broader goals of the DDD as a whole.

It is anticipated that the principles and actions that will define the Wilmington DDD will help inform the upcoming effort to upgrade the City’s Comprehensive Plan, further entrenching the work of the Wilmington DDD into the larger fabric of the City’s overall economic and planning objectives. As such, the DDD plan will play an instrumental role in improving the City of Wilmington as a whole. This will further position Wilmington, Delaware’s most prominent urban center, as its hallmark downtown.

STRATEGIES, PRIORITY SITES, AND PHASING

A number of priority projects have been identified as being able to be underway within 6 to 12 months of District designation. Each of these projects will be made possible by the existence of the Wilmington DDD and by the local and state incentives that will be available as a result of District designation (see description of incentives below).

Together, these projects reflect the overall vision of the Wilmington DDD, of creating a downtown area that is vibrant, connected, and diverse in uses. Specifically, these projects were chosen to represent the geographic span of the Wilmington DDD, and the interest of the City in using the Wilmington DDD to build from its commercial core to catalyze reinvestment in adjacent downtown neighborhoods.

It is anticipated that District designation will yield at least two distinct phases of catalyzed projects. It is also anticipated that the City will initiate significant infrastructure investments to assist project feasibility and to help generate sufficient momentum for larger redevelopment efforts.

PHASE 1 PRIORITY PROJECTS (SEE FIGURE 8)

1a. Eastside Rising – Reinvestment in existing housing stock on key corridors in this downtown neighborhood east of the commercial core. This is intended to

strengthen the physical fabric of this historic residential neighborhood that is immediately adjacent to business and government employment centers.

1b1. Creative District (private) – Incentivizing private investment in live/work/play space in this downtown neighborhood west of the commercial core, in the vicinity of City-owned lots on 6th and Willing Streets. Populating this area with a mix of uses will add activity and vitality to this strategic area.

1b2. Creative District (public) – Providing open space through the “greening” of the state-owned Rock Lot at 8th and Tatnall Streets. This will supplement private investment efforts by offering desired green space in an accessible location.

1c. Market Street Village – At least three residential projects (6 East 3rd Street, 838 Market Street, and 839 Market Street) including housing for teachers and first floor retail on Lower Market Street north of the Amtrak station. These projects help the City achieve its dual aims of offering residential choices within walking distance of workplaces and of further connecting educational professionals into the communities where they serve.

1d. Midtown Park – A major redevelopment project that will yield residential and commercial space at a former garage site on 9th and Shipley Streets. This project is significant in size and import, as it will transform an entire city block into a vibrant mix of uses.

1e. 600 Market – A two-building residential project on Upper Market Street southwest of Government Center. This project will further strengthen this part of a key north-south spine running through the downtown area.

1f. The Village at 9th – Reuse and repurposing of historic structures at 9th and Tatnall Streets into a mixed-use complex that will include residential, office, event, and community space. It is hoped that this project becomes an exemplar for other adaptive reuse opportunities.

PHASE 2 PRIORITY PROJECTS (SEE FIGURE 9)

2a. Eastside Rising – Continued reinvestment in housing stock plus incentivizing private investment in corner store locations on key corridors in this downtown neighborhood east of the commercial core. In this effort, the City will also facilitate the involvement of the private sector as co-investor, supplier, and technical assistance provider.

2b1. Creative District (private) - Continued inducement of private investment in live/work/play space in this downtown neighborhood west of the commercial core.

2b2. Creative District (public) - Continued provision of open space through the “greening” of additional publicly owned lots.

2c. Unified Community Serving Recreational and Educational Space in West Center City - Physical and programmatic efforts to unify the existing Helen Chambers Playground and Hicks Anderson Community Center into multi-use community center space. This effort is designed to strengthen the accessibility and operations of this important set of community-serving amenities.

2d. West Center City Futures - The City is working with the Delaware Community Investment Corporation (DCIC) to develop and implement a strategic neighborhood plan that has involved the participation of 500 West Center City residents. This effort will feature educational, social service, open space, and community building uses. It will be anchored by an aggressive housing redevelopment plan that will result in the rehabilitation of vacant and poorly maintained properties throughout the neighborhood.

