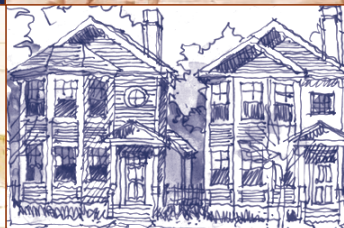
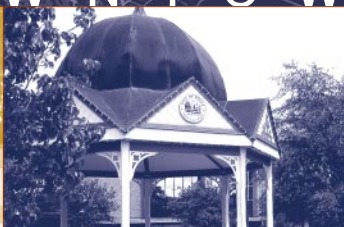
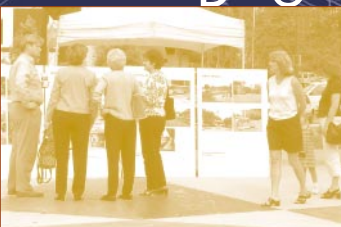


city of Ocala

D O W N T O W N M A S T E R P L A N



January 2004

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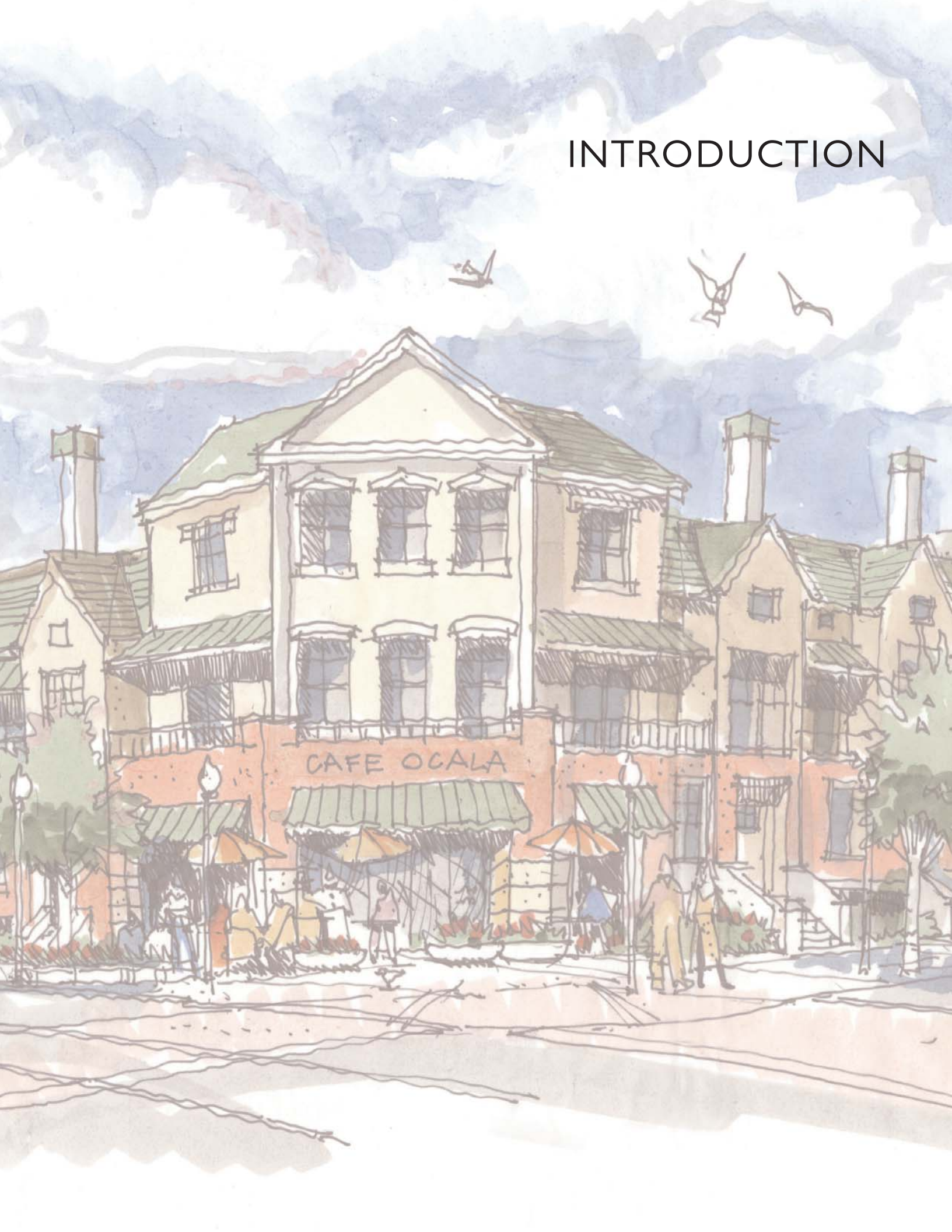
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INTRODUCTION



I. INTRODUCTION

Downtown Ocala stands at the cusp of a new era. After decades of neglect brought about by the rapid flight of people, money and resources to the suburbs and unincorporated Marion County, the city center is ready to resume its historic place as the regional center of economic activity, culture, civic identity and distinct urban experiences.

The Downtown Ocala Master Plan is the blueprint for achieving this vision. The Master Plan builds on the plans, traditions and collective energy that have boosted Downtown's vitality to date, while providing a guiding framework and specific, action-oriented implementation steps - all tested by real-world economic analysis - to attain tangible results.

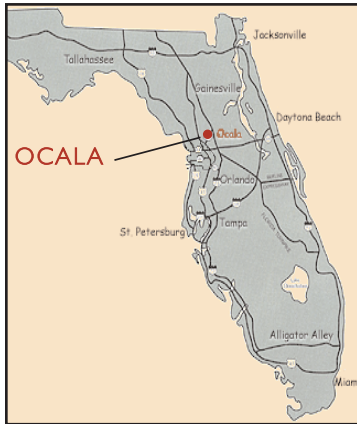
Specifically, the Ocala Downtown Master Plan is comprised of the following sections, which outline the major initiatives for rejuvenating the city center:

- **Chapter I - Introduction:** The remaining pages in this chapter provide an overview of the regional and city context from demographic, economic, and physical planning perspectives, while highlighting key assets to build upon and challenges to address in Downtown. A summary of the planning process and the Downtown vision developed through the process is also included. In addition, the chapter provides a broad overview of the strategy for Downtown revitalization (which is discussed in greater detail in Chapter III).
- **Chapter II - Economic Analysis:** The Downtown Master Plan provides an implementable framework for guiding growth and development in the city center. This chapter includes highlights of the market demand analysis, which identifies the area's major market parameters and constraints. To ensure an implementable plan, the planning strategies and concepts of the Master Plan (covered in Chapter IV) were built off of this base knowledge of what is achievable within the market. The section also includes an overview of the financial analysis conducted on specific catalytic opportunity sites and public improvements and programs in the city core.
- **Chapter III - Strategy for Downtown Revitalization:** This chapter outlines the planning and design framework for re-energizing Downtown, including identification of primary land uses, catalytic opportunity sites, and supporting strategies for implementation. Diagrams, maps, illustrations and photos in this section help outline the major steps and tools for achieving the Downtown vision.
- **Chapter IV - Implementation:** The final chapter provides a framework for implementing the Master Plan. The framework includes recommendations for an organizational structure to guide implementation, a phasing plan outlining timelines, costs and potential funding sources, and a list of next steps to ensure that implementation begins immediately after the Downtown Master Plan is approved.



The Downtown Master Plan provides a comprehensive blueprint for redeveloping and rejuvenating the city center over the coming decade.

HISTORY & REGIONAL CONTEXT



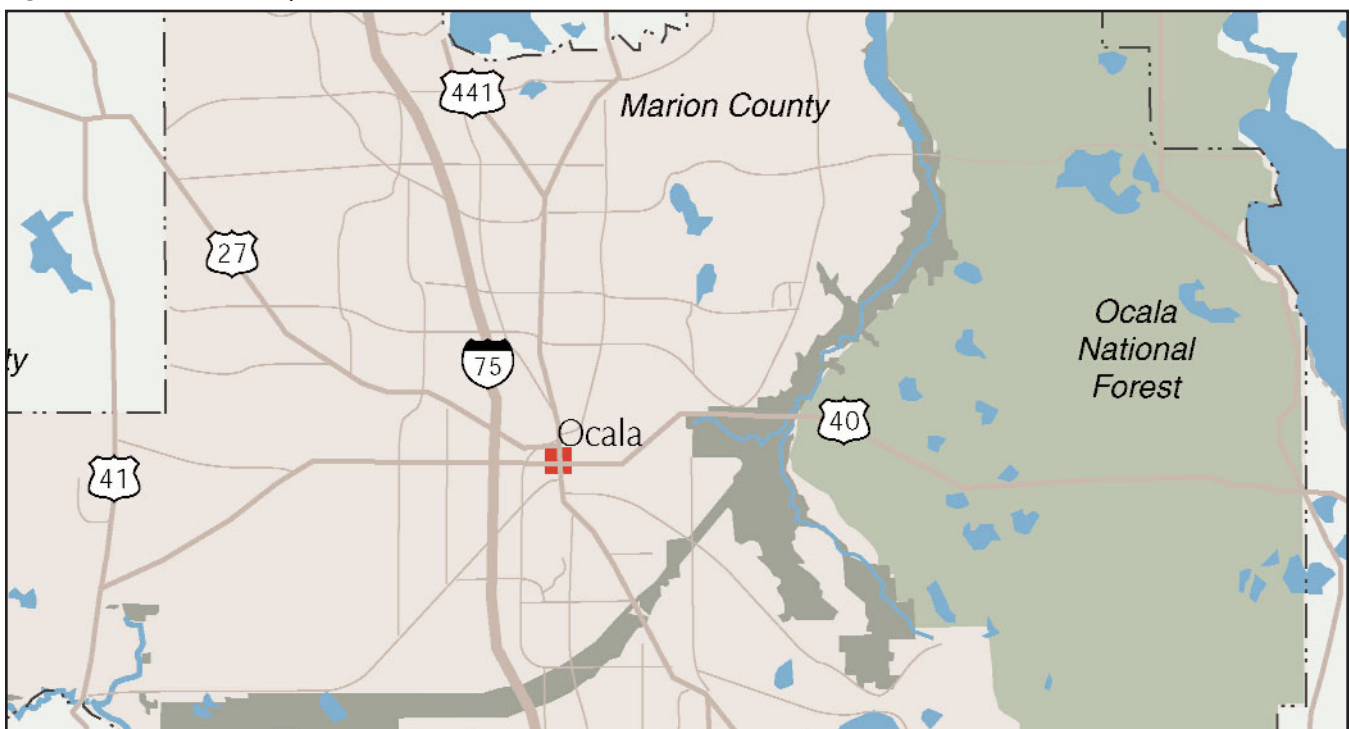
The City of Ocala is centrally located in north-central Florida and is within a few hours' drive of the major destinations of Jacksonville, Tampa/St. Petersburg, Orlando and Daytona Beach.

Ocala is the county seat and largest city in Marion County, which lies in north-central Florida. Designated as the county seat in 1845, Ocala and its economy were initially centered on small and large agricultural production, including the citrus industry. Later phases of growth included the establishment of Ocala as a government and financial center and tourist destination, in addition to its agricultural functions.

Today, the city and surrounding region are renowned for their historic residential districts, rolling green fields of horse farms, excellent climate, open space preserves, and numerous outdoor and recreational opportunities. The region's central location to both coasts and other Florida destinations via a strong highway system (including Interstate 75) contributes to the area's attractiveness for residents and businesses.

Marion County's population in the year 2000 was approximately 259,000, with a projected population of 303,000 for the year 2010. The city's population in 2000 was approximately 46,000, with a projected population of 50,000 for 2010. Therefore, Ocala's population share as a percentage of the overall population of the county is projected to decline in the coming years, from 17.7 percent in 2000 to 16.5 in the 2010. This trend is a reflection of continued residential growth of suburban and unincorporated areas over the past several decades, resulting in the location of resources and activity at greater distances from Downtown. Office, commercial and retail development - primarily in the form of shopping malls, strip commercial centers and big-box outlets - has followed the same pattern of suburban-oriented growth, particularly along State Route 200 in southeast Ocala.

Figure 1.1 Marion County Context



DOWNTOWN & THE CRA

The Community Redevelopment Area (CRA) Plan of 1988 outlines the boundaries and purpose of the CRA, and provides recommendations for planning the redevelopment of Downtown. It defines the CRA as the 108-block area around Downtown Ocala, centered a few blocks east of the intersection of State Route 40 (Silver Springs Blvd.) and Highway 441 (Pine Ave.) In accordance with the state's Community Redevelopment Act, the City established the CRA in order to conserve, rehabilitate and redevelop the Downtown core in response to deteriorating physical and social conditions. Mechanisms used for stimulating redevelopment within the CRA include tax breaks, incentives and Tax Increment Financing. Many initiatives outlined in the Downtown Master Plan will be implemented in part through CRA financing tools.

The predominant land uses in the area include office, commercial, retail and light industrial. Government and financial services are primarily located north of Silver Springs Blvd., south of Broadway, and east of Osceola Ave. Residential land uses are minimal or non-existent in most areas of the city center, although vibrant historic housing districts are located to the east and west of Downtown.

The central focus of activity and commerce is the Downtown Square - bordered by Silver Springs Blvd., Broadway, SE Magnolia Ave. and SE First Ave. - and the surrounding blocks (see the Downtown Strategy Diagram, page 39). This historic core once contained nearly all of the civic and commercial activities for the city. Much of its vitality has been depleted by suburban growth in recent decades; however, over the past several years the district has gained strength as a restaurant, entertainment and specialty retail hub.



The city center contains a wide range of land uses, including a thriving base of light industrial, construction supplies, manufacturing and other services. Each land use type has a specific role and functionality within the framework of the Downtown Master Plan.

Figure 1.2 Ocala Context



DOWNTOWN PLANNING PROCESS



The public participation process included community-wide workshops on the Square and at the Marion Theater, as well as a special session with the City Council.

In March of 2003, the City of Ocala began a planning process to determine how and where to stimulate development and revitalization in Downtown. With the help of urban planning consultants Moore Iacofano Goltsman (MIG) Inc., economics consultants Economics Research Associates (ERA), and downtown development consultant Margaret Mullen, the City conducted a nine-month process to perform economic and planning research, engage the community, and develop a comprehensive revitalization plan for Downtown Ocala. A Project Team comprised of the city manager, assistant city manager, planning director, elected officials and the planning consultants met on a regular basis to develop and fine-tune the revitalization strategies and implementation steps.

The community participation process consisted of two large community workshops (held on May 15 and August 28, 2003) and one special City Council session (held on November 11, 2003). In addition, the Project Team and consultants held numerous ad hoc meetings with developers, transportation officials, public works staff, Downtown business merchants and others to focus on specific issues. During the public workshops and special meetings participants worked together to: (1) identify key assets, opportunities and constraints; (2) develop a shared vision for the future of Downtown Ocala; (3) explore and analyze land use issues, design considerations, and economic costs and feasibility; (4) develop and refine strategies to focus redevelopment efforts; and (5) create action steps and mechanisms to ensure that the plan is implemented.

The community workshops and other meetings provided an environment for open dialogue and debate while building consensus for the revitalization plan. The Downtown Master Plan process spanned a period of nine months and concluded in January 2004.



ASSETS, OPPORTUNITIES & CHALLENGES

In order to help guide future development of the city center in the coming years, it is important to understand the current context of Downtown. During the planning process, community members, public officials and City staff identified several principal assets, opportunities and challenges for Downtown Ocala.

ASSETS & OPPORTUNITIES

Downtown possesses many assets that will be instrumental in shaping its future. These include:

DOWNTOWN SQUARE

Located at the core of the community since the City's founding, the Downtown Square is the "heart and soul" of Ocala. This historic open space provides a central gathering spot for civic events, a focal point for retail and commercial activities around the Square, and a "sense of place" and identity for the community.

