

INCENTIVES AVAILABLE TO Downtown Development Districts

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🌐 <https://stateplanning.delaware.gov/about/ddd.shtml>

On January 11, 2015, Governor Markell announced Wilmington's designation as one of three Downtown Development Districts (DDD). The Downtown Development District Program seeks to revitalize the downtown / Central Business District through the use of economic and other incentives.

INCENTIVES AVAILABLE TO BUSINESSES IN DDD PROJECTS

Job creation and Retention Incentive Program – City Strategic Fund

- Similar to the State's Strategic Fund, these dollars might be available to businesses for jobs created and retained within the City.
- These financial incentives assist business retention and new job creation.

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.

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.
- Lower cost of capital improves the ROI for business expansion; Restricted to business expense, capital investment or working capital.

Wilmington Economic Development Corporation Microloan Fund

- Revolving loan fund that makes loans of up to \$50,000.
- Reduced cost of capital for start-up businesses. Restricted to working capital.

INCENTIVES AVAILABLE TO DEVELOPERS IN DDD PROJECTS

Real Estate Tax Exemption Program for New Construction and Rehabilitation; Real Estate Tax Exemption Program for the Rehabilitation of Vacant Structures; Real Estate Tax Exemption Program for Historic Structures

- A property tax abatement program for new construction and rehabilitation of residential and commercial space.
- These abatements increase projected Net Operating Income (cash available for debt service) which increases borrowing capacity for projects.

Department of Real Estate and Housing Acquisition and Disposition Program

- Acquire and dispose of residential property acquired through tax foreclosure or through funds obtained from federal community development grants, in order to convey to housing developers for rehabilitation.
- Conveyance of residential real estate from the City to private use reduces acquisition costs for developers.

A&E Feasibility Assistance

- 50 percent match (up to \$15,000) 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 price projects in the construction market and assess whether to proceed with a project.

Housing Strategic Fund ★

- This fund is used to close the financing gap for market rate housing projects when CDBG and other federal funds are not eligible.

Economic Development, Infrastructure, and Site Improvement Fund. ★

- City discretionary funds available for private placement through provision of infrastructure, real estate write-downs, purchase/conveyance of real estate. Dollars are of limited availability and are used on large projects with measurable fiscal impact and two-year payback through increased tax revenues.

Wilmington Urban Development Action Grant Corporation ("UDAG Corporation")





- Temporary acquisition or bridge financing for development projects that have permanent financing but might not otherwise proceed. UDAG is a nonprofit development corporation wholly-owned by the City of Wilmington.
- Provides capital for projects to proceed; bridge financing for approved DDD funds.

Transportation Corridor Enhancements

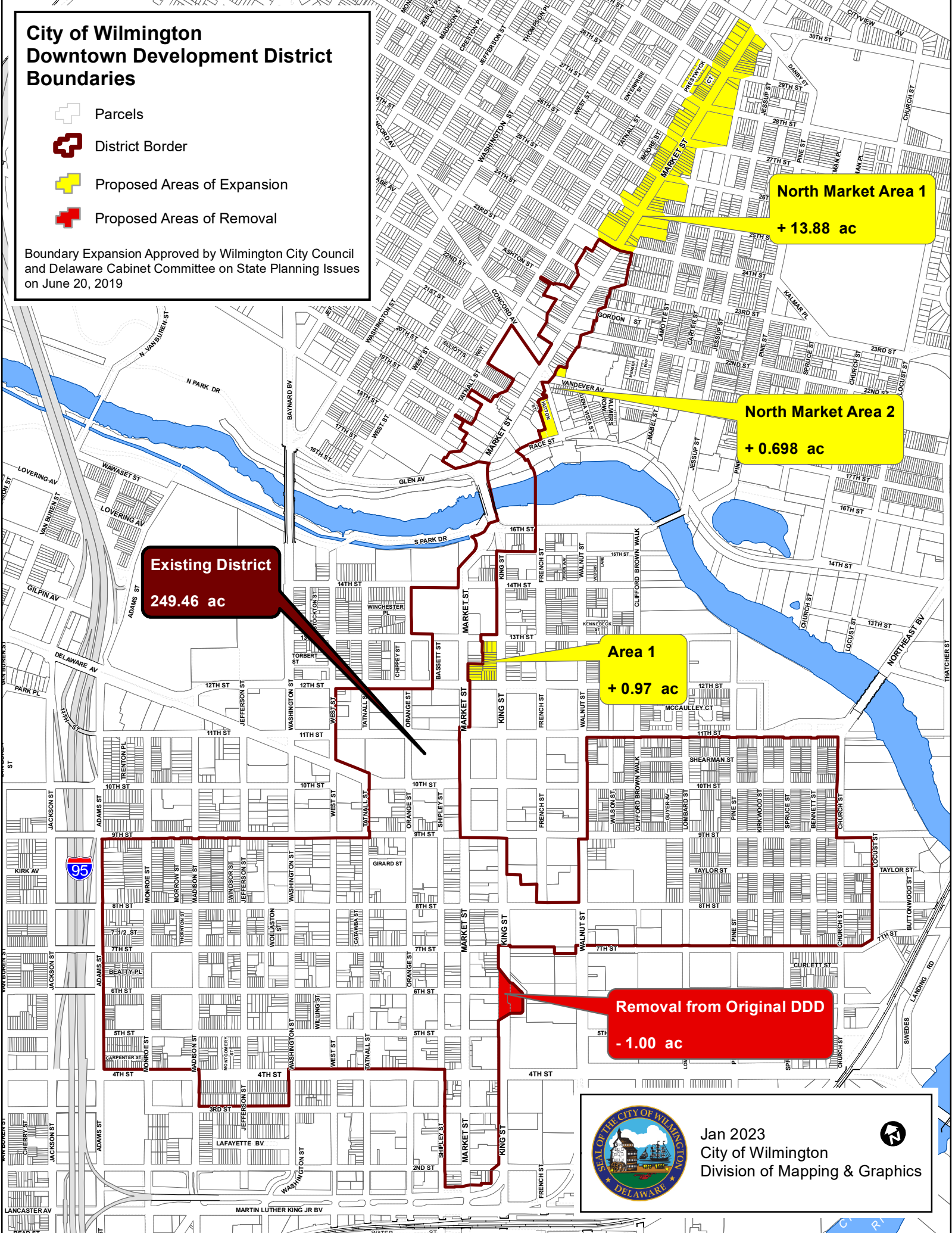
- Utilizes City and matching funds on right of way improvements to enhance key north-south and east west transportation corridors.
- Pedestrian, bicycle, and automobile enhancements on public streets make downtown sites more attractive by improving aesthetics and mobility.

★ These capital dollars reduce development costs for projects .

City of Wilmington Downtown Development District Boundaries

-  Parcels
-  District Border
-  Proposed Areas of Expansion
-  Proposed Areas of Removal

Boundary Expansion Approved by Wilmington City Council
and Delaware Cabinet Committee on State Planning Issues
on June 20, 2019



North Market Area 1
+ 13.88 ac

North Market Area 2
+ 0.698 ac

Existing District
249.46 ac

Area 1
+ 0.97 ac

Removal from Original DDD
- 1.00 ac



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