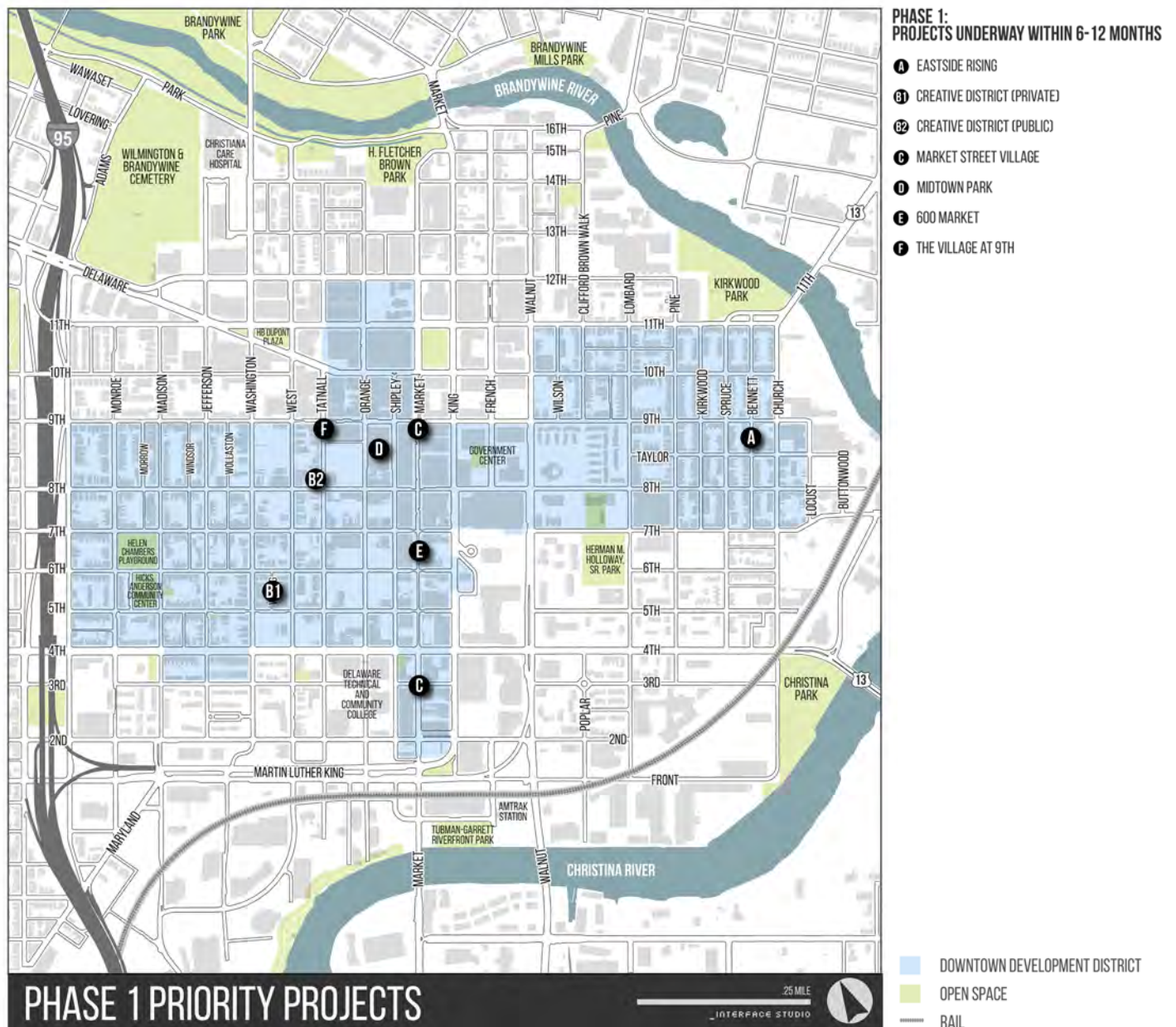


FIGURE 8

PUBLICLY INITIATED INFRASTRUCTURE INVESTMENTS – TIMED AND LOCATED IN CONCERT WITH THE ABOVE PHASES OF PROJECTS

a. Pedestrian, bicycle, transit, and automobile enhancements on key north-south corridors to strengthen connections through the Wilmington DDD from the waterfront to points north.

b. Pedestrian, bicycle, transit, and automobile enhancements on key east-west corridors to strengthen connections through the Wilmington DDD from the West Center City, Creative District, and East Side neighborhoods to the commercial core.

The completion of these projects, with the help of the prioritization and incentives available through the Wilmington DDD, will help the City build from its commercial core to strengthen its adjacent downtown neighborhoods and the physical linkages to them. This will create a virtuous cycle of human activity, financial investment, and economic expansion.

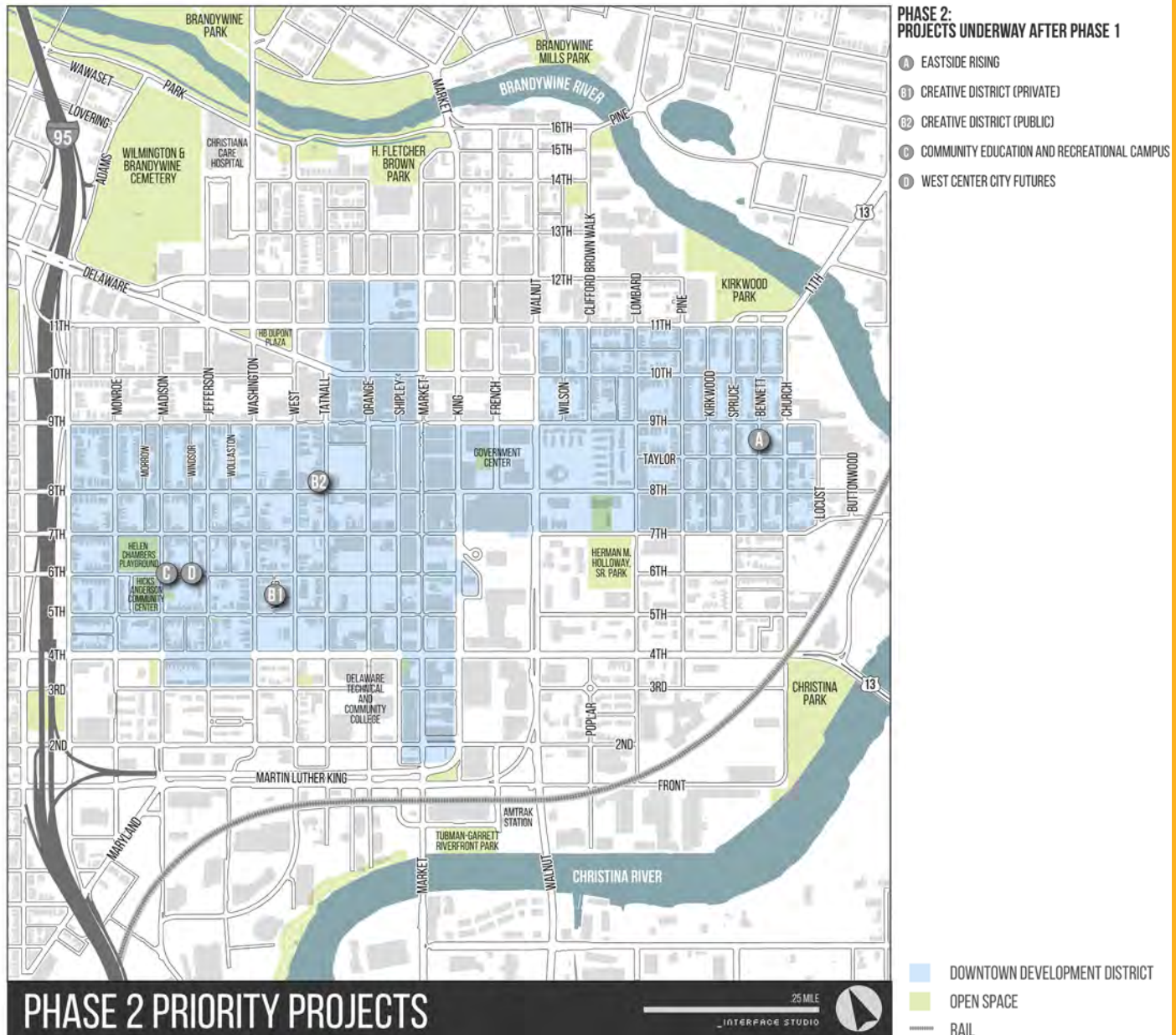


FIGURE 9

IMPLEMENTATION TIMELINE

	PHASE 1: COMMENCE WITHIN 6-12 MONTHS	PHASE 2: COMMENCE AFTER PHASE 1 IS UNDERWAY
EASTSIDE RISING (RESIDENTIAL)		
EASTSIDE RISING (RETAIL)		
CREATIVE DISTRICT (PRIVATE)		
CREATIVE DISTRICT (PUBLIC)		
MARKET STREET VILLAGE		
MIDTOWN PARK		
600 MARKET		
THE VILLAGE AT 9 TH ST		
WEST CENTER CITY COMMUNITY-SERVING SPACE		
WEST CENTER CITY FUTURES		
PUBLICLY INITIATED INFRASTRUCTURE INVESTMENTS		

LOCAL INCENTIVES

AVAILABLE INCENTIVES

The City proposes a dynamic mix of existing, modified, and new incentives to stimulate investment within the Wilmington DDD and actualize its stated goal of creating a vibrant live/work/play downtown (see Table 1, Table 2, and Table 3). This mix of incentives has been marshaled to successfully address development barriers currently in place and thus catalyze successive rounds of private investment at key locations. The proposed package of incentives reflects the output of numerous discussions with economic development professionals within the City, as well as not-for-profit and for-profit developers who have done projects in the City and anticipating initiating new projects within the City.