CHARMING AND ATTRACTIVE HISTORIC AMENITIES

Downtown Ocala is blessed with numerous historic buildings and architecture. From the well-preserved Marion Theater to the residential districts that surround the Downtown, these resources help create an environment that is distinctly different from the city's suburbs and the greater region.

REGIONAL EMPLOYMENT CENTER

Downtown Ocala is a strong center for regional employment, including the government, finance, medical and office sectors. It is important to maintain and build off of this base of employment to keep Downtown economically vital and bustling with activity.

RETAIL, COMMERCIAL AND ENTERTAINMENT HUB

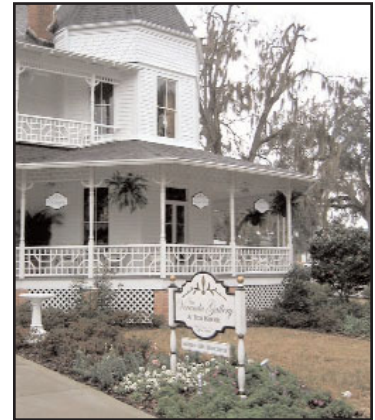
Downtown is a hub for retail, commercial and entertainment activity. Specialty shops and restaurants line the streets near the Square, while events such as wintertime ice skating help create a unique, family-oriented environment. These one-of-a-kind retail and entertainment opportunities - distinct from the offerings of suburban retail centers - must be maintained and enhanced to ensure an active, lively city center.

REGIONAL RURAL CHARACTER AND HORSE FARMS

Ocala lies at the heart of some of the most beautiful country in Florida. The surrounding environment - including Ocala National Forest and the area's numerous horse farms - offers attractions and a unique image that Downtown Ocala can capitalize on to draw visitors and commerce.

PHYSICAL OPPORTUNITIES

With its human-scale architecture, rich historic heritage, beautiful open space areas, tree-lined streets and walkable street grid, Downtown's physical environment is ideal for growth and rejuvenation. In addition, there are several under-



Many of Ocala's historic homes are used for bed and breakfasts, retail services, or professional offices.



Downtown is a restaurant and entertainment hub, with unique cafes, restaurants, bars and other establishments that enliven the area.



Tuscanvilla Park is an excellent asset for Downtown Ocala and the entire community.



The active support of a wide range of citizens helps to make community events a success.



Malls, shopping centers and strip commercial development in outlying areas are a significant challenge to Downtown's economic growth.



Long, blank walls are impediments to creating comfortable pedestrian environments.

utilized sites that are ideal for redevelopment and new development. These sites (six of which are outlined in detail in Chapter III) provide opportunities for enhancements to the physical environment that will cultivate a more active urban core and catalyze future development.

DIVERSE, ACTIVE AND ENGAGED COMMUNITY

Perhaps the most important asset for Downtown Ocala is the large number of community members interested in and committed to the success of the city center. Elected officials, business merchants, local artists, historic preservationists, residents, church members - share a keen interest in restoring Downtown as a vibrant, multi-use activity center for the region. The support, enthusiasm and stewardship of these community members will help ensure the implementation of this plan and the continued success of Downtown.

CHALLENGES

While there are many assets and opportunities to capitalize on, the city center faces several key issues and challenges. The Downtown community must understand and overcome these challenges in order to achieve success in revitalizing the city core:

DEVELOPMENT AT THE URBAN PERIPHERY

Reflecting trends across the country, new development in the suburbs has siphoned resources and activity away from Downtown Ocala over the past several decades. Extensive residential development in outlying areas, along with commercial development along arterial streets such as State Route 200, has created environments and patterns in which people no longer feel the need to go Downtown.

LACK OF A CRITICAL MASS OF AMENITIES AND SERVICES

Due to new development at the urban periphery, Downtown lacks a "critical mass" of stores, services and amenities. Without these elements, it is difficult to attract people to the city center on a regular basis, including those who would otherwise want to live Downtown.

LACKLUSTER PEDESTRIAN ENVIRONMENT

While positive changes have been made in recent years, overall the Downtown pedestrian environment is lackluster. A shortage of retail and entertainment attractions, lack of housing in the Downtown core, building design that inhibits pedestrian comfortability, heavy traffic along arterial streets, insufficient lighting and street furniture, and the absence of strong pedestrian connections (across Silver Springs Blvd. and to surrounding neighborhoods) contribute to this environment.

UNDERUTILIZED SITES

The city center contains a large number of parking lots, vacant sites and under-utilized properties. Such sites help re-enforce an image that Downtown is inactive and aesthetically unappealing. Conversely, many of these properties provide opportunities for new development, which will be vital to the area's future success.

PARKING

Parking is a major concern for area residents and local businesses. While overall inventories are sufficient, location of and access to Downtown parking must be addressed. There is a need for easily identifiable and accessible parking as well as a division between temporary parking, employee parking, patron parking, short term and long term parking, metered parking, and loading zones.

IMAGE AND PERCEPTION

Although Downtown has taken many positive steps, the image persists with many community members that the city core is unclean, unsafe and unexciting. The image of Downtown - for both local and regional residents and visitors - must be changed to one of a clean, safe, credible and distinct urban center with character and amenities.

ECONOMIC MARKET SHARE

According to City data, the Downtown includes approximately 3,500 jobs - only 8% of the City's overall job base and far below what a healthy downtown would expect to capture of overall regional employment. A typical downtown share of regional employment should range from a minimum of 15% to as much as 30% or more. Therefore, Downtown Ocala is under performing in this area and must look to gain greater market share of new Ocala job creation opportunities.



Downtown's numerous parking lots contribute to an unfriendly pedestrian environment, but they are also opportunity sites for future development.



Though they are contributors to the local economy, Downtown's pawn shops add to perceptions that the area is unsafe.



THE DOWNTOWN VISION

The vision for Downtown Ocala represents a shared approach to shaping and guiding the future of the city center. The vision is the result of extensive community input, and it is the foundation for the goals, strategies and actions of the Downtown Master Plan.

Participants in the Downtown Master Plan planning process described a future in which . . .

Downtown Ocala is a **mixed-use cultural and activity center** that offers a "sense of place," or focal point, for the community and draws upon Ocala's rich history. Residents and visitors are drawn to Downtown for its arts, cultural, and entertainment venues. The mix of uses includes specialty retail stores, restaurants, family entertainment, art galleries, housing, office uses and civic buildings. An economically healthy mix, the range of uses **complements - rather than competes with - the commercial outlets**, services and housing types in outlying areas.

The uses are organized around the Downtown Square, attractive street corridors and other public spaces. This **interconnected built and open space environment** serves as Ocala's community hub - an active, dynamic, social district that contains unique amenities and hosts events and cultural activities for people of all ethnicities, ages, orientations and income levels.

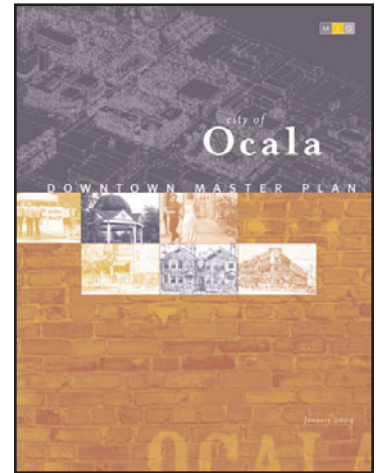
Downtown Ocala is **family oriented and pedestrian friendly**, encouraging residents and visitors to stroll along the storefronts, dine outdoors at a café, and relax with friends in the Square or public plaza. The streetscapes and building design reflect Ocala's **rich architectural heritage** and enhance the pedestrian environment. Walkable streets and alleyways provide **strong pedestrian and transit connections** within the Downtown core and to surrounding neighborhoods.

Comprehensive **signage and wayfinding programs** encourage visitors to come to the city center, enjoy the ambiance, attend a movie or live performance at the Marion Theater and other venues, and explore the nuances of the special urban district. **Image and identity initiatives**, built on themes such as the region's historic districts and horse farms, help to create a truly **unique, innovative and vibrant Downtown** for residents and visitors to enjoy long into the future.

STRATEGY FOR DOWNTOWN REVITALIZATION: A BRIEF OVERVIEW

Building from the vision and background analysis, several key premises and principals form the foundation of the Downtown Master Plan and its revitalization strategies. These points helped to craft the strategic directions of the plan and are covered in detail in the following chapters:

- Understand the existing physical, social and economic context of Ocala and the region;
- Leverage and build upon the community's assets;
- Utilize community input to shape the plan and its strategies;
- Conduct comprehensive economic analysis to ensure that projects and strategies are implementable in the real world;
- Maintain and enhance primary land uses that are the cornerstone of the district;
- Focus appropriate development - backed by economic feasibility analysis - in key opportunity sites in Downtown;
- Develop supporting strategies to link together and support the primary land uses and opportunity sites;
- Establish an organizational, phasing, and action-oriented framework for implementation; and
- Create a comprehensive, market-tested, realistic plan for revitalization.



ECONOMIC ANALYSIS



II. ECONOMIC ANALYSIS

The primary objectives of the economic analysis for the Downtown Master Plan are to provide a "road map" to guide future investment and redevelopment efforts in the City's Community Redevelopment Area (CRA), and to identify revitalization opportunities for Catalytic Opportunity Sites within the CRA.

The market analysis is an independent assessment of real estate market dynamics as they affect the potential for various land uses, including housing, workplace (e.g., office), supporting services (e.g., convenience and service retail) and destination uses (e.g., restaurants and entertainment) in Downtown Ocala. The analysis identifies the depth of potential market support, tests (on a preliminary basis) the financial feasibility of these uses for each catalytic site, and estimates the potential economic costs and benefits to the City of Ocala.

Specifically, this chapter provides:

- An understanding of the development context and issues facing the creation of market-supportable revitalization strategies for Downtown Ocala;
- Documentation of the competitive position of Downtown Ocala and a test of its economic potential for a variety of land uses;
- Identification of redevelopment opportunities on specific Catalytic Opportunity Sites; and
- An outline of the conditions necessary to position these specific sites to support uses envisioned by both the City and private-sector interests.

MARKET POTENTIAL

The findings of this market analysis suggest that **public policy initiatives should focus on reinforcing Downtown's role** as the economic engine of Marion County. These initiatives will require clear and focused public policies, incentives and other regulatory mechanisms designed to foster economic development opportunities in the city center. For example, a clear strategy is needed to attract new users and to increase the number of high quality jobs in Downtown through business recruitment. Program recommendations are highlighted below.

OFFICE

From a regional perspective, future employment and market demand for office space are closely linked. A critical determinant of both future employment and market demand is the degree to which a community or specific site is competitive. Factors defining this competitive positioning include local and regional access; overall physical characteristics such as highway frontage and visibility; proximity to economic activity and quality jobs; and business costs such as property taxes.

In general, office uses require access to a qualified labor pool, contemporary floorplates/building configurations, adequate (oftentimes including the provision of extra) parking, nearby convenience and supporting retail and services, and pedestrian-scale amenities.



A key feature of the Downtown economic plan includes enhancement of the existing base of specialty retail shops.



Future demand for office uses is sufficient to support existing buildings while expanding overall square footages in Downtown.

**PLANNING TARGET:
120,000 TO 186,000 SQ. FT.
OF OFFICE SPACE**

This analysis translated future employment growth into demand for office space (Summary Tables 1 and 2 in Appendix A). If the CRA maintains its “fair share” as a proportion of the City as a whole over time (i.e., the CRA is no more or less competitive as compared to other locations in the City than it is today), employment growth in Downtown Ocala could support an additional **120,000 sq. ft. of office space by 2010** based on demand generated by employment growth in Marion County (assuming that the CRA's fair share is held constant at roughly 10%).

The City's planning efforts - commitments to provide financial incentives and fund specific initiatives such as infrastructure improvements - can enhance the overall marketability of Downtown Ocala as a viable employment center. As such, the city center becomes a more desirable location for office tenants and other businesses. This is known as inducing demand.

Under an **“induced” demand scenario**, the planning team conservatively estimates that Downtown Ocala's fair share could increase from its current level of 10% to 15%. This would increase demand potentials for office space from approximately 120,000 sq. ft. under a fair share scenario to approximately 186,000 sq. ft. under an induced demand scenario.

Therefore, the planning target for the Downtown Master Plan is a program of **120,000 sq. ft. to 186,000 sq. ft.** of office space. Downtown Ocala's economic development policies should focus on retaining key employment “anchors” such as the County Courthouse and judicial system, which serve to draw daily visitors to Downtown and generate spin-off demand for associated employment such as law firms desiring proximity to the Courthouse. The tenant mix is expected to be similar to that which exists in Downtown Ocala today, e.g. professional services oriented to the medical, legal, accounting and financial sectors.

These planning targets assume that redevelopment sites offer strong visibility and provide adequate levels of on-site or nearby parking to enhance overall marketability.

The program of uses on the priority sites contains a total of 65,000 sq. ft. of office space focused on the Chamber of Commerce and Library sites. This suggests **ample opportunity for other redevelopment sites** located in Downtown Ocala, such as the Murphy Property, to capture a portion of remaining demand.

In order to make development efforts most effective, the City should initiate a **market survey of Downtown office space** on an annual or semi-annual basis. In smaller communities, this is typically undertaken as a joint effort between commercial brokers, the Chamber of Commerce and/or the downtown business organization, and should be viewed as both a marketing tool and key component of a larger economic development strategy for Downtown. A property database should be created and updated regularly. For each office building, data should be collected on building size (in sq. ft.); rental rates and lease structure (i.e., net or gross rents); operating and other charges; current vacancy rates; net absorption over the reporting period; availability of parking and other amenities; and other information considered key to marketing.

Moreover, the surveys should distinguish between "classes" of office buildings. In the real estate industry, office buildings are typically ranked according to building quality, architecture and design, physical condition, amenities offered, rental rates and tenant types. These categories range from best/highest quality ("Class A") to moderate quality ("Class B") to those buildings that have the lowest rents, with aging, obsolete and/or non-competitive properties ("Class C"). This thorough understanding of the state of Downtown will help focus business recruitment and retention efforts as well as employment development strategies.

Developers seek out markets where stabilized vacancy rates of competitive office product are less than 8% to 10%. The results of ongoing market surveys are critical in helping to inform developer decision-making on whether to undertake new construction. This will also determine the extent to which demand identified in this market analysis is absorbed among existing, viable buildings with readily available vacant space and/or in new construction.

HOUSING

A critical mass of housing in Downtown Ocala is extremely important to the area's revitalization. Housing will strengthen Downtown as a viable destination, create new neighborhoods, foster demand for other uses such as convenience and service retail, and reinforce Downtown as a viable business center with a potential supply of labor and consumers with disposable incomes. New housing in the CRA must successfully compete in the marketplace, and project amenities are critical.

Potential housing demand in the CRA was projected based on several key assumptions, including:

- The provision of high-quality, market-rate housing will reinforce the competitive position of the priority sites - and Downtown as a whole - in the City's and the region's housing market;
- The establishment of public policy initiatives designed to strengthen Downtown Ocala's competitive position in Marion County will result in continued growth of CBD employment, thus enhancing demand for in-town housing; and
- The provision of public incentives that are critical in funding certain elements of redevelopment of each priority site, such as infrastructure and parking.

The housing model defines potential demand according to fair share (i.e., the CRA today represents only 1.8% of the City's total housing stock), a moderate scenario, and an induced scenario (i.e., highest market capture). The moderate and induced estimates assume that redevelopment of the CRA succeeds in strengthening Downtown's role as a viable employment center and in enhancing Downtown's attractiveness, thereby increasing marketability for new housing. Successful redevelopment of the CRA could result in doubling (to 4%) or tripling (to 6%) the capture of new housing from future population growth (the detailed housing demand analysis is available in Table 5.3 of Appendix A).



Residential development in the city center will create a more active environment while augmenting the housing in the nearby historic districts.

**PLANNING TARGET:
60 TO 210 UNITS OF NEW
HOUSING**



Restaurants, coffee bars, cafes and other eating and drinking establishments are important contributors to Downtown’s economic health.