Physical infrastructure investments, funded by the City and accessing available matching funds, are a form of incentive for projects because they improve the attractiveness of a site, whether through aesthetic enhancements or increased mobility. They also represent the connection of the Wilmington DDD to broader citywide goals in transforming the downtown area and increasing circulation to and from the commercial core to adjacent downtown neighborhoods. Site-specific infrastructure investments also reduce costs for developers, creating suitable return on investment to make projects feasible.

In concert with DDD benefits, these incentives will also address present upfront barriers by reducing the time, cost, and uncertainty associated with initiating developments. The promise of an expedited entitlement process can be a compelling incentive for developers by reducing the risk associated with unknown upfront turnaround times for permits and approvals.

A funding match for architectural and engineering feasibility work can make possible the analytics needed by developers to explore projects of interest.

Also, the City will utilize existing and new funding sources to respond to any capital gaps that are delaying projects of interest. It will sufficiently fund its Upstairs Fund and Strategic Fund and launch a Grow Wilmington Fund in support of projects seeking local participation in their capital stack. Ongoing, property tax abatement improves the sale price of for-sale properties and improves the cost structure of properties that will continue to be held and managed, making projects more feasible to proceed.

See Appendix F for enabling legislation for City incentives.

TABLE 1: EXISTING INCENTIVES THAT WILL BE AVAILABLE TO DDD PROJECTS

LOCAL INCENTIVE (EXISTING)	DESCRIPTION	RESULT
Wilmington Economic Development Corporation Microloan Fund	Revolving loan fund that makes loans of up to \$75,000.	Reduced cost of capital helps improve developer ROI.
Wilmington Urban Development Action Grant Corporation	Acquisition financing.	
Technical Assistance	Technical assistance for private development.	Technical assistance provision by the City reduces the time and cost burden of development.
Head Tax Exemption Program	No head tax shall be due from any employer for any verifiable new employee that either was hired by that employer and deployed to a business location within the City or transferred by that employer from a business location outside the City. First 5 full-time employees are exempt.	These abatements lower ongoing costs for conducting businesses in a mixed-use project.
Real Estate Tax Exemption Program for New Construction and Rehabilitation	A property tax abatement program for new construction and rehabilitation of residential and commercial space.	These abatements lower ongoing costs for properties, enabling developers to sell them for higher (or have reduced costs if they are holding and operating the sites).
Real Estate Tax Exemption Program for the Rehabilitation of Vacant Structures		
Real Estate Tax Exemption Program for Historic Structures		
Real Estate Tax Exemption Program for Parking Structures		
Acquisition and Disposition Program	Acquire and dispose of real property acquired through tax foreclosure or through funds obtained from federal community development grants, in order to convey to housing developers for rehabilitation.	Having land conveyed from the City reduces upfront costs for developers.
Housing Strategic Fund	Close the financing gap for market rate housing projects when CDBG and other federal funds are not eligible to be used.	These capital dollars lower the upfront costs for developers.
Downtown Market Street "Upstairs Building Improvements Program" (Taxable Government Obligation)	Facilitate the coordination of private sector improvements, particularly for residential, restaurant and retail, and small business development in the Upstairs District, through "gap" funding assistance.	
Capital Improvement Program	Economic Development, Infrastructure, and Site Improvement Fund.	

LOCAL INCENTIVE (EXISTING)	DESCRIPTION	RESULT
Job Retention and Creation Incentive Program - Strategic Fund	Financial incentives for jobs created and retained within the City.	These financial incentives assist business retention and new job creation.

TABLE 2: EXISTING INCENTIVES THAT WILL BE MODIFIED TO BE AVAILABLE TO DDD PROJECTS

LOCAL INCENTIVE (MODIFIED)	DESCRIPTION	RESULT
Real Estate Tax Exemption Program for New Construction and Rehabilitation	A property tax abatement program for new construction of housing units and rehabilitation of various structures for housing units in City-authorized urban renewal areas and City enterprise community areas.	By expanding this existing program to include the entirety of the DDD as needed, and to offer a tax credit if the post-investment assessment is not higher than the pre-investment assessment, these abatements lower ongoing costs for properties, enabling developers to sell them for higher (or have reduced costs if they are holding and operating the sites).
Downtown Market Street "Upstairs Building Improvements Program"	Facilitate the coordination of private sector improvements, particularly for residential, restaurant and retail, and small business development in the Upstairs District, through public sector property acquisition "gap" funding assistance and public sector infrastructure improvements.	These incentives allocate City dollars to shore up any financing gaps that are preventing otherwise attractive development projects from proceeding, and represent the many tools the City has and will have to respond to projects within the DDD that require additional funding.

TABLE 3: NEW INCENTIVES THAT WILL BE CREATED TO BE AVAILABLE TO DDD PROJECTS

LOCAL INCENTIVE (NEW)	DESCRIPTION	RESULT
A&E Feasibility Assistance	50 percent match (up to \$20,000) for architectural and engineering feasibility work for for-profit small business developers to explore capital investments throughout the DDD (total development cost capped at \$1 million, program allocation of \$100,000, approval-based).	Addresses an existing barrier for private redevelopment by minimizing the upfront investment needed to assess whether and how to proceed with a project.
Expedited Permitting	Memorandum of understanding between City and developer to guarantee 72-hour review and 45-day permitting approval.	Compression of time and certainty of entitlement process reduces risk and turnaround for developer, motivating more investment.

LOCAL INCENTIVE (NEW)	DESCRIPTION	RESULT
Grow Wilmington Fund	SB 7(a) loan fund that offers 3.75 percent rate for qualified borrowers making investments in downtown Wilmington that result in new jobs and/or capital improvements.	Lower cost of capital improves the ROI for the developer and thus makes projects more feasible.
Mixed-Use Overlay District	Special DDD-specific zoning overlay to facilitate mixed-use development.	Provides more flexibility in conceiving feasible development programs in downtown Wilmington.
Transportation Corridor Enhancements	Use of City and matching funds to enhance key north-south and east-west transportation corridors.	Pedestrian, bicycle, and automobile enhancements make downtown sites more attractive by improving aesthetics and mobility.