The ability to successfully capture demand for new housing in the CRA (and the Catalytic Opportunity Sites in particular) is based on critical assumptions related to location, visibility, product quality, amenities, overall project environment, critical mass, public incentives and commitments, and other factors.

The housing market analysis results in potential support for approximately **60 to 210 housing units** in the Downtown by 2010, equating to average annual absorption of roughly **10 to 30 units per year**, depending on market conditions (see table below).

Table 2.1 Downtown Housing Demand

Model	Estimated Capture	Supportable Units
Fair Share	1.8%	60
Moderate	4%	140
Induced	6%	210

The number of housing units identified in the redevelopment programs for the priority sites (79 units) suggests **ample opportunity to accommodate future spillover redevelopment** on other adjacent and/or nearby sites.

RETAIL

Retail uses require a concentration of disposable income (from nearby residents, employees and/or visitors), strong visibility, extensive frontage, adequate parking, a clear competitive role and market identity. Moreover, supporting tenants often require an anchor tenant to generate foot traffic.

Retail demand analysis estimates opportunities for new retail development in Downtown Ocala generated by growth in employment and households from redevelopment of the Catalytic Opportunity Sites. The model illustrates the impact of future growth in these market segments for general retail (convenience and service), restaurants, leisure and entertainment uses, assuming that new office space and housing are built on the priority sites. It also assumes that the proportion of spending in each of these retail categories does not change over time (i.e., future spending patterns in these categories are similar to what is spent today).

Retail opportunities are examined in detail under various demand scenarios generated by new households and employees only (Table 5.4 in Appendix A). (Note: This retail model excludes the potential impacts of reuse of the Marion Theater because there is no detailed proposal available to accurately estimate potential spin-off effects on other uses such as food and beverage.)

Retail planning targets are summarized below:

Table 2.2 Downtown Retail Demand

Retail Type	Fair Share	Moderate	Induced
General Retail	551	1,642	3,064
Food & Beverage	416	1,019	1,884
Leisure & Entertainment	293	887	1,810
TOTAL (Sq. Ft.):	1,259	3,549	6,758

PLANNING TARGET:
21,500 SQ. FT. OF RETAIL

The program of uses on the Catalytic Opportunity Sites contains a total of 21,500 sq. ft. of retail space, which is more than current market supports. However, as additional redevelopment beyond the priority sites occurs, both the **amounts of captive market segments (such as employees and residents) as well as demand for retail and restaurants will likely increase.**

A limited amount of new retail and restaurant space is market supportable in Downtown Ocala based on several key industry assumptions related to sales productivity, operations and merchandise mix (e.g., niche retailing). Market research revealed several retailers offering high-quality merchandise at appropriate price points, while others conducted marginal operations.

There is room in the market to support additional, better quality retailers that could be expected to perform at industry standards, especially as key components of the Master Plan are implemented and Downtown Ocala's overall draw as a destination is strengthened.

HOTEL/LODGING

Given current market dynamics and significant difficulties in the capital markets for hotel development, near-term opportunities for new hotels in Downtown Ocala will be limited. The office program (120,000 to 186,000 sq. ft.) generate some incremental demand for hotel roomnights (estimated at 30 to 50 rooms). However, this demand can be adequately met among currently unoccupied rooms at both full- and limited-service properties in the City's hotel inventory. However, as demand for hotel roomnights increases, development of a hotel in the Downtown should be considered and encouraged if feasible.

FINANCIAL ANALYSIS & ECONOMIC IMPACTS

Building upon the market analysis, the planning team tested the overall financial feasibility and estimated the potential economic impacts of the uses programmed for each Catalytic Opportunity Site. In addition, the analysis estimated the expected City contribution, which may range from construction of parking garages to streetscape improvements to underwriting the cost of land. Some priority sites will require significant public intervention while others will be undertaken by the private sector in accordance with the Master Plan and market and economic realities over time.

The economic analysis, which includes a series of detailed financial pro formas for each site, is based on the following objectives:

- A private-sector perspective in that the financial models illustrate the expected internal rate of return (IRR) and present value (PV) that would accrue to private developers for building the range of uses programmed on each of the priority sites.
- An estimated market-supportable absorption schedule that considers market dynamics, expected City contributions and the timing required to ready sites for redevelopment (e.g., demolition of the Library and Chamber of Commerce buildings).



New construction will signal to developers and the larger community that momentum is gaining in Downtown's revitalization and building in the city center is a good investment.

**HOTEL/LODGING:
NO NEW ROOMS IN
DOWNTOWN**



Streetscape improvements, such as pedestrian crosswalks and traffic calming features, and their costs are factored into the overall price tag for Downtown's revitalization.

- Estimated building development costs for all uses on five of the six sites (the Marion Theater is treated separately) as well as potential other costs such as land, demolition and site preparation, and façade improvements. These costs are based on current market characteristics in Ocala, inputs from City staff, and/or planning team estimates.
- Net operating income that reflects gross revenues less operating expenses for each of these uses to derive an internal rate of return (IRR). Financial pro formas using a minimum goal of 15% IRR.

The results are illustrated in Tables 5.4-6 in Appendix A. The individual site pro formas are included in Chapter III.

Specific economic inputs and factors related to the Catalytic Opportunity Sites also include:

INTERNAL RATE OF RETURN (IRR)

- With the exception of the City Parking Lot and Library sites, the remaining sites achieve internal rates of return ranging from 15% to 21%. It is assumed that the City retains control of the City Parking Lot site with development of a new structured parking garage. No commercial development is proposed on this site, though in the long term, improved market conditions may provide an opportunity for commercial uses in the garage.

CITY CONTRIBUTION

- Minimum returns of 15% will require City contributions for various components of the plan. This may include construction of structured parking, streetscape improvements, demolition/site preparation, and/or underwriting the cost of land on selected sites.
- Based on City review and input, the models estimate approximately \$9.6 million in City contributions (in current dollars), ranging from approximately \$321,000 for construction of a plaza on the Sprint site to \$4.4 million for construction of a parking garage (and associated operating expenses) on the City Parking Lot site. (As noted below, additional public investment may be required for renovation of the Marion Theater).

ECONOMIC IMPACTS

- The \$9.6 million in public commitments to the items noted above could be expected to leverage more than \$22.6 million in private investment-only on these five priority sites. This is a ratio of approximately \$2.35 (private) to \$1 (public). Over time, additional leverage will be created as other sites in the CRA/Downtown are redeveloped.
- The plan will have additional significant economic impacts. The 79 units of new housing are estimated to generate approximately \$4.2 million in construction income, 12 permanent jobs, and more than \$120,000 in annual property tax revenues for the City. Moreover, 120 or so new city center residents are likely to have approximately \$1.1 million in potential disposable

income that could be available to support retailers and other businesses.

- The 86,500 sq. ft. of office and retail space proposed on the priority sites could generate more than \$4 million in construction income, approximately 400 new permanent jobs in Downtown, and \$114,000 in annual property tax revenues for the City. An estimated \$5.9 million in annual retail sales could be expected to create almost \$414,000 in annual sales tax receipts for the state and Marion County. In addition, 400 new employees with disposable incomes typically spend \$2,000 per year in retail and restaurants. These expenditures should support almost 3,000 sq. ft. of retail and restaurant space (not location-specific).

A preliminary stabilized year pro forma for a multi-use theater (6,800 sq. ft.) and restaurant (4,000 sq. ft.) was created for the Marion Theater analysis. The pro forma assumes a pro rated share of development costs, revenues and operating expenses based on a specific proposal for use of the theater. Industry assumptions of costs, expenses and performance for an established operator were utilized for a prototype restaurant.

The intent of the preliminary stabilized year analysis is to illustrate the expected benefits that might accrue to the City from annual rents paid by the restaurant that can, in turn, be used to pay back any bonds issued by the City to renovate the theater (Table 5.11 in Appendix A). **This analysis assumes no rental payments from the theater.**

Preliminary analysis suggests that the City could generate an estimated return of 8% to 9% if a restaurateur can be secured with a minimum annual rent of 10%, assuming conservative annual sales of \$260 per sq. ft. The rent of roughly \$104,000 per year could be used to pay back bonds issued to cover estimated renovation costs of \$1.2 million.

The following page provides a summary of market demand for the major Downtown land uses.

Table 2.3 Downtown Ocala Demand by Land Use 2004-2010

Land Use	Fair Share Demand	Induced Demand
Office (sq ft)	120,000	186,000
Housing (units)	60	210
Retail (sq ft)	1,259	6,758

Figure 2.1 Office Demand

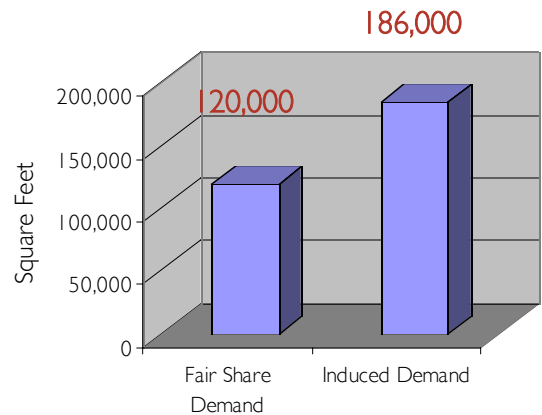


Figure 2.2 Housing Demand

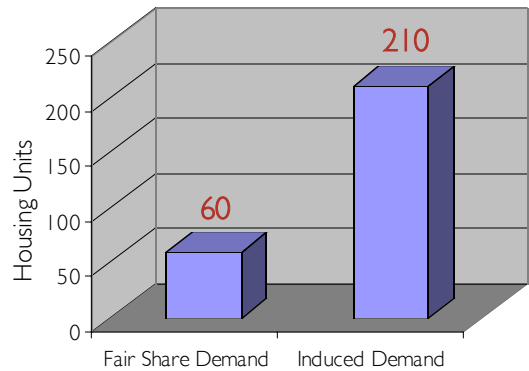
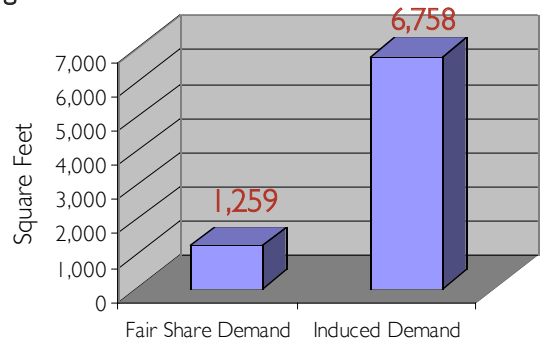
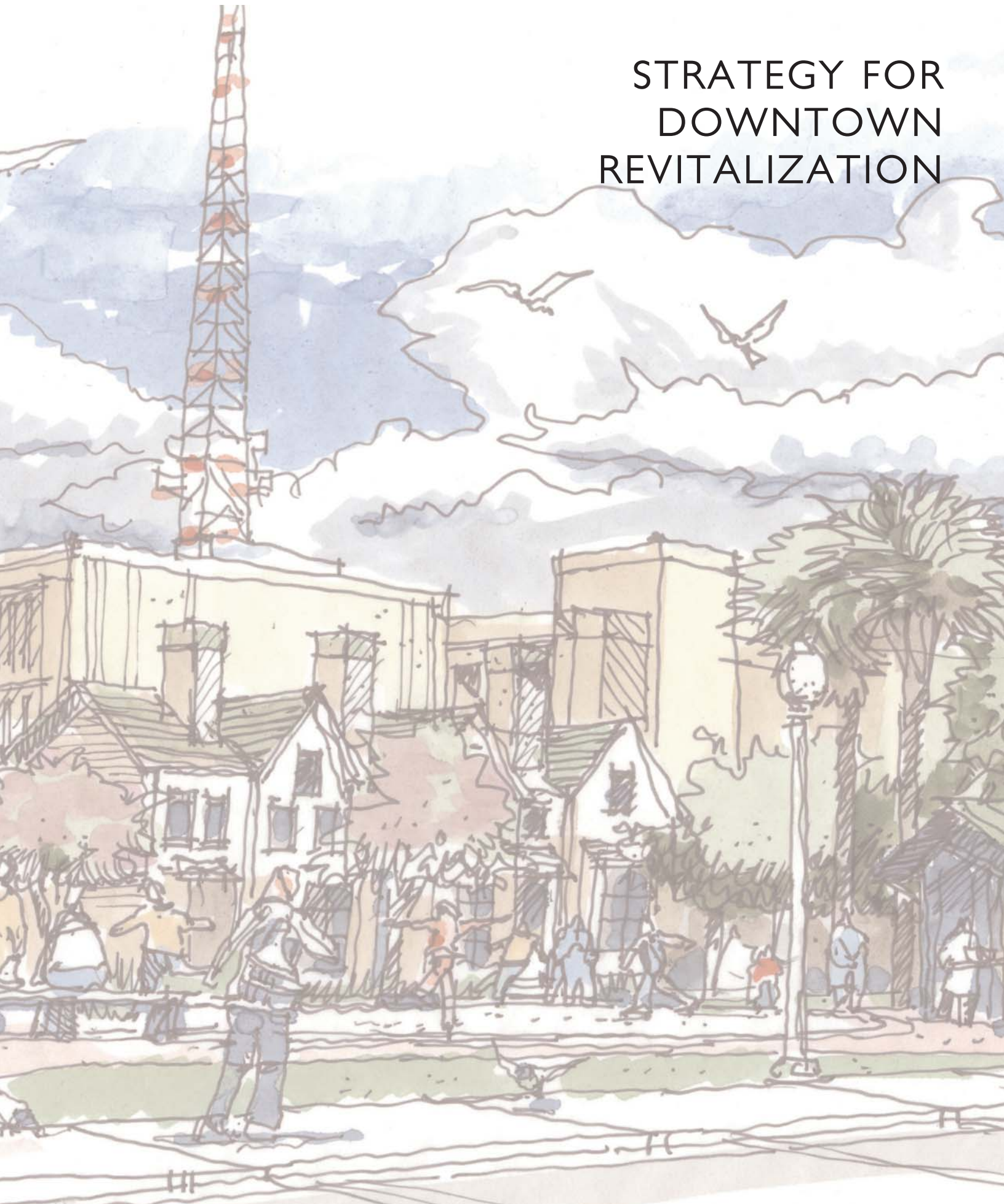


Figure 2.3 Retail Demand



STRATEGY FOR DOWNTOWN REVITALIZATION

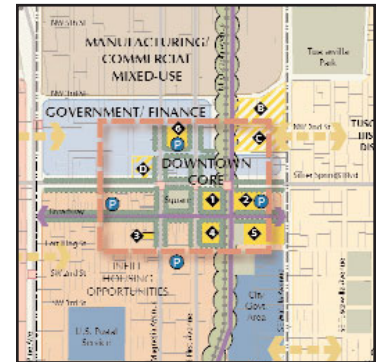


III. STRATEGY FOR DOWNTOWN REVITALIZATION

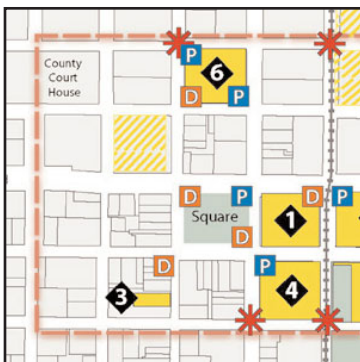
Building on the existing conditions analysis, economic studies and community input process, this chapter outlines the physical and programmatic framework - the nuts and bolts planning and design elements - for achieving success in Downtown.

Importantly, the Downtown revitalization plan is designed to incorporate elements and strategies across all scales, from Downtown-wide land use analysis to sidewalk and lighting improvements on specific streets. In addition, this development framework includes strategies and actions across a range of planning, design, program and policy initiatives.

The Strategy Framework beginning on the next page provides the underlying structure for the chapter and outlines the elements that form the building blocks for revitalization.



STRATEGY FRAMEWORK



The Strategy Framework strategically integrates primary land uses, future development, and an overlay of supporting strategies for re-energizing Downtown.

Revitalization of the city center will not be achieved through a few simple policy changes or one major development project. Instead, it will occur through a series of progressive, well-defined, synergistic strategies and initiatives that build upon one another and set the course for real change. While a single “magic bullet” development project can be highly susceptible to shifts in the market, a multi-layered and cohesive strategy - with programs, policies and improvements to support development - will be better able to respond to unforeseen changes in the future.

The Strategy Framework sets the “big picture” structure for this approach. The framework prioritizes action categories into a three-tiered hierarchy. This hierarchy (figure on the opposite page) identifies Primary Land Uses - the land use most important for achieving the vision and goals for Downtown Ocala - along with Catalytic Opportunity Sites for accommodating additional development in those land use categories. The Supporting Strategies are comprised of sub-categories that support the primary land uses and opportunity sites. Together these levels provide a structure for addressing issues and ensuring implementation of the Downtown Master Plan.

PRIMARY LAND USES

Five Primary Land Uses are identified as vital to Downtown's future economic health and success: Office/Finance, Government, Restaurant/Entertainment, Housing and Specialty Retail. Downtown has traditionally been a center of Office/Finance and Government. These uses are critical for the health of the city center, because they employ a large number of workers and draw people from throughout the area for work and special trips. Because of its importance, future policies should strive to keep government uses Downtown. Restaurant/Entertainment and Specialty Retail are two land uses that were once quite established in the Downtown core and have made a comeback in recent years. Specialty retail niches - distinct from what is offered in suburban commercial areas - must be cultivated in order to be competitive within the market. Finally, housing is a key component to any thriving city center environment. While market demand analysis suggests that modest amounts of housing can be supported in the coming years, it is important to stimulate residential development to create an active Downtown and support the other Primary Land Uses.

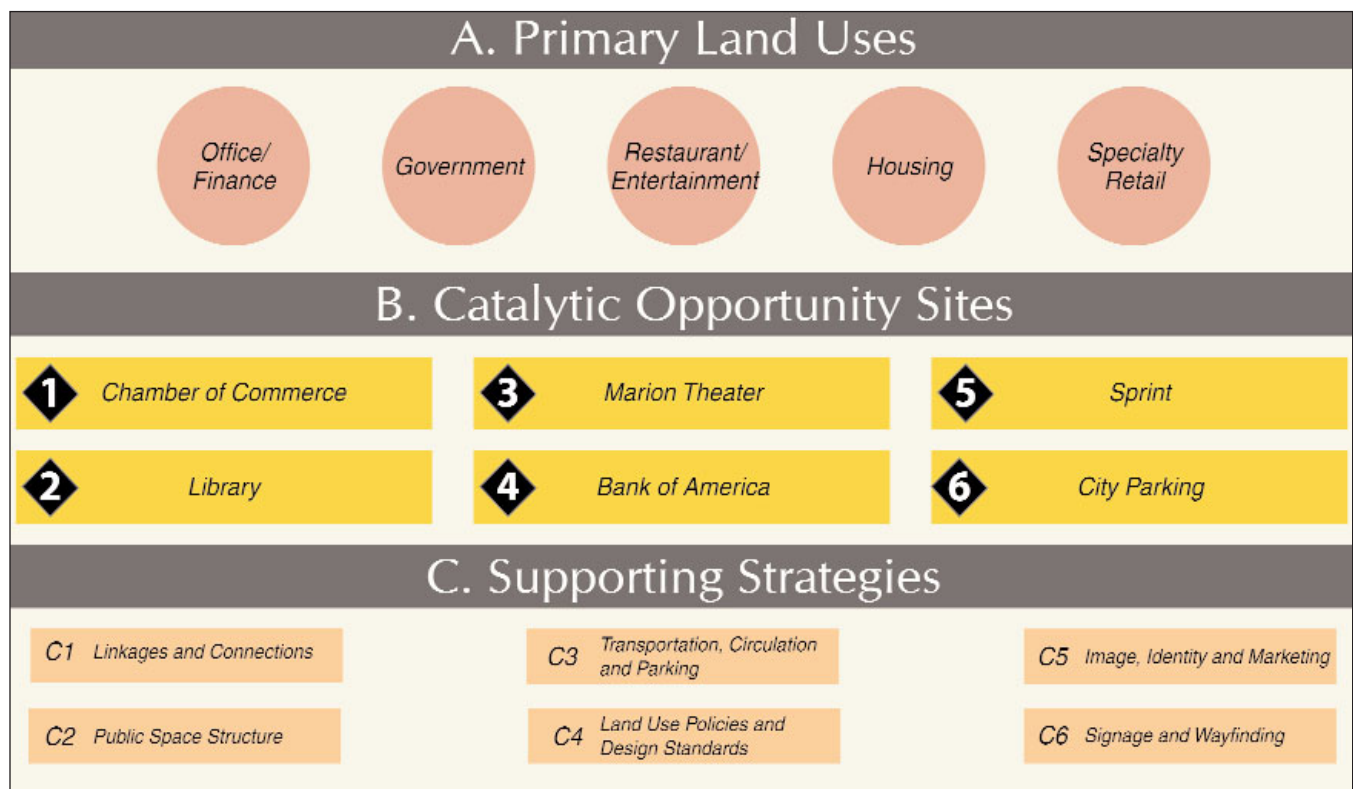
CATALYTIC OPPORTUNITY SITES

The Catalytic Opportunity Sites (discussed in detail later in this chapter) are also essential to Downtown's future success. The six primary sites are identified for near and longer term action and include a range of land use development, from mixed-use projects to public open spaces and parking structures. These sites were chosen for their strategic locations, which will link together missing pieces of the urban fabric, and for their potential to catalyze additional development and investment in the Downtown. Importantly, the land use and design of each site ensures that the project will link to its surroundings, foster an active street environment, adhere to design parameters that reflect the community's desires and stimulate additional nearby development.

SUPPORTING STRATEGIES

Several strategies provide support and structure for the other two categories. Comprised of a range of development actions, policy considerations and programmatic measures, the Supporting Strategies (also discussed in detail later in this section) help link together Downtown's physical framework and build energy to ensure that new development is successful and sustained.

Figure 3.1 Downtown Ocala Strategy Framework



STRATEGY DIAGRAM



The Strategy Diagram (opposite page) graphically represents the Strategy Framework detailed on the previous pages. The diagram provides a general perspective on present and future Downtown land uses, adjacencies, interconnections and relationships. It also emphasizes principal transportation, circulation and open space networks that link new developments together and connect them to their surroundings. In short, the Strategy Diagram is the visual blueprint or "road map" for Downtown's future development.

The diagram is based on a sequence of **interconnected districts** in and around the city center. These areas build on the presence and success of existing neighborhoods - such as the North Magnolia District and nearby historic residential districts - while more clearly defining other areas, such as the Government/Finance District. Clustering uses together into more readily **defined districts of commerce and activity** raises their visibility and helps bolster their economic viability.

These districts are linked by **strong pedestrian, bicycle, transit and automobile connections**. Broadway becomes a key east-west pedestrian corridor, with streetscape improvements extending from the West Ocala Historic District to the Ocala Historic District. **Mid-block connections** and **historic, comfortably scaled buildings** enhance the pedestrian environment. The character of the street also promotes revitalization of **specialty retail, entertainment, cultural activities, and restaurant uses** in the city center. Extending north-south through Downtown, Osceola Ave. is improved as a multi-modal corridor called the **Osceola Greenway**. The Greenway contains streetscape elements, trees, attractive sidewalks, bicycle lanes and rail transit, ultimately extending to the Amtrak station in the north end of the CRA. Automobile traffic is maintained on the existing arterial streets in and around Downtown, **though traffic calming improvements** help create a slower, pedestrian-friendly atmosphere. Key public **parks and open spaces are also connected** via these pedestrian and transportation links.

The **Downtown Core** forms the central hub of these districts and connections. In order to leverage and concentrate limited resources, this area is the focal point of most public and private development and improvements during early phases of Downtown's revitalization. **Primary Catalytic Opportunity Sites** (listed in the upper left of the diagram) in this area add life and activity to the area, animating the streetscape and providing new places for work, business and living. **Secondary Catalytic Opportunity Sites** (also listed in the upper left of the diagram) are also identified for development and redevelopment in the longer term. However, these sites are redeveloped sooner if market conditions are favorable. The Murphy Property is potentially developed with a mixed-use office, housing and retail project, while the other sites focus mostly on residential development.

Rejuvenation of the Downtown Core also includes the use of **upper stories of existing historic buildings** as residential units, particularly around the Square. While available square footages are relatively small, these converted lofts and

**Note: Re-use of these spaces is not accounted for in the economic analysis and may require modification of the pro formas.*

REPLACE THIS PAGE
WITH THE
STRATEGY
DIAGRAM
FIG 3.2

REPLACE THIS PAGE
WITH THE
DOWNTOWN
PERSPECTIVE
SKETCH
FIG 3.3

REPLACE THIS PAGE
WITH THE
DOWNTOWN
URBAN
FORM DIAGRAM
FIG 3.4

CATALYTIC OPPORTUNITY SITES

The primary Catalytic Opportunity Sites identified by the Strategy Framework represent an array of development potential. The projects range from mixed-use buildings and single-family detached homes to parking structures, and they take into account other important Downtown initiatives so that each site (1) builds on existing and future development to form an overall development framework for Downtown, and (2) is aligned with the primary land uses and supporting strategies in the Strategy Framework.

Together, successful development of these opportunity sites will help catalyze future development and strengthen the urban fabric of the city center. It will also help link sites within the core and connect the area to the surrounding neighborhoods. The new projects will be exciting centerpieces of a re-energized Downtown Ocala.

An overview of the projects is below, with each site discussed in greater detail on the following pages.

1. CHAMBER OF COMMERCE

Redevelopment of the Chamber of Commerce site on the east side of the Square is the top priority for Downtown. The existing Chamber of Commerce building - a low-intensity, two-story building with long blank walls and parking lots around the periphery - is inappropriately designed for an urban environment. The lack of density, large setbacks, and inward facing design drain energy from the Square. The result is a large “hole” in the community - on the most important site in Downtown.

The new project will replace the existing building with a mixed-use retail, residential and office project. This marquee project will focus energy and activity toward the Square and the rest of the Downtown Core, and it will be a signal to drivers on Silver Springs Blvd. that Downtown is rejuvenating.

The development will feature active retail and office frontage along the first floor (with a retail focus of shops, restaurants and cafes facing the Square), housing and office uses on upper floors, pedestrian-oriented streetscape amenities, and distinct architecture that borrows from the area's historic buildings.

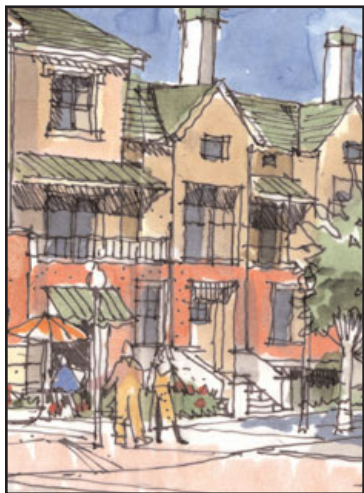
The Chamber of Commerce itself is a very important use to have located in the city center. The organization is an ambassador for Downtown business development, and its employees are patrons of area stores and services. Therefore, the project design will include office space that will suit the Chamber's needs, so that the group can move back onto its previous location in a new building that is better suited for the site.

2. LIBRARY SITE

In early 2004, the City Library will be moved from its location at the southeast corner of Silver Springs Blvd. and Osceola Ave. to a site east of Downtown on Highway 40 (a move planned prior to creation of the Downtown Master Plan). A new Library Site project will be developed in conjunction with the Chamber of Commerce redevelopment. A first phase will likely include construction of a



Proposed Chamber of Commerce Site.



Proposed Bank of America Site.

parking lot to accommodate parking for the Chamber of Commerce project. Then, a new mixed-use office and retail development with structured parking will be built on the site, replacing the parking lot.

Like the Chamber of Commerce site, the project will include active ground-floor uses and an appealing pedestrian streetscape. The parking structure will be well designed with efficient ingress and egress and attractive facades. It will provide parking for the Library Site project, as well as the Chamber of Commerce and Bank of America sites.

3. MARION THEATER

Rehabilitation and re-use of the historic Marion Theater is a key component of Downtown's revitalization. The theater will be remodeled to accommodate entertainment uses, such as films or live performances, coupled with a restaurant or café. The front façade and streetscape environment will also be enhanced.

Re-use of the Marion Theater will also add activity to the stores and restaurants of the surrounding blocks, as people shop and dine before and after shows.

4. BANK OF AMERICA SITE

Strategically located at the southeast corner of the Square, the Bank of America Site will consist of refurbishment of the existing structure as well as new development on the surface parking lot at east end of the block.

The current Bank of America building will be modified with attractive façade enhancements that reflect the surrounding historic fabric. The new development will feature attached townhouse-style housing units in a three-story building that faces onto Broadway and Osceola Ave. These residential units will feature windows, doors and stoops that open onto attractively landscaped sidewalks, creating a comfortable, pedestrian-friendly environment. The project will also have a commercial or restaurant use on the corner of Broadway and Osceola Ave. that activates the street corner and is an amenity for residents.

5. SPRINT SITE

The Sprint Site will provide additional residential units for the Downtown, as well as an attractive public plaza and open space area on an existing City-owned parking lot. The project's housing will transition in density from west to east (more dense in the west and less dense in the east), providing an appropriately scaled connection between the Downtown core and the historic housing districts.

The public plaza, located on the project's western end, will feature both hard-scape and lawn areas. The plaza will host annual ice skating activities and other events. It will also contain a concession and restroom kiosk. Two-to-three story townhouses will be located along the plaza, while farther east the housing will transition to small-lot single-family homes. The single-family homes may be used for residential occupation, home offices or professional offices.*

**Note: Re-use of these spaces is not accounted for in the economic analysis and may require modification of the pro formas.*

6. CITY PARKING SITE

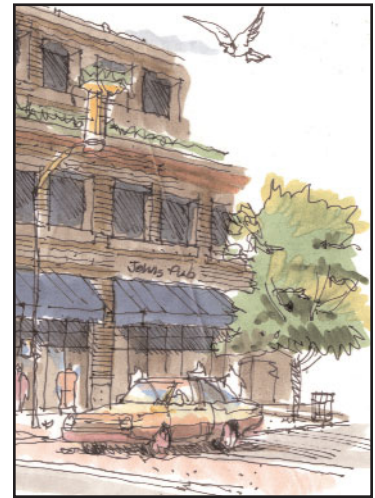
The City Parking Site will play an important role in the long-term revitalization of the Downtown north of Silver Springs Blvd. To be completed in later phases of the plan, the City Parking structure will build on the success of the other catalytic projects by providing parking for nearby uses such as the Concord Building, County Courthouse, future development of the Murphy Property, and other new projects as market demand grows.

The structure will contain ground-floor commercial space and attractive streetscape elements to create an active pedestrian environment. It will also have façade treatments and screening to ensure that the building is aesthetically pleasing and fits into the overall Downtown context.

SECONDARY OPPORTUNITY SITES

In addition to the primary sites, several other properties offer potential for redevelopment, particularly in the longer term. These sites will be developed when market demand increases in response to the heightened investment interest created by the primary sites. As with the primary sites, the secondary opportunities must respond to market needs and be developed in a way that complements existing land uses. The Secondary Opportunity Sites include:

- **Ocala Manufacturing:** Located at the northern end of the CRA between the amenities of the transit station and Tuscawilla Park, this City-owned 10-acre site is ideal for future housing development. Higher density apartments, condos or loft-style housing could be well-suited for the property.
- **Infill Housing Sites South of Seminole Feed:** The area directly south of the Seminole Feed plant between Watula Ave. and First Ave. is currently a mix of manufacturing/service uses and surface parking lots. With its proximity to the Downtown Core, Tuscawilla Park, and other amenities, the area is well-suited for higher density housing development.
- **Murphy Property:** Located just northwest of the Downtown Square, the Murphy Property is an important site because of its proximity to the Square area and its high visibility along Silver Springs Blvd. Currently a parking lot, this site should be developed with a mix of uses, such as office with ground-floor commercial that activates the streetscape. Proper site design and development will also facilitate connections between the Government/Finance District and the Downtown Core. In order to use the site at a high intensity, parking for the property could be located in the City Parking structure between Magnolia Ave. and First Ave.