CONSISTENCY WITH OTHER PLANNING DOCUMENTS AND REGULATIONS

CONSISTENCY WITH COMPREHENSIVE PLAN

The City of Wilmington's certified Comprehensive Development Plan adopted in 2010 includes various elements that were adopted at different times. The elements of the Comprehensive Development Plan that apply to the District include the Policy Plan for the Central Business District (adopted in 1984) and the Comprehensive Development Plans for the West Center City Analysis Area (adopted in 2000 and amended in 2012) and the East Side Analysis Area (adopted in 2004). These documents form the foundation for three subsequent planning documents for the District: the West Center City Neighborhood Strategic Plan (2010), a Vision for Wilmington's Creative District (2013), and the Wilmington East Side Neighborhood Investment Plan (2013).

The City of Wilmington is preparing to update the Comprehensive Plan and these more recent plans will form the basis for the emerging Comprehensive Plan. The Downtown Development District application advances existing comprehensive planning goals and provides a conceptual framework for the emerging Comprehensive Plan that conceives of downtown as not just the central business district but a broader geography that balances the concentration of activity in the downtown core with downtown residential neighborhoods and emphasizes continuity between them.

Over the last 20 years, from the creation of the Policy Plan for the Central Business District through to the most recent plans for the East Side and Creative District, overarching goals regarding sustainability and livability have been promoted that aim to transform downtown neighborhoods, strengthen the commercial core, and develop active connections between them. The District application is an opportunity to test urban design principles that can push these goals forward and develop the framework for cooperation and coordination across the City and with the State moving forward.

The goals and priorities of the Downtown Development District are informed directly by the recent plans that comprise the emerging comprehensive planning effort. These include:

- Revitalizing downtown neighborhoods west of Market Street by transforming vacant or blighted housing stock in the Creative District into live/work/play space,
- Improving housing stock and key corner retail locations in the downtown neighborhoods east of Market Street,
- Completing the revitalization of Market Street as a mixed-use destination,
- Reintegrating the downtown neighborhoods east and west of Market Street through a combination of development and infrastructure improvements, particularly that enhance the pedestrian experience.

The Comprehensive Plan principles and themes support these District goals. Generally, these include encouraging high-intensity, mixed-use development in the downtown core to support round-the-clock activity and advancing connectivity between the downtown core, downtown neighborhoods, and the riverfronts through pedestrian, vehicular and transit improvements.

More specifically, the three recent plans identified key priorities that support the District (see Figure 10). These include:

WEST SIDE

- Improving the community center so that it can function as a community anchor and positively impact the neighborhood around it.
- Redesigning 4th Street as a complete street that is a better pedestrian connection and gateway to the downtown commercial core.
- Making Washington Street a stronger link in the bike network and a connection to the Riverfront.

EAST SIDE

- Revitalizing the neighborhood through upgrading the housing stock, particularly in a targeted area between 7th and 11th Streets, and Church and Pine Streets.
- Building on strengths, including previous investment and historic resources such as Old Swedes Church and the historic districts.
- Enhancing pedestrian and transit environments on Walnut Street and 4th Street as both are major multi-modal transportation corridors and gateways to the downtown core.

CREATIVE DISTRICT

- Expanding the activity of Market Street to Shipley Street.
- Creating spaces for creative production, consumption and living through the rehabilitation of vacant or blighted housing west of Market Street.

See Appendix B for proposed land use for the East Side and West Center City analysis areas.

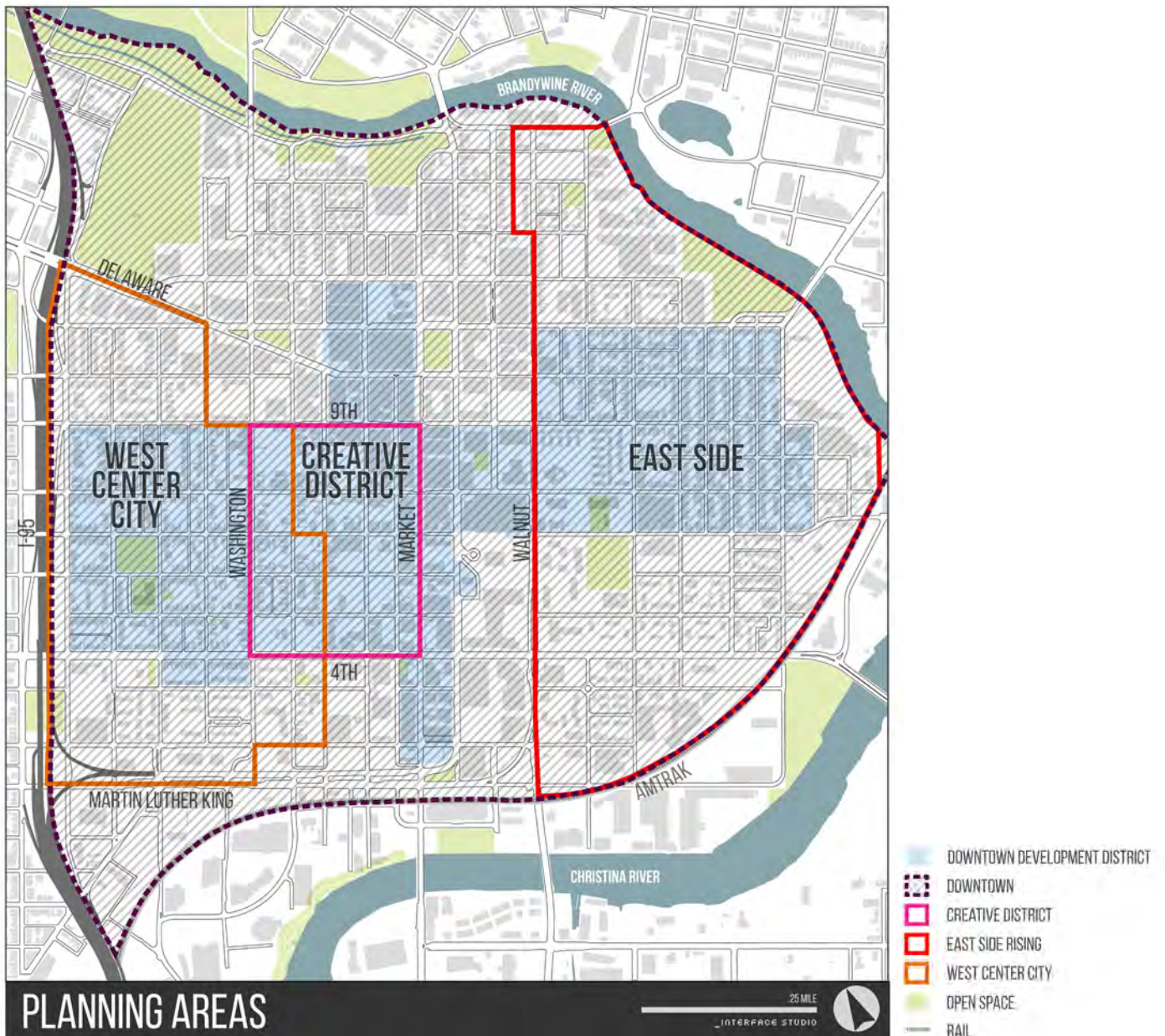


FIGURE 10

CONSISTENCY WITH STATE SPENDING STRATEGIES

The City has worked hard to synchronize its efforts with statewide priorities as delineated in the “Strategies for State Policies and Spending” document. This desire for conformity to this document is borne of the City’s role as Delaware’s most prominent urban center and of its interest in serving as an exemplar for other localities. There are numerous points of agreement between these statewide policy and spending strategies and the aims and initiatives of the Wilmington DDD. Eleven are listed here:

Agriculture – The City is working with the Delaware Department of Agriculture and Nemours to take a holistic approach to food access in neighborhoods throughout the City, including low-income communities in downtown neighborhoods adjacent to the commercial core. This initiative will include a locally-focused distribution network linking agricultural producers within the State with restaurants, schools, and small retail outlets. This initiative will also rely on food production via aquaponics, a method of growing crops and fish together in a recirculating closed loop system.

Economic Development – The City is carving out space to form its first light industrial development cluster as a way to create manufacturing jobs and particularly to transition those previously employed in the City’s formerly burgeoning heavy industry sector.

Education – The City works with its schools and school districts to share and coordinate play space (fields, playgrounds) so as to reduce upfront infrastructure and ongoing maintenance costs.

Environment – The City is working with the Nature Conservancy and other not-for-profit environmental advocacy to preserve water quality by protecting the region’s watersheds. The City is also working with state agencies (Delaware Department of Transportation and Delaware Department of Natural Resources and Environmental Control) to establish and protect wetlands space in order to address tidal issues, stormwater management, and combined sewer and water overflow vulnerability. Also, the Brandywine Coalition represents an innovative partnership between the City of Wilmington, the State of Delaware, neighborhood associations, planning councils, and consultants to address brownfield remediation and reuse in a strategic and all encompassing manner.

Housing – The City is leading an inter-disciplinary approach to strengthening residential neighborhoods

adjacent to the commercial core, including the Upper Eastside, by organizing such entities as Bank of America, Delaware Transit Corporation, and Wilmington Area Planning Council. Ensuring housing affordability, promoting transit-oriented and walkable housing options, and reinvesting in existing housing stock are key priorities of the City in these efforts.

Land Use – The City’s burgeoning “Neighborhood Conservancy” serves as a framework by which multiple private entities and government agencies can coordinate efforts and synchronize public policies.

Neighborhoods – The City of Wilmington is working closely with the State Department of Justice to reduce the impact of foreclosures, vacancies, and delinquencies in vulnerable neighborhoods, and is participating in a GIS task force that includes City agencies and national vacant land intervention experts to facilitate those efforts.

Open Space – The City is working with a wide range of entities to explore coordinated open space systems, including connections to the East Coast Greenway and connections within the Delaware State Park system.

Real Estate Development – Built into the City’s city-wide planning processes and its individual site efforts are a number of environmentally informed policies. These include infrastructure overlays to ensure proper stormwater management and water quality, as well as land use approaches that safeguard strategic conservation areas and important environmental assets.

Social Services – The City is an active partner with Homeless Planning Council of Delaware, which is a statewide not-for-profit organization. This organization meets regularly with the City’s Office of the Mayor, City Council, and public safety officials to coordinate efforts.

Transportation – The City is working to develop Delaware’s first “bicycle boulevard” as part of a broader effort to encourage bicycle and pedestrian friendly street design, and is collaborating with the Delaware Department of Transportation, WILMAPCO, and Delaware Transit Corporation to form policies that encourage the growth of transit infrastructure and transit use in Greater Wilmington. The City is an active participant in Wilmington Transit Moving Forward, which aims to engage public participation on public transit improvements throughout the downtown area.

CONSISTENCY WITH LAND USE REGULATIONS

Zoning regulations in the District will be revisited as part of the emerging Comprehensive Plan to ensure that the goals of the District are supported. Currently, Wilmington’s zoning code lacks a classification allowing a mix of residential and light industrial uses, which would be necessary to pave the way for legitimate live-work developments. Likewise, the Creative District vision calls for a more diverse mix of uses along the Shi-

pley corridor and potentially other locations including live/work as well as retail sales and entertainment uses. The Creative District partners and the City are working together to develop a zoning overlay that would allow a broader mix of uses to help cultivate creative production and consumption that would include live/work units, shared production spaces, creative office, venues, galleries and retail (see Figures 11 and 12).