Proposed City Parking Site.

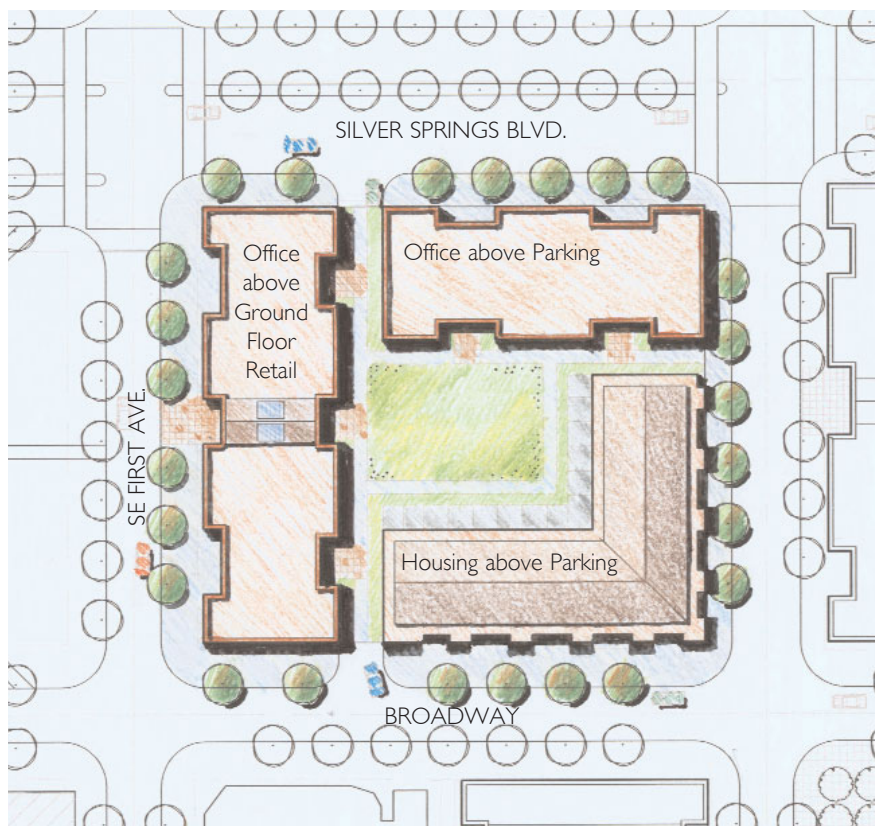


The Ocala Manufacturing site is adjacent to the Ocala Union Station, affording opportunities for future transit-oriented development.

CHAMBER OF COMMERCE



The new Chamber of Commerce site (above, looking northeast from the corner of Broadway and SE First Ave.) will be a landmark mixed-use building that adds energy and vitality to the Square area and the entire Downtown Core.



GENERAL

PROJECT OVERVIEW

- Mixed-use retail, residential and office development with structured parking
- Site is critical in the redevelopment of Downtown
- Maximizes views of Square
- Activates streetscape

DEVELOPMENT PROGRAM

OFFICE

40,000 square feet

HOUSING

22 units in second and third floors

COMMERCIAL

12,000 square feet of ground-floor retail space

PARKING

120 spaces in two-level structure

DESIGN STANDARDS

BUILDING DESIGN

- Articulate all facades with awnings, bays and windows
- Allow no blank walls along any frontage
- Provide minimum 12 ft. sidewalk widths along SE First Ave.
- Include porches/verandas on the second floor overlooking the Square
- Provide a minimum of 60 percent glass along SE First Ave. frontage
- Incorporate outdoor, cafe-style dining on ground floor and on second-floor verandas
- Use consistent storefront signage
- Ensure that building architecture reflects Ocala's historic character, utilizing local styles and materials (such as brick and granite accents, cornices, false fronts)
- Design upper-story office and residential space to take advantage of views of the Square and Osceola and Broadway pedestrian streetscapes
- Design the site to accommodate the Chamber of Commerce in approximately 3,000 square feet. The visitor center should be located on the ground floor



Outdoor cafe or restaurant dining - on both the ground and second floors - on SE First Ave. facing the Square will encourage pedestrians to stroll along the frontage, dine at the establishments, and visit nearby shops.

STREETSCAPE, PARKING & CIRCULATION

- Provide attractive landscaping treatments, street furniture and lighting along all facades
- Incorporate traffic calming improvements at the intersections of SE First Ave. with Broadway and Silver Springs Blvd. (bulb-outs, paving, lighted and/or raised crosswalks)
- Provide on-street parking on Silver Springs Blvd., SE First Ave. and Broadway frontages
- Screen on-street parking with greenery, hedges and decorative fences
- Provide access to structured parking from Silver Springs Blvd. and Broadway
- Encourage incorporation of local art into streetscape and storefront designs



Features such as attractive street trees, awnings, trash receptacles and street furniture will help create an active pedestrian streetscape at the Chamber of Commerce site.



The new Chamber of Commerce site (top, looking southeast from the corner of Silver Springs Blvd. and SE First Ave.) will incorporate design and style features similar to this mixed-use building in New Orleans (bottom).



CHAMBER OF COMMERCE

SITE PRO FORMA

· Estimated Development Costs	\$9.80 Million
· Estimated Development Costs (w/out pkg)	\$8.96 Million
· Estimated Parking Costs	\$835,219
· Total Net Operating Income	\$6.49 Million
· Project IRR	21.0%
· City Contribution	\$1.84 Million
· Permanent Jobs Created	233
· Annual Property Taxes Generated	\$95,145
· Annual Retail Sales Taxes Generated	\$231,000

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Sell the land (currently owned by the City) to the developer at little or no cost
- Provide a low-cost ground lease to the developer
- Use Tax Increment Financing (TIF) funds from the CRA to cover costs/bridge the financing gap for the developer
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Provide a density bonus for mixed-use development of the site
- Identify and coordinate with lenders that can provide a below-market rate mortgage or forgivable second mortgage to the developer
- Exempt from sales tax the purchase of building materials for the project (subject to availability and exemption as provided under state law)
- Use bond financing, perhaps through the Enterprise Bond Program administered by Enterprise Florida, to provide funds to bridge the financial gap for the developer (may need to package with other sites)

CITY CONTRIBUTION

· Existing Mortgage	\$ 142,000
· Parking Garage	\$ 835,219
· Parking Operating Expenses	\$ 261,008
· Land Writedown	\$ 500,000
· Demo/Site Prep/Acquisition	\$ 100,000
· Public Improvements	\$ -
· Façade improvements	\$ -

ESTIMATED TOTAL **\$ 1,838,227**

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM**Land Use**

Professional Office	40,000
Street-level Retail/Restaurant	12,000
Housing	24,200
Units	22
Total (Sq. Ft.):	76,200

Parking Spaces

Surface	-
On-street	-
Structured	120
Total (Spaces):	120

FINANCIAL ANALYSIS**Development Costs**

Residential	\$ 2,344,625
Commercial (Office & Retail)	6,019,833
Public Space/Plaza	-
Parking	835,219
Theater	-
Subtotal:	\$ 9,199,677

Other Costs

Basis in Land	\$ 500,000
Demolition/Site Prep	100,000
Façade Improvements	-
Subtotal:	\$ 600,000

TOTAL DEVELOPMENT COSTS: \$ 9,799,677

TOTAL COSTS WITHOUT PARKING: \$ 8,964,458

Net Operating Income (2)

Residential	\$ 1,692,354
Commercial (Office & Retail)	5,054,846
Public Space/Plaza	-
Parking	(261,008)
Theater	-

TOTAL - NOI: \$ 6,486,193

PRESENT VALUE & RETURN ANALYSIS

Internal Rate of Return (IRR)	21.03%
Net Present Value (Rounded) @	
10.0%	\$ 3,322,000
8.0%	\$ 3,996,000

CITY CONTRIBUTION

\$ 1,838,227

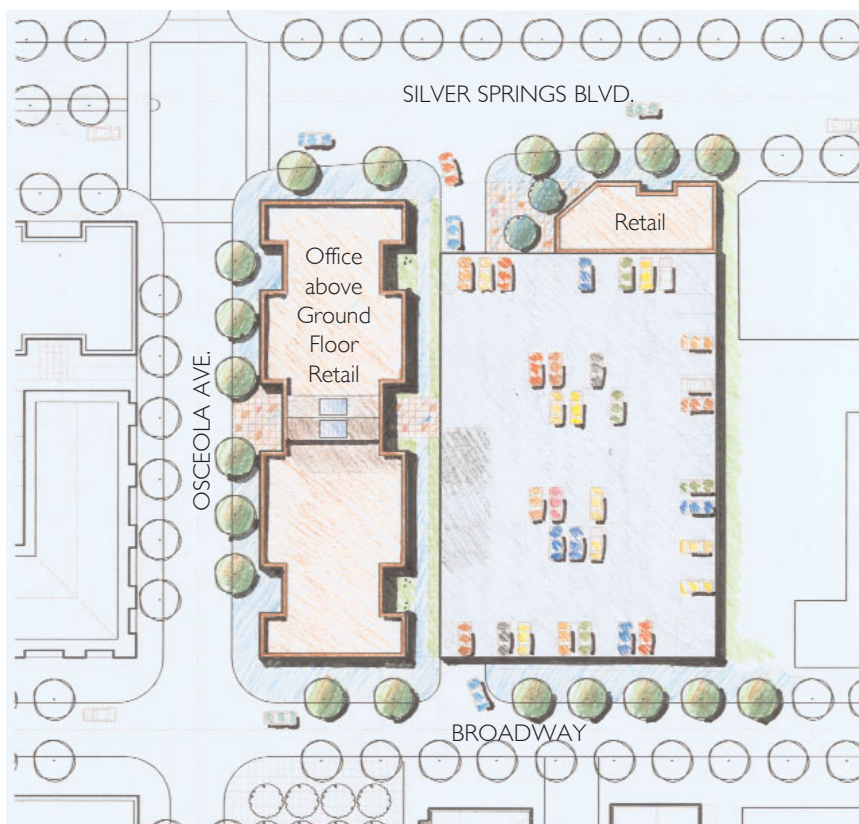
(1) Excludes Marion Theater.

(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

2 LIBRARY SITE



View of a new mixed-use retail and office building and parking structure, looking northeast from the corner of Broadway and Osceola Ave. The existing Sprint equipment facility is in the far right of the illustration.



GENERAL PROJECT OVERVIEW

- Mixed-use commercial and office development with structured parking that serves the project as well as adjacent development sites
- Project takes advantage of circulation off of Silver Springs for parking structure ingress/ egress
- Ground-floor activation of street, including Osceola multi-modal greenway
- Activates streetscape

DEVELOPMENT PROGRAM

OFFICE

25,000 square feet

COMMERCIAL

7,000 square feet of ground-floor retail space

PARKING

250 spaces in four level structure

DESIGN STANDARDS

BUILDING DESIGN

- Articulate all facades with awnings, bays and windows
- Ensure no blank walls along any face of the project, including parking structure frontage
- Focus active retail and commercial uses along the Osceola Ave. and Silver Springs Blvd. frontages
- Screen parking and mechanical equipment on the roof (top level of parking structure) with decorative fencing and greenery
- Use consistent storefront signage
- Ensure that building architecture reflects Ocala's historic character, utilizing local styles and materials (such as brick and granite accents, cornices, false fronts)



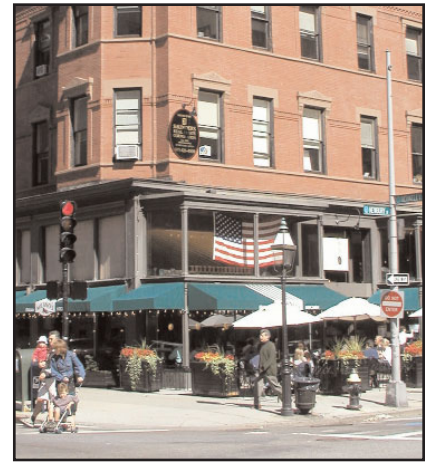
Signage of consistent design and size is important to establishing and maintaining the unique character of the city center. Ground-floor commercial and office space signage on the Library Site and all other development sites in Downtown should incorporate this concept.

STREETSCAPE, PARKING & CIRCULATION

- Provide attractive landscaping treatments, street furniture and lighting along all facades
- Screen parking structure walls with greenery, hedges or decorative fences
- Incorporate traffic calming improvements at the intersections of Osceola Ave. with Broadway and Silver Springs Blvd. (bulb-outs, paving, lighted and/or raised crosswalks)
- Provide on-street parking on Osceola Ave. and Broadway frontages where feasible
- Provide access to structured parking off of Silver Springs Blvd. and Broadway



On-street parking close to nearby shops and services is key to Downtown's economic vitality. Parking should be located between pedestrian bulb-outs and street trees to create an easy, friendly environment for pedestrians and people parking their cars.



The new mixed-use Library Site project will include ground-floor commercial/office uses and second- and third-floor offices, as well as a parking structure that will serve the development and surrounding sites in the Downtown. Ground-floor spaces may initially favor small office type uses - such as a mortgage broker or graphic designer - but should shift to retail shops as the market gains momentum and areas adjacent to the Square are filled.



LIBRARY SITE

SITE PRO FORMA

· Estimated Development Costs	\$5.80 Million
· Estimated Development Costs (w/out pkg)	\$4.14 Million
· Estimated Parking Costs	\$1.66 Million
· Total Net Operating Income	\$1.90 Million
· Project IRR	11.3%
· City Contribution	\$2.81 Million
· Permanent Jobs Created	143
· Annual Property Taxes Generated	\$134,750
· Annual Retail Sales Taxes Generated	\$134,750

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Provide a low-cost ground lease to the developer
- Use Tax Increment Financing (TIF) funds from the CRA to cover costs/bridge the financing gap for the developer
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Provide a density bonus for mixed-use development of the site
- Identify and coordinate with lenders that can provide a below-market rate mortgage or forgivable second mortgage to the developer
- Exempt from sales tax the purchase of building materials for the project (subject to availability and exemption as provided under state law)
- Use bond financing, perhaps through the Enterprise Bond Program administered by Enterprise Florida, to provide funds to bridge the financial gap for the developer (may need to package with other sites)

CITY CONTRIBUTION

· Existing Mortgage	\$ -
· Parking Garage	\$ 1,657,656
· Parking Operating Expenses	\$ 855,143
· Land Writedown	\$ -
· Demo/Site Prep/Acquisition	\$ 300,000
· Public Improvements	\$ -
· Façade improvements	\$ -
ESTIMATED TOTAL	\$ 2,812,799

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM

Land Use	
Professional Office	25,000
Street-level Retail/Restaurant	7,000
Housing	-
Units	-
Total (Sq. Ft.):	32,000

Parking Spaces	
Surface	-
On-street	-
Structured	250
Total (Spaces):	250

FINANCIAL ANALYSIS

Development Costs	
Residential	\$ -
Commercial (Office & Retail)	3,841,784
Public Space/Plaza	-
Parking	1,657,656
Theater	-
Subtotal:	\$ 5,499,440

Other Costs	
Basis in Land	\$ -
Demolition/Site Prep	300,000
Façade Improvements	-
Subtotal:	\$ 300,000

TOTAL DEVELOPMENT COSTS:	\$ 5,799,440
TOTAL COSTS WITHOUT PARKING:	\$ 4,141,784

Net Operating Income (2)	
Residential	\$ -
Commercial (Office & Retail)	2,759,907
Public Space/Plaza	-
Parking	(855,143)
Theater	-
TOTAL - NOI:	\$ 1,904,764

PRESENT VALUE & RETURN ANALYSIS

Internal Rate of Return (IRR)	11.31%
Net Present Value (Rounded) @	
10.0%	\$ 826,000
8.0%	\$ 1,032,000

CITY CONTRIBUTION

\$ 2,812,799

(1) Excludes Marion Theater.