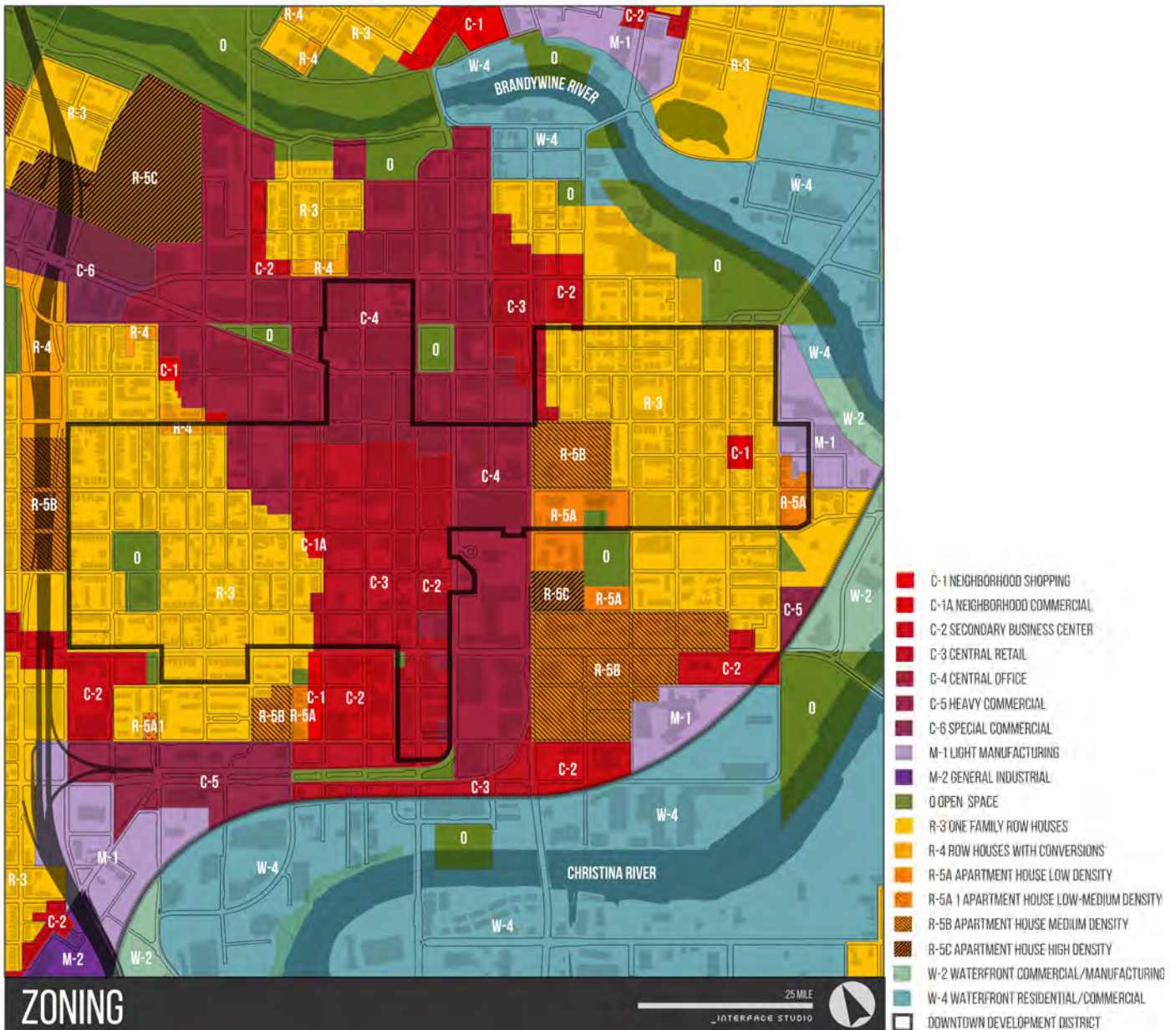


FIGURE 11

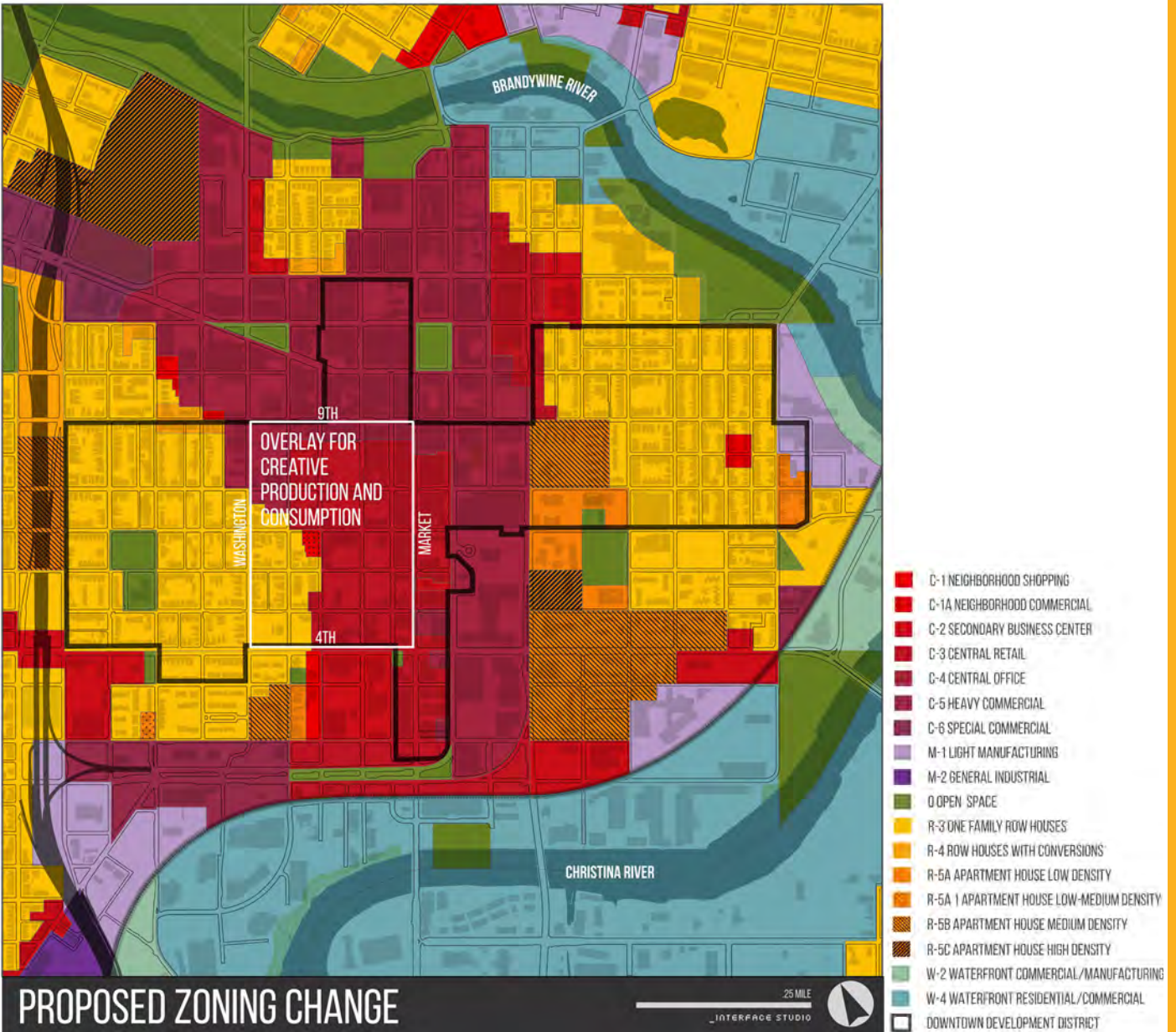


FIGURE 12

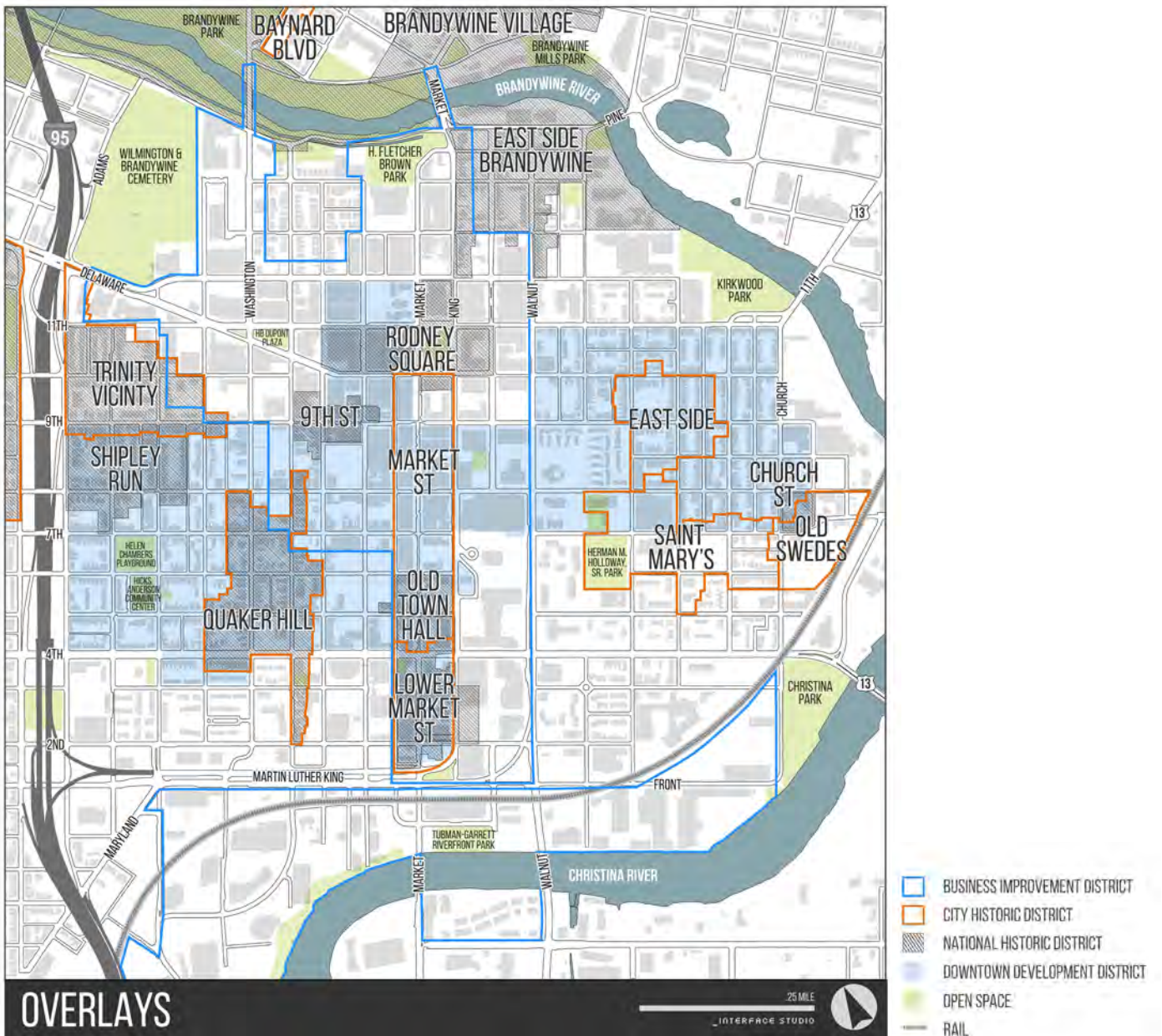


FIGURE 13

CONSISTENCY WITH EXISTING OVERLAY DISTRICTS

The Wilmington DDD will geographically overlap with numerous special overlays, districts, and areas that currently exist within downtown Wilmington. The existence of these areas reflects the size, complexity, and diversity of downtown Wilmington and of the efforts by the City of Wilmington to make it a vibrant, safe, and aesthetically pleasing space for a wide range of uses.

Downtown Wilmington includes the following special areas (see Figure 13):

- Business Improvement District - Downtown Visions is the management company for Wilmington's Downtown Business Improvement District, which has been in effect since 1994.
- Historic Districts (Local) - Since 1975, twelve City Historic Districts have been designated as overlay zoning districts to recognize some outstanding historical, architectural or archaeological significance and to protect the City's cultural resources. These districts include 6 that are partially or fully located within the Wilmington DDD: Trinity Vicinity, Quaker Hill, Upper and Lower Market Street, East Side, St. Mary's, and Old Swedes.
- Historic Districts (Federal) - The City boasts over 80 locations on the National Register of Historic Places, including 6 historic districts that are partially or fully located within the Wilmington DDD: Shipley Run, Quaker Hill, 9th Street, Old Town Hall, Lower Market Street, and Church Street.

The addition of the Wilmington DDD will lead to useful intersections with these special overlays, districts, and areas, and will contribute to a more robust downtown area. It is the intention of the City to establish connections between the functions of the Wilmington DDD and the respective roles of the special overlays, districts, and areas, so that efforts are coordinated to the end of capitalizing on the richness and diversity of the downtown area.

See Appendix C for historic site designations and Delaware Public Archives (DPA) markers within the DDD boundaries.

ADEQUACY OF LAND USE AND URBAN DESIGN RULES AND REGULATIONS

The current zoning, land use regulations and the design standards of the overlay districts that apply to the Wilmington DDD are adequate with the exception of the need for a zoning overlay for creative productive and consumption recommended for the Creative District as described in the previous section on land use regulations.

COORDINATION

CITY GOVERNMENT IN LEADERSHIP ROLE

The City will play an active leadership role in guiding the successful implementation of the Wilmington DDD Plan. It will do so because it sees the concepts and objectives of the Wilmington DDD as central to its overall vision for the City as a whole: a mixing of uses and a diversity of urban neighborhoods connected by strong transportation corridors and made possible through public investment and private redevelopment.

The City's leadership role in the implementation of the Wilmington DDD Plan will be fivefold. First, it will serve as a convener of entities that are all aligned to achieve the same goals and whose resources will be joined to generate maximum positive benefit. This role is further elaborated below.

Second, and on a related note, the City will coordinate its departments and programs so as to ensure that the Wilmington DDD is best positioned to thrive. Public resources, investments, and functions will be unified around the aim to put the principles behind the Wilmington DDD into action within the DDD and eventually beyond the district boundaries.

Third, it will incentivize private investment through a range of efforts, including incentive programs and public infrastructure investment. This role is also further elaborated below.