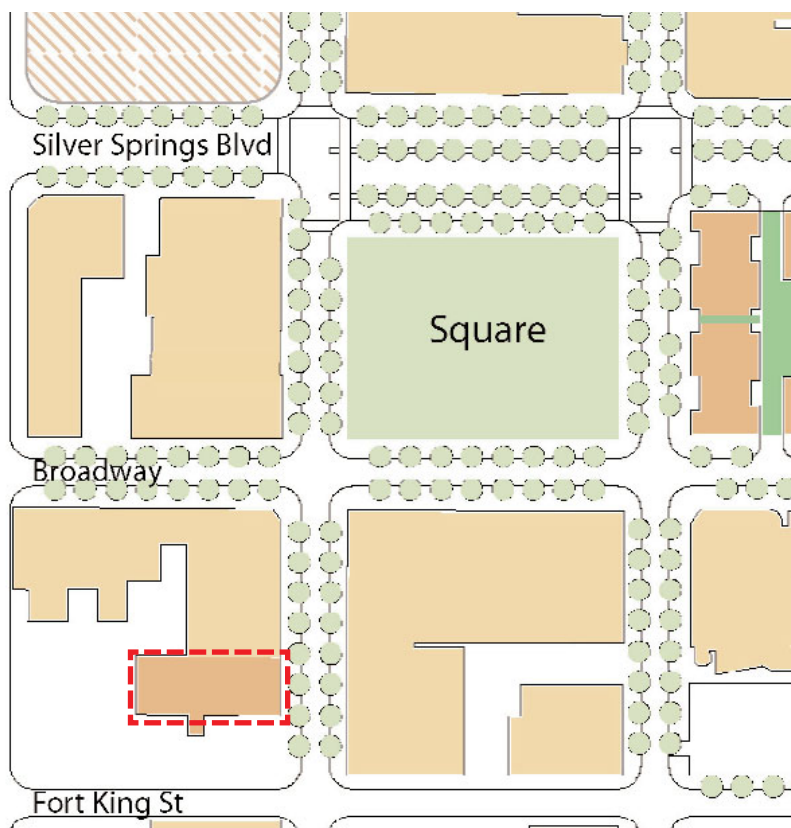
(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

3

MARION THEATER



The Marion Theater is a landmark destination for Downtown and a symbol of its revitalization. Its re-use will attract local residents and visitors alike, providing activation of the theater itself, as well as supporting retail and restaurant uses in the Downtown.



GENERAL

PROJECT OVERVIEW

- Redevelopment of the building with active theater, live performance and/or restaurant uses
- Maintain and enhance existing historic facade
- Activation of restaurant and retail uses in the surrounding area

DEVELOPMENT PROGRAM

COMMERCIAL

6,800 square feet multi-use theater
4,000 square feet restaurant

PARKING

30 adjacent surface spaces

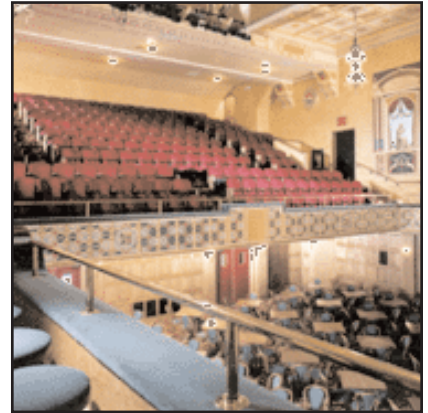
DESIGN STANDARDS

BUILDING DESIGN

- Preserve the existing facade while maintaining the historic marquee, arcade and poster/billing windows
- Articulate the front entrance with improvements that provide better visual access to the building; expand doorway openings and put in large windows
- Restore the building's inner structure to accommodate theater and/or live performances
- Ensure that rehabilitation of the internal structure incorporates historic-style features, such as traditional seats, artistic wall treatments, and stylish decor

STREETScape, PARKING & CIRCULATION

- Provide attractive landscaping treatment, street furniture and lighting along the S Magnolia and Fort King Frontages
- Screen surface parking with greenery and hedges



The Marion Theater is an important link to the entertainment and cultural offerings of Ocala's historic past. The Gem Theater (above) in Detroit, Michigan, is an example of successful restoration of a community theater that has featured films and live performances.

3 MARION THEATER

SITE PRO FORMA

· Estimated Development Costs	\$1.21 Million
· Estimated Development Costs (w/o pkg)	\$1.21 Million
· Estimated Parking Costs	\$0
· Total Net Operating Income	\$678,291
· Project IRR	8.6%
· Permanent Jobs Created	10-15
· Annual Property Taxes Generated	\$104,332 (lease)
· Annual Retail Sales Taxes Generated	\$73,080 (Rest. only)

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Lease theater at little or no cost to the developer
- Assistance with grant application preparation and administration for theater restoration
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Exempt from sales tax the purchase of building materials for rehabilitation(subject to availability and exemption as provided under state law

CITY CONTRIBUTION

- None

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM

Land Use		
Multi-use Theater		6,800
Restaurant		4,000
Total (Sq. Ft.):		10,800
No. of Seats		
Multi-use Theater		252
Restaurant		112
Total (Seats):		364
Parking		
No. of Spaces		30

FINANCIAL ANALYSIS

Hard & Soft Costs		
Multi-use Theater (Pro Rata)	\$	818,253
Restaurant @ \$100/SF		400,000
Parking		-
TOTAL DEVELOPMENT COSTS:	\$	1,218,253
<i>Per Sq. Ft.</i>	\$	113

ESTIMATED REVENUES & EXPENSES

Gross Annual Revenues		
Multi-use Theater	\$	265,162
Restaurant		1,043,318
Parking		-
Subtotal:	\$	1,308,480
Operating Expenses		
	\$	317,194
Restaurant		312,995
Parking		-
Subtotal:	\$	630,189
TOTAL - NET OPERATING INCOME:	\$	678,291

ESTIMATED REVENUE POTENTIAL TO CITY

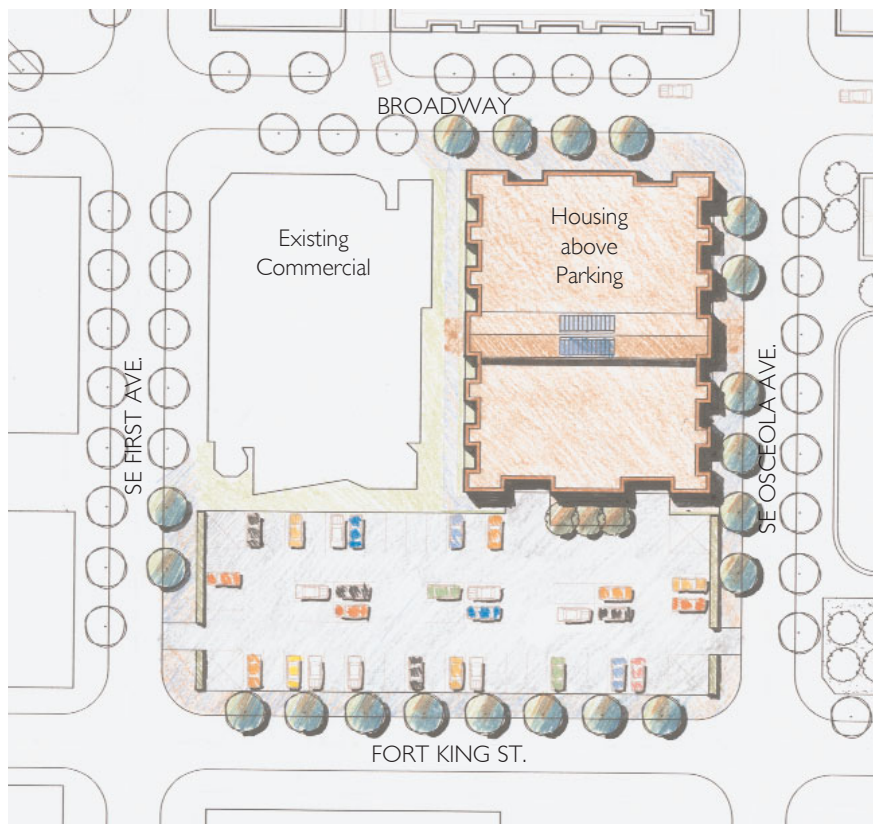
Restaurant		
Annual Lease @ 10% of Gross	\$	104,332
Theater		
Assumes No Annual Rental Payments	\$	-
Total Development Costs	\$	1,218,253
POTENTIAL RETURN-ON-INVESTMENT:		8.6%

4

BANK OF AMERICA SITE



The Bank of America site will maintain existing office and bank uses while incorporating a mixed-use housing and commercial development. This view shows townhouse fronting along Broadway (at left), as well as new facade treatments to the existing bank building.



GENERAL PROJECT OVERVIEW

- Mixed-use housing and commercial development
- Massing of new development is similar to the existing Bank of America building to the west, and preserves bank parking to south
- Parking for housing is incorporated in structure below units
- A small commercial or cafe space is located at the corner of Broadway and Osceola

DEVELOPMENT PROGRAM HOUSING

30 units (1000-1200 square feet per unit)

COMMERCIAL
2,000 square feet of ground-floor retail space at northeast corner

PARKING
50 structured spaces for housing;
40 adjacent surface parking spaces

DESIGN STANDARDS

BUILDING DESIGN

- Articulate housing fronts with stoops, porches, windows and doorways that open onto Broadway and Osceola
- Ensure that rear facades (to south) offer visual interest; avoid blank walls
- Change facade of existing bank building to reflect surrounding historic fabric: create separate window bays and brick treatments; install awnings above ground floor spaces; expand doorway openings into building
- Ensure that facade improvements to the existing building and new housing architecture reflect Ocala's historic character, utilizing local styles and materials (such as brick and granite accents)
- Provide a corner entry, awning, large doorway and windows for the commercial space

STREETSCAPE, PARKING & CIRCULATION

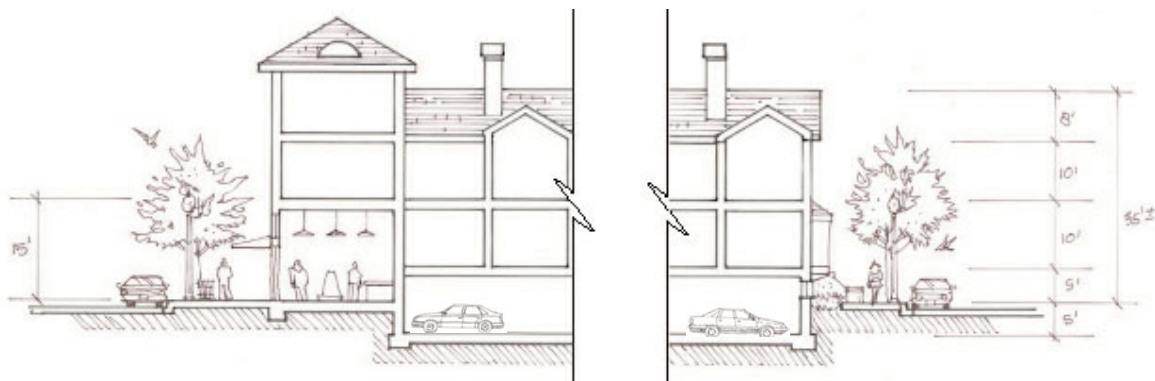
- Provide attractive landscaping treatment and lighting along Osceola and Broadway
- Screen surface parking with greenery, hedges or decorative fences
- Provide on-street parking on Osceola Ave., Broadway, Fort King St. and SE First Ave. frontages
- Provide access to resident parking from Broadway (mid-block); provide bank parking access from Osceola Ave. and SE First Ave.



Housing at the Bank of America Site should feature attractive front facades with landscaping, articulated entryways, and front stoops as in the example from Savannah, GA. (above).



View of the Bank of America site, looking southwest from the corner of Osceola Ave. and Broadway (above). The housing and corner cafe/retail shop help activate the intersection, multi-modal greenway, and public plaza across the street. The project is in scale with the surrounding blocks and utilizes historic architectural elements and materials to fit with and enhance the existing urban fabric of the Downtown Core. The section sketch (below) illustrates building, streetscape and parking relationships for the commercial corner along Broadway (left) and housing along Osceola Ave. (right).





BANK OF AMERICA

SITE PRO FORMA

· Estimated Development Costs	\$4.08 Million
· Estimated Development Costs (w/o pkg)	\$3.72 Million
· Estimated Parking Costs	\$356,997
· Total Net Operating Income	\$2.11 Million
· Project IRR	15.1%
· City Contribution	\$220,000
· Permanent Jobs Created	10
· Annual Property Taxes Generated	\$39,251
· Annual Retail Sales Taxes Generated	\$38,500

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Use Tax Increment Financing (TIF) funds from the CRA to cover costs/bridge the financing gap for the developer
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Provide a density bonus for mixed-use development of the site
- Identify and coordinate with lenders that can provide a below-market rate mortgage or forgivable second mortgage to the developer
- Exempt from sales tax the purchase of building materials for the project (subject to availability and exemption as provided under state law)
- Use bond financing, perhaps through the Enterprise Bond Program administered by Enterprise Florida, to provide funds to bridge the financial gap for the developer (may need to package with other sites)

CITY CONTRIBUTION

· Existing Mortgage	\$ -
· Parking Garage	\$ -
· Parking Operating Expenses	\$ -
· Land Writedown	\$ 150,000
· Demo/Site Prep/Acquisition	\$ 20,000
· Public Improvements	\$ -
· Façade improvements	\$ 50,000

ESTIMATED TOTAL **\$ 220,000**

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM**Land Use**

Professional Office	-
Street-level Retail/Restaurant	2,000
Housing	33,000
Units	30

Total (Sq. Ft.):	35,000
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Parking Spaces

Surface	-
On-street	-
Structured	50

Total (Spaces):	50
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FINANCIAL ANALYSIS**Development Costs**

Residential	\$	3,293,132
Commercial (Office & Retail)		157,571
Public Space/Plaza		100,000
Parking		356,997
Theater		-

Subtotal:	\$	3,907,701
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Other Costs

Basis in Land	\$	150,000
Demolition/Site Prep		20,000
Façade Improvements		50,000

Subtotal:	\$	220,000
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TOTAL DEVELOPMENT COSTS:	\$	4,127,701
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TOTAL COSTS WITHOUT PARKING:	\$	3,770,704
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Net Operating Income (2)

Residential	\$	2,068,562
Commercial (Office & Retail)		171,144
Public Space/Plaza		-
Parking		(133,052)
Theater		-

TOTAL - NOI:	\$	2,106,653
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PRESENT VALUE & RETURN ANALYSIS

Internal Rate of Return (IRR)		15.08%
Net Present Value (Rounded) @		
10.0%	\$	991,000
8.0%	\$	1,207,000

CITY CONTRIBUTION

	\$	220,000
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(1) Excludes Marion Theater.

(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

5 SPRINT SITE



View of small lot single-family homes at the eastern portion of the Sprint site. These homes may be used for residential home occupation, home offices and professional services.



GENERAL

PROJECT OVERVIEW

- A mix of medium-density housing units combined with a public plaza on the west end of the site
- Public plaza to host annual ice skating and other events
- Parking for housing is accessed via alleyways, with units facing onto the street and public plaza

DEVELOPMENT PROGRAM

HOUSING

18 townhouse units; 9 single family/professional office units

PUBLIC PLAZA

Approximately 20,800 square feet of public plaza hardscape, 2400 square feet of lawn and restroom/concession stand area

PARKING

54 spaces including four visitor spaces

DESIGN STANDARDS

BUILDING DESIGN

- Articulate housing fronts with stoops, porches, windows and doorways that open onto Broadway, Watula Ave. and Fort King St.
- Provide windows and private entries from townhouse units onto the public plaza along Osceola Ave.
- Ensure that new housing architecture reflects Ocala's historic character, utilizing local styles and materials (such as brick and granite accents)
- Create a well-landscaped public plaza on the site's west end, with a central hardscape area for hosting events and activities (such as ice skating); provide smaller side lawn and hardscape areas for informal gatherings
- Provide a single-story kiosk to house restrooms and small-scale concession services for people attending events at the plaza
- Create a buffer between new housing and remaining Sprint building



Townhouses (above) will open directly onto the green spaces and plaza areas on the west end of the site, helping to activate the spaces and keeping “eyes on the street” for safety.

The public plaza (right) will be a central gathering place for formal events such as ice skating or festivals and for informal meetings, lunches and relaxation. It will also be a key pedestrian and open space link in the Downtown Core.

STREETSCAPE, PARKING & CIRCULATION

- Provide attractive sidewalks and landscaping treatments along all housing frontages onto the street
- Provide access to resident parking from Broadway and Fort King Street (mid-block)
- Create narrow alleyways (20-24') for internal auto circulation
- Keep the alleyway in the southeast portion of the site open-ended to allow for future housing development on the site's northeast corner
- Provide on-street parking on Osceola Ave., Broadway, Fort King St. and Watula Ave. frontages
- Create internal paths and courtyards to provide pedestrian paths to the plaza area and points beyond
- Landscape the public plaza area with attractive brick hardscape, lawns, and native trees such as magnolias, willows and crepe myrtles
- Create pedestrian connections in the plaza area, particularly north-south across the site to link the City Hall area to the new Chamber of Commerce, Library and Bank of America developments and the Downtown Square



The site's single family housing will reflect the architecture of the adjacent historic districts, tying together these areas with the more dense Downtown Core environment.



5 SPRINT SITE

SITE PRO FORMA

· Estimated Development Costs	\$5.89 Million
· Estimated Development Costs (w/o pkg)	\$5.76 Million
· Estimated Parking Costs	\$121,590
· Total Net Operating Income	\$5.63 Million
· Project IRR	\$19.3%
· City Contribution	\$321,360
· Permanent Jobs Created	5
· Annual Property Taxes Generated	\$56,478
· Annual Retail Sales Taxes Generated	\$9,625

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Use Tax Increment Financing (TIF) funds from the CRA to cover costs/bridge the financing gap for the developer
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Identify and coordinate with lenders that can provide a below-market rate mortgage or forgivable second mortgage to the developer
- Exempt from sales tax the purchase of building materials for the project (subject to availability and exemption as provided under state law)
- Use bond financing, perhaps through the Enterprise Bond Program administered by Enterprise Florida, to provide funds to bridge the financial gap for the developer (may need to package with other sites)

CITY CONTRIBUTION

· Existing Mortgage	\$ -
· Parking Garage	\$ -
· Parking Operating Expenses	\$ -
· Land Writedown	\$ -
· Demo/Site Prep/Acquisition	\$ -
· Public Improvements	\$ 321,360
· Façade improvements	\$ -

ESTIMATED TOTAL **\$ 321,360**

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM**Land Use**

Professional Office	-
Street-level Retail/Restaurant	500
Housing	45,000
Units	27

Total (Sq. Ft.):	45,500
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Parking Spaces

Surface	54
On-street	-
Structured	-

Total (Spaces):	54
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FINANCIAL ANALYSIS**Development Costs**

Residential	\$ 4,807,500
Commercial (Office & Retail)	36,050
Public Space/Plaza	321,360
Parking	121,590
Theater	-

Subtotal:	\$ 5,286,501
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Other Costs

Basis in Land	\$ 300,000
Demolition/Site Prep	300,000
Façade Improvements	-

Subtotal:	\$ 600,000
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TOTAL DEVELOPMENT COSTS:	\$ 5,886,501
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TOTAL COSTS WITHOUT PARKING:	\$ 5,764,910
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Net Operating Income (2)

Residential	\$ 5,572,729
Commercial (Office & Retail)	59,364
Public Space/Plaza	-
Parking	-
Theater	-

TOTAL - NOI:	\$ 5,632,093
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PRESENT VALUE & RETURN ANALYSIS

Internal Rate of Return (IRR)	19.30%
Net Present Value (Rounded) @	
10.0%	\$ (776,000)
8.0%	\$ (1,076,000)

CITY CONTRIBUTION

\$ 321,360

(1) Excludes Marion Theater.

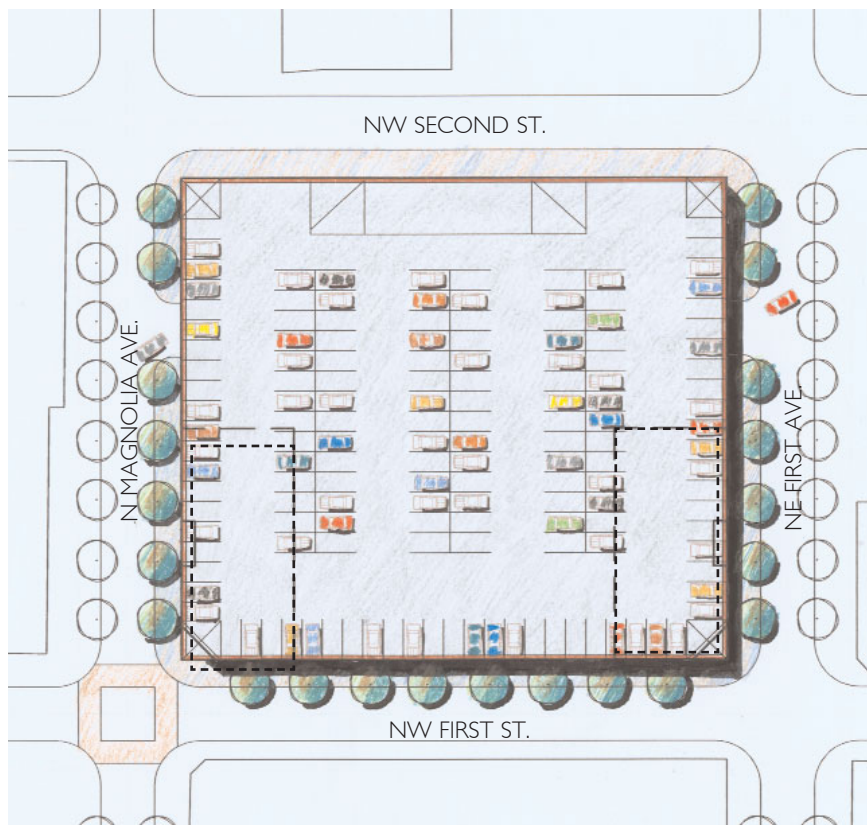
(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

6

CITY PARKING SITE



View of the City Parking structure looking northwest from the corner of NE First Ave. and NE First St. This structure has active ground-floor uses, facade treatments, setbacks and screening to ensure that the design avoids a “monolithic” scale and fits into the existing urban fabric.



GENERAL PROJECT OVERVIEW

- Parking structure will eventually feature ground-floor commercial uses at the southeast and southwest corners of the site
- Parking serves surrounding office and commercial uses in the north end of the Downtown Core
- Design utilizes active ground-floor uses, facades, screening, lighting and other treatments

DEVELOPMENT PROGRAM

PARKING

480 spaces in five-level structure (100 on first level, 120 on each remaining level)

COMMERCIAL (future use)

10,000 square feet of ground-floor commercial space (5000 square foot spaces each along NE First Ave. and Magnolia Ave.)

DESIGN STANDARDS

BUILDING DESIGN

- Ensure no blank walls along any face of the project
- Design facades with bays, windows, greenery and brick treatments to avoid a blocky, blank or monolithic look to the structure
- Focus active retail and commercial uses along at the southwest and southeast corners of the project
- Articulate ground-floor commercial spaces with awnings, bays and windows
- Screen parking and mechanical equipment on the roof (top level of parking structure) with decorative fencing and greenery
- Ensure that building architecture reflects Ocala's historic character, utilizing local styles and materials (such as brick and granite accents, cornices, false fronts)



Use of historic architectural elements and materials creates a structure that enhances the Downtown Core and the pedestrian environment.

STREETSCAPE, PARKING & CIRCULATION

- Provide attractive sidewalk amenities and landscaping treatments along all street frontages, including benches, lighting fixtures, trash receptacles
- Provide access to structured parking off of NE First Ave. and Magnolia Ave.
- Ensure highly visible pedestrian crosswalks at all exits and entrances to the structure to signal the presence of pedestrians to autos



The City Parking structure design should include details such as ground-floor commercial uses, awnings, attractive signage, and pedestrian amenities (above). This will help the project fit into the surrounding Downtown environment, avoiding the typical large scale and unfriendly facades associated with parking structures.



As the Downtown develops and parking demand grows, the City Parking structure will be an important development project for the area north of Silver Springs Blvd. (above). The project will serve nearby uses such as the Concord Building, County Courthouse, and future development on the Murphy Property, allowing for the same density and urban character as the Downtown Core.

6 CITY PARKING SITE

SITE PRO FORMA

· Estimated Development Costs	\$3.19 Million
· Estimated Development Costs (w/o pkg)	\$20,000
· Estimated Parking Costs	\$3.17 Million
· Total Net Operating Income	-\$1.27 Million
· Project IRR	0%
· City Contribution	\$4.45 Million
· Permanent Jobs Created	0
· Annual Property Taxes Generated	\$0
· Annual Retail Sales Taxes Generated	\$0

INCENTIVES

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

either singly or in combination, where appropriate

- Offer affordable lease rates for designated parking to adjacent business owners
- Provide a low-cost ground lease to the developer
- Use Tax Increment Financing (TIF) funds from the CRA to cover costs/bridge the financing gap for the developer
- Provide credit, fee waivers or fee deferments on exactions for water and sewer fees and construction/ building permit fees
- Use bond financing, perhaps through the Enterprise Bond Program administered by Enterprise Florida, to provide funds to bridge the financial gap for the developer (may need to package with other sites)

CITY CONTRIBUTION

· Existing Mortgage	\$ -
· Parking Garage	\$ 3,165,494
· Parking Operating Expenses	\$ 1,266,688
· Land Writedown	\$ -
· Demo/Site Prep/Acquisition	\$ 20,000
· Public Improvements	\$ -
· Façade improvements	\$ -
ESTIMATED TOTAL	\$ 4,452,182

ASSUMPTIONS

- Basis in land is subject to negotiations with land owner.
- NOI reflects gross revenues less operating expenses for all uses.
- Retail occupancy rates have been accelerated.
- Millage rate assumption is \$11.37.
- Responsibility for annual parking operating costs is subject to negotiation.
- Bond financing assumes 30-year term at 6.5 percent.

DEVELOPMENT PROGRAM**Land Use**

Professional Office	-
Street-level Retail/Restaurant	-
Housing	-
Units	-

Total (Sq. Ft.):	-
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Parking Spaces

Surface	-
On-street	-
Structured	450

Total (Spaces):	450
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FINANCIAL ANALYSIS**Development Costs**

Residential	\$	-
Commercial (Office & Retail)		-
Public Space/Plaza		-
Parking		3,165,494
Theater		-

Subtotal:	\$	3,165,494
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Other Costs

Basis in Land	\$	-
Demolition/Site Prep		20,000
Façade Improvements		-

Subtotal:	\$	20,000
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TOTAL DEVELOPMENT COSTS:	\$	3,185,494
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TOTAL COSTS WITHOUT PARKING:	\$	20,000
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Net Operating Income (2)

Residential	\$	-
Commercial (Office & Retail)		-
Public Space/Plaza		-
Parking		(1,266,688)
Theater		-

TOTAL - NOI:	\$	(1,266,688)
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PRESENT VALUE & RETURN ANALYSIS

Internal Rate of Return (IRR)		0.00%
Net Present Value (Rounded) @		
10.0%	\$	(625,000)
8.0%	\$	(714,000)

CITY CONTRIBUTION

	\$	4,452,182
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(1) Excludes Marion Theater.

(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

SUPPORTING STRATEGIES

The following pages outline several strategy categories that support the Primary Land Uses and Catalytic Opportunity Sites. The strategies focus on overlays that will leverage Downtown development and create a dynamic, interconnected whole. For example, development of the Chamber of Commerce Site alone will not ensure its success. The new project must connect to its surroundings, have easy access and identification through signage and wayfinding, be linked to open space and transportation amenities, have adequate parking, and play a role in the overall image and marketing of Downtown. This integrated approach will support the long-term success and vibrancy of each opportunity site as well as the entire city center.

The Master Plan's Supporting Strategies include:

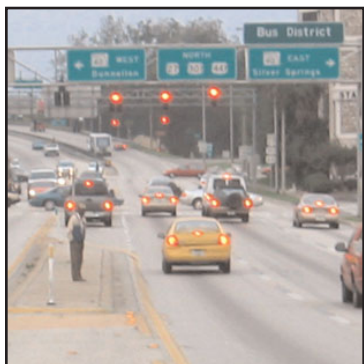
1. **Linkages and Connections:** Physical streetscape and mid-block connections that link key activity nodes within the city center and connect the Downtown to nearby districts and the greater region.
2. **Public Space Structure:** (including Osceola Greenway): Parks, plazas, courtyards, mid-block links, green corridors and other spaces that provide gathering spots, places for relaxation, recreational opportunities, and a sense of discovery for pedestrians as they walk through the city center.
3. **Transportation, Circulation and Parking:** Key elements of automobile and transit circulation to minimize conflicts with pedestrians, allow efficient movement of vehicles, and ensure adequate parking supply and access.
4. **Land Use Policies and Design Standards:** Broad policies and design parameters to ensure that all new projects, redevelopment projects, public improvements, and other planning initiatives contribute to a cohesive, well-managed and well-designed Downtown environment.
5. **Image, Identity and Marketing:** A suite of tools to cultivate a unified image and identity for the city center, boost the area's economic health, and increase awareness of Downtown's civic and cultural amenities.
6. **Signage and Wayfinding:** Building on image, identity and marketing efforts, a comprehensive program to direct residents and visitors to stores, civic uses, entertainment venues, events, park spaces and other amenities in the Downtown.



I. LINKAGES AND CONNECTIONS



The Broadway corridor is already a nice walking environment for pedestrians on certain blocks and is identified for future streetscape and building enhancements.



Pine Ave. is currently a difficult street for pedestrians to cross safely.

Attractive and efficient pedestrian, bicycle, transit and auto connections are crucial to the revitalization of Downtown. More fluidly connecting the surrounding districts and outlying neighborhoods to the city center will help infuse life into the area and create a more cohesive citywide identity.

The Pedestrian-Oriented Streetscape diagram (opposite) illustrates the design strategy for linking areas of Downtown and providing connections to Ocala's neighborhoods.

Pedestrian streetscape enhancements are focused in the Downtown Core area to concentrate resources and build a strong base of consistent elements. These enhancements include street trees, street furniture (such as benches), trash receptacles and lighting. Improvements are made along the major arterial streets of Silver Springs Blvd., Magnolia Ave. and First Ave., as well as the north-south Osceola Greenway (discussed in greater detail on page 64). Broadway is improved as a special east-west pedestrian-oriented street, with emphasis on streetscape enhancements and their interrelation with the corridor's well-scaled buildings, attractive frontages and outdoor dining. In addition, the City Parking structure is linked along NE First St. to the Osceola Greenway, to connect the two transportation amenities.

Pedestrian-oriented improvements are also made along Silver Springs Blvd. and Broadway outside of the Downtown Core to Pine Ave. and Watula Ave. These connections help link the core area to the historic districts and the heavily traveled Pine Ave. corridor, signaling to pedestrians, bicycles and automobiles their entrance into a unique part of the city.

Intersection improvements along Silver Springs Blvd. (at the Magnolia Ave., First Ave. and Osceola Ave. intersections) enhance pedestrian comfort and safety while linking together the northern and southern parts of Downtown. Improvements along Pine Ave. (at SW Second St. and NW 2nd St.) facilitate pedestrian walkability and connect the West Ocala district to Downtown. Intersection improvements are discussed in greater detail on page 68.

REPLACE THIS PAGE
WITH THE
PEDESTRIAN
STREETSCAPE
DIAGRAM
FIG 3.5

2. PUBLIC SPACE STRUCTURE

It is important to create a public space network that links together the different areas of Downtown and provides a diversity of exciting places for gathering, relaxation and recreation. Public spaces and connections are illustrated in the Downtown Core Public Space Structure diagram (following the next page). Key features include public parks, mid-block courtyards and walkways, pleasant streetscape environments, and the Osceola Greenway.

Downtown Ocala's open spaces provide ideal locations to house cultural events, and community-building activities. The Downtown Square is the centerpiece of the area's public space structure. It serves as the City's focal point for special events, civic celebrations, or day-to-day relaxation and lunchtime socializing. The public plaza and green at the west end of the Sprint Site hosts the annual ice skating event and other activities. It also serves as an outdoor space for nearby residents and office workers, and it provides a connection to the green space to the west of City Hall. These public park amenities are connected by streetscape and green enhancements along Osceola Ave. and Broadway.

Also important to Downtown's open space network are the small courtyards and mid-block pathways in, between and around the area's buildings. These areas complement the larger public open spaces, tie the blocks together, and provide interest to the pedestrian.

Together these formal and informal parks, courtyards and pathways provide a complete network of public spaces for the Downtown.



The Downtown Square is the perfect place to sit, relax and read the newspaper.



Small, informal eating and gathering spaces, such as the courtyard space near the Brick City Cafe, are important parts of the public space structure.

OSCEOLA GREENWAY

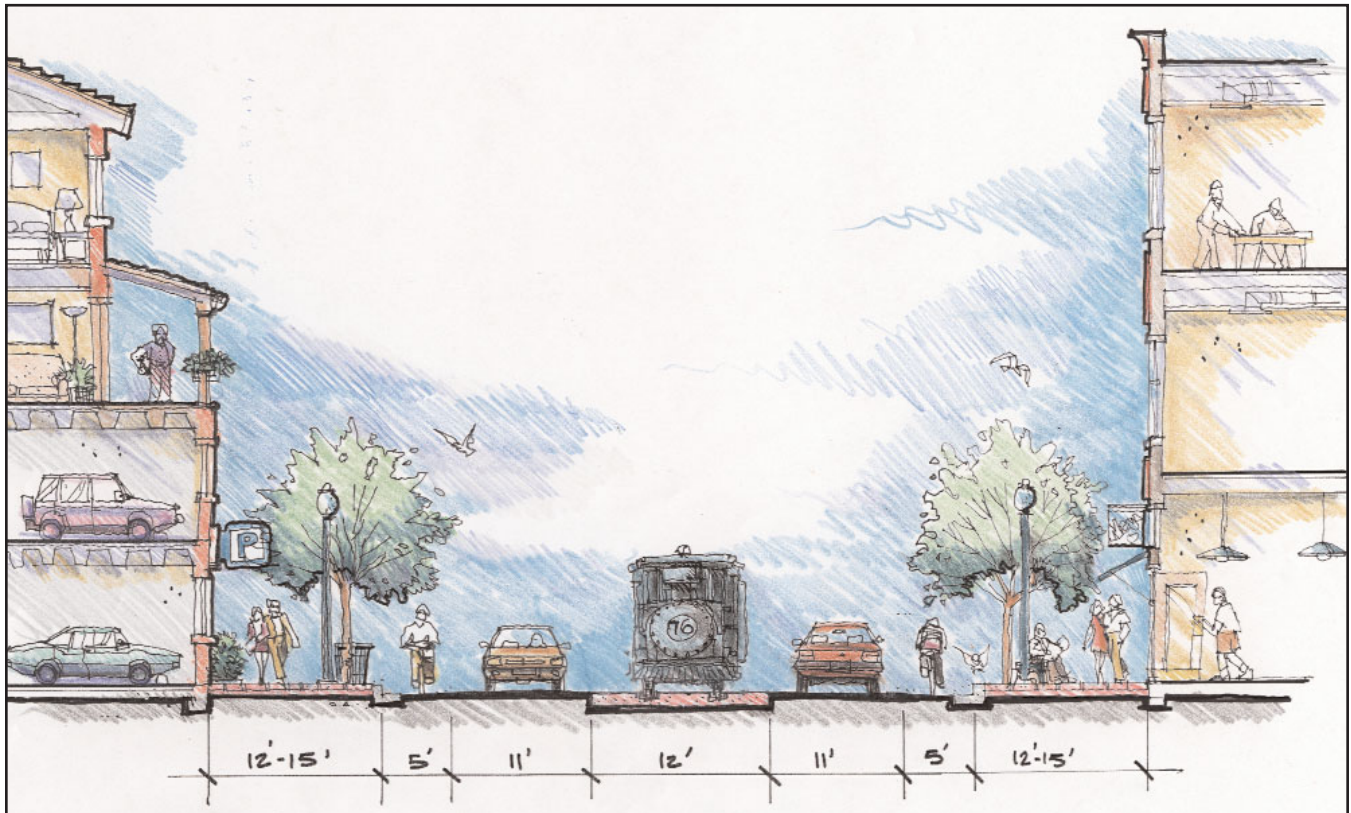


Osceola Ave. holds great potential for creation of a unique transit greenway.

Osceola Ave. presents an opportunity to create a street and streetscape environment with unique character. The section (below) of Osceola Ave. looking north from Broadway illustrates the variety of transportation modes and relationships along the corridor.

Pedestrians, bicycles, automobiles and rail coexist in the space. Generous planter strips, wide sidewalks and large trees help create a green link from the Amtrak/bus station to the Downtown Core and destinations further south. Commercial, office and residential spaces open onto the Greenway and activate the space. The rail line's slow-moving, infrequent freight trains are a unique feature of this multi-modal corridor. Eventually, a trolley could be added to the line for transit and entertainment purposes as the area develops.

Osceola Greenway improvements will be completed incrementally as adjacent Catalytic Opportunity Sites are developed in the Core and additional projects are initiated. Upon full completion, the corridor should link to trail systems in other parts of the city and county.



This section sketch of the Osceola Greenway illustrates relationships along the corridor between Silver Springs Blvd. and Broadway. The Greenway accommodates a variety of modes of transportation and fosters a well-landscaped, pedestrian-oriented environment for visitors and residents. These relationships and improvements will be extended north and south block by block as development in Downtown gains momentum.

REPLACE THIS PAGE
WITH THE
PUBLIC SPACE
STRUCTURE
DIAGRAM
FIG 3.6

3. TRANSPORTATION, CIRCULATION & PARKING

TRANSPORTATION AND CIRCULATION

The transportation and circulation strategies provide methods to (1) reduce conflict between pedestrians, bicycles and automobiles while encouraging pedestrian activity, and (2) maintain efficient automobile flow within and through the city center.

In order to facilitate traffic flow, existing arterial streets - Silver Springs Blvd., Magnolia Ave., and First Ave. - should retain their roles as major roadways. However, as pedestrians become a more significant focus in the Downtown Core, traffic should be slowed through the area. This can be accomplished through signage and various traffic calming measures, such as signal timing, intersection improvements (detailed on the following page) and streetscape enhancements. Such elements signal drivers to slow down and take extra care in the area, creating a more comfortable and safe environment for pedestrians.

A key modification in Downtown's automobile circulation will be the change of Broadway from a one-way street (going east) to a two-way street between SE First Ave. and Osceola Ave. This modification will allow eastbound drivers on Silver Springs Blvd. to take a right turn onto Osceola Ave. and then a right turn onto Broadway, recirculating autos back to the Square area. The change will help ensure greater and more efficient access to the parking and amenities of the Downtown Core.

Key points regarding Downtown's transportation and circulation include:

CREATE A COMFORTABLE PEDESTRIAN ENVIRONMENT

- Focus pedestrian improvements on the Broadway, Magnolia, SE/NE First Avenue, and Osceola corridors
- Implement streetscape and sidewalk improvements such as street trees, street furniture, and attractive lighting
- Strengthen pedestrian, bicycle and transit connections within Downtown and between Downtown and the surrounding neighborhoods
- Minimize pedestrian and traffic conflicts and ensure greater pedestrian safety through traffic calming techniques, including intersection improvements, bulb outs, bollards, pavement textures and traffic signal timing

MAINTAIN EXISTING AUTOMOBILE THOROUGHFARES

- Silver Springs Blvd.
- Magnolia Ave.
- NE/SE First Ave.



Changing Broadway (here looking east from SE First Ave.) from one-way to two-way between SE First Ave. and Osceola Ave. will provide better auto access in Downtown by directing traffic back toward the Square area.



Streetscape improvements such as lighting, banners, wide sidewalks and landscape treatments help create a comfortable pedestrian environment and signal drivers to slow down in the area.



Pavement textures at key intersections will help slow down traffic and create an environment for pedestrians to cross safely.

KEY INTERSECTION IMPROVEMENTS

Silver Springs Blvd. (State Highway 40) is an important thru-traffic corridor for the City and region. However, a balance must be struck between facilitating thru-traffic and creating a walkable, pedestrian-friendly environment. Slowing traffic at three key intersections of Silver Springs Blvd. (at Magnolia Ave., First Ave. and Osceola Ave.) will help lessen noise pollution and signal to drivers that this is an active, pedestrian-oriented area.

SPECIFIC INTERSECTION IMPROVEMENTS

- Create bulb-outs out on Magnolia Ave., NE First Ave. and Osceola Ave.
- Clearly define pedestrian crossings through paving techniques and, where appropriate, raised cross-walks
- Install lighted crosswalks to alert cars of pedestrian activity
- Utilize signalization techniques to moderate traffic flow through intersections in the Downtown Core



Fast traffic along Silver Springs Blvd. currently inhibits pedestrian activity across the street.



Bulb-outs extend out into the street to create a larger sidewalk area for pedestrians and a more narrow passage for cars. These areas can feature landscaping, trees and street furniture.

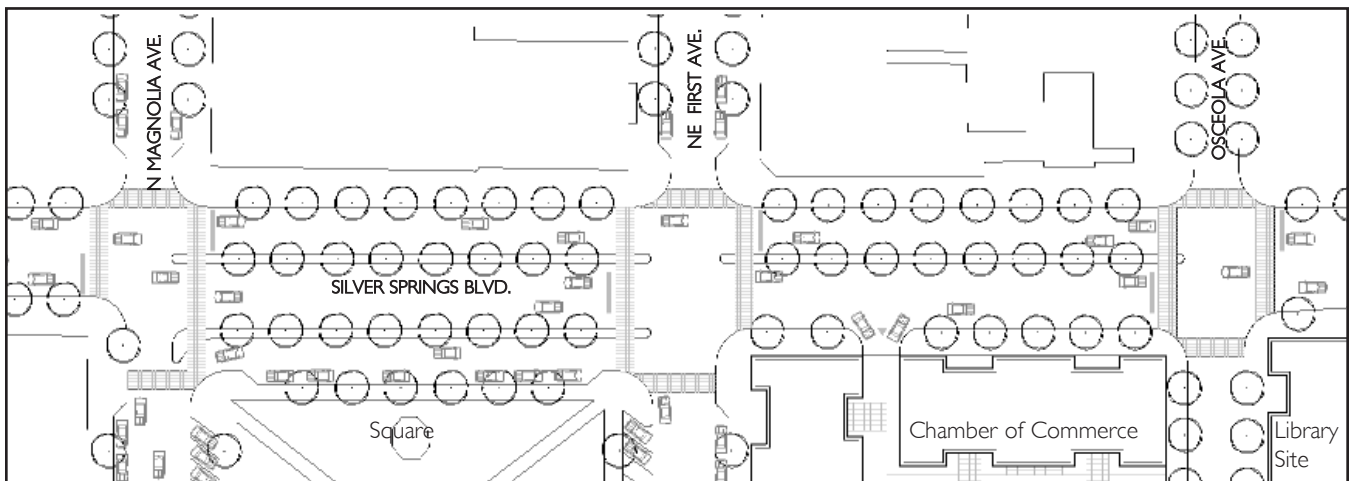


Figure 3.7 Intersection Improvements along Silver Springs Blvd. *Intersection improvements along Silver Springs Blvd. at Magnolia, First and Osceola avenues will facilitate pedestrian access between the northern and southern parts of the Downtown Core.*

DOWNTOWN PARKING

Easy, safe and efficient parking is vital to the success of Downtown. The Downtown Core Parking Supply Diagram (next page) provides an inventory of parking locations in the Downtown Core, including new parking to be constructed as part of the Master Plan. Sufficient parking has been integrated into the design of each catalytic site.

Currently, the CRA contains 3,305 spaces, with 2,066 spaces (nearly 63%) located in the Downtown Core. These spaces will provide enough parking to meet current and future needs. Perceptions of inadequate parking may, instead, reflect lack of information or poor access to parking lots. The following guidelines will help ensure the development of sufficient parking, information and access to support local businesses and rejuvenate the Downtown Core.

- **Maximize use of existing parking locations through improved signage and information:**
 - Ensure that parking locations are clearly identified, accessible and connected to areas of commercial activity
 - Incorporate parking information into a signage and wayfinding program
- **Require new developments to integrate parking on-site and ensure efficient ingress and egress**
- **Plan for future development:** Parking is a prime concern for most development projects and often influences the character of the final design. The proposed parking structure at the City Parking Site will contain enough spaces to allow for the area north of Silver Springs Blvd. to develop with the same density and urban structure as the Catalytic Opportunity Sites and areas around the Square.
- **Activate the street:**
 - Anchor parking structures with uses that encourage and support the surrounding commercial activity
 - New parking sites should include sidewalk improvements and small retail opportunities, such as a cafe or convenience store to encourage pedestrian activity



A cohesive system of signs will help direct residents, workers and visitors to Downtown parking facilities. These signs should be designed to build off the area's historic themes.



Parking structures should be designed with attractive facades and ground-floor retail, commercial services or cafes to create a more attractive environment.

REPLACE THIS PAGE
WITH THE
PARKING
DIAGRAM
FIG 3.8

4. LAND USE POLICIES & DESIGN STANDARDS

The city of Ocala is rich in history and tradition, and part of what makes the city center special is the street and building design that is distinct from suburban areas. For a successful revitalization effort, it is important for all development (not only the catalytic sites) to adhere to similar design standards which promote an active, pedestrian-friendly Downtown that all can enjoy. Any new development in the area should draw upon the city's historic vernacular while allowing for individual building creativity and style.

The following list provides design parameters to guide development of the Downtown area:

- Reflect Ocala's **historic character in building scale and design**
- Ensure that **City zoning supports mixed-use development**
- Maintain and enhance the **mix of land uses** that currently characterize the Downtown and give it vitality (government, office, and light manufacturing) while encouraging additional land uses, such as residential and retail
- Ensure that codes allow for **adaptive reuse** of existing historic buildings and upper stories of structures for residential and live-work use
- Allow **minimal setbacks** to create a comfortable pedestrian environment in relation to the buildings and urban form
- Establish and enhance a **pedestrian-friendly streetscape** through the use of wide sidewalks, street trees, pedestrian furniture, pavement textures, signage and banners
- Create **“transparency” between the indoor and outdoor environments** by requiring large windows, doors and entryways and allowing outdoor seating and dining
- **Minimize blank walls**, which discourage pedestrian activity
- **Minimize pedestrian and traffic conflicts** through intersection improvements, bulb outs, bollards, pavement textures, and traffic signal timing
- Provide **parking on-site or near projects** that is screened and has prominent, well-placed signage
- Ensure that **new development connects to and enhances the existing street grid and open space network**
- Require development of **interior courtyards and small public spaces** in conjunction with new projects