Fourth, it will connect the efforts in the Wilmington DDD Plan to its broader efforts to refresh its existing Comprehensive Plan. In this way, the Wilmington DDD moves the City towards its overall objectives, and positions the City to extend some of the same principles and programs to areas throughout the City.

Fifth, it will connect the efforts in the Wilmington DDD Plan to its broader efforts to establish what it is referring to as a "Neighborhood Conservancy." This is an interdisciplinary and collaborative effort that represents the City's framework for addressing multiple topics such as land banking, citywide planning, and workforce development. Thus, the DDD, in its objectives and in its coordination of multiple public and private sector entities, is illustrative of this larger such initiative.

See Appendix D for an organization chart of City of Wilmington and working partners.

COORDINATION WITH OTHER ORGANIZATIONS

As noted above, the City has been meeting and will continue to meet with a wide range of public, private, and not-for-profit organizations. The purpose of these meetings is to unify around shared objectives and to marshal shared resources. An important benefit from these meetings is a shared sense of voice and responsibility. This momentum will be crucial to the success of the Wilmington DDD.

The high number of letters of support that are included in this application response reflects the volume and diversity of entities with which the City of Wilmington will partner in the successful implementation and administration of the Wilmington DDD. See Table 4 for the full list, including an explanation of their role in the Wilmington DDD and of the way in which the City will coordinate with them.

See Appendix E for letters of support.

TABLE 4: PARTNERSHIPS

ORGANIZATION	DESCRIPTION	ROLE
Ab+c Creative Intelligence	Award-winning print and digital marketing campaigns	Local business and advertising partner
Artisans' Bank	12 branch locations and 2 commercial/consumer lending offices	Financial services provider
BPG Real Estate Services	A full service real estate, property management, and leasing company	Provider of private investment and initiator of private development projects
Capital One	Provider of financial services and products	Funding partner and corporate citizen
Christiana Care	Innovative, effective, affordable systems of care	Major institution, employer, and care provider
Christiana Cultural Arts Center	A premier community school of the arts	Academic institution and cultural arts partner
Colonial Parking, Inc	Parking management	Provider of key resource for downtown development
Committee of 100	Promotes responsible economic development	Partner in advancement of downtown commercial activity
Delaware Community Investment Corporation	Serve as a vehicle for community revitalization by taking direct action through the financing of, and investment in, housing and related activities designed to address the needs of low to moderate income persons and areas	Housing and community revitalization partner
Delaware Nature Conservancy	Conservation advocacy organization	Partner on citywide environmental issues
Delaware State Chamber of Commerce	Promote an economic climate that strengthens the competitiveness of Delaware businesses and benefits citizens of the state	Business membership organization and advocacy group for commercial activity in downtown Wilmington
Delaware Technical Community College	The College is fully accredited by the Commission on Higher Education, Middle States Association of Colleges and Schools.	Academic institution and educational provider
Downtown Visions	Management company for the Wilmington Downtown Business Improvement District (WDBID)	Public service provider

ORGANIZATION	DESCRIPTION	ROLE
Grand Opera House	Entertains and engages its communities through exceptional, diverse live performances and educational outreach	Major cultural institutional partner
Greater Wilmington Convention and Visitors Bureau	Destination marketing organization generating economic growth through leisure travel and meetings development	Regional tourism agency
Habitat for Humanity of New Castle County	Build quality, affordable and energy-efficient housing at no-profit through a combination of volunteer labor, "sweat equity," and zero-interest mortgages.	Not-for-profit housing development partner
Interfaith Community Housing of Delaware	The largest statewide nonprofit community housing organization in Delaware	Housing and community revitalization partner
Inter-Neighborhood Foundation	Promoting and strengthening home ownership	Partner in residential reinvestment
JPMorgan Chase	Provider of financial services and products	Funding partner and corporate citizen
Ministry of Caring, Inc.	A network of social, health and support services for those living in poverty	Human service provider
New Castle County Board of Realtors	A trade association representing over 1,900 REALTOR® and Affiliate members	Connection to local real estate professionals
New Castle County Chamber of Commerce	Business development for members	Partner in advancement of downtown commercial activity
Preservation Initiatives	Privately owned urban development firm specializing in adaptive reuse of historic properties	For-profit private development partner
Riverfront Development Corporation of Delaware	Focused on creating economic vitality along the Brandywine and Christiana rivers, while enhancing the environment, encouraging historic preservation and promoting public access	Partner on waterfront development initiatives
TSN Media	Magazine publisher	Anchor business
University of Delaware	A state-assisted, privately governed institution with a broad range of degree programs and research efforts	Major higher education anchor institution

ORGANIZATION	DESCRIPTION	ROLE
West End Neighborhood House	A continuum of care approach to meet clients' comprehensive needs and encourage ultimate self-sufficiency	Not-for-profit social service provider
Wilmington Housing Authority	Developer and provider of safe, decent, and affordable housing for low-income families	Not-for-profit housing developer and affordable housing provider
Wilmington Housing Partnership	Quality homes and neighborhood stabilization	Managing entity for Wilmington DDD
Wilmington Library	Information resource	Major institution
Wilmington Renaissance Corporation	Develop and implement strategies that will increase the economic vitality of Downtown Wilmington	Catalyst for public and private investment in Creative District
Wilmington University	A private, non-sectarian university that offers both undergraduate and graduate-level degree programs	Major higher education anchor institution
Woodlawn Trustees, Incorporated	Affordable housing, wise planning and the assemblage of parklands and open space	Not-for-profit affordable housing provider
World Café Live	A place dedicated to showcasing live music that attracts and inspires live musicians	Cultural arts provider

PUBLIC COMMENTS

This application submission represents the culmination of numerous meetings over several months, predating the release of the DDD application process and involving several public, private, and not-for-profit organizations, including those that serve and represent groups of residents within the City. This ensured a broad and diverse set of sources from which to draw ideas, settle trade-offs, and reach consensus on overall vision and individual projects.

Furthermore, the concepts carried forward in the Wilmington DDD are drawn from numerous recently completed planning documents whose geographic focus intersects with the Wilmington DDD. These planning documents covered the East Side and West Center City neighborhoods, and were produced with heavy public engagement as well as the expectation that this public participation would yield priorities, strategies, and projects carried out by the City. This thrust will find its fulfillment in the implementation of the Wilmington DDD.

Finally, the production of the application submission and district plan followed standard procedures related to their presentation to Wilmington City Council. In receiving and reviewing the application and in passing a resolution reflecting its support of its content, City Council solicited public feedback, both in private and at the public hearing where the resolution was introduced and passed.

See Appendix G for the legislative body resolution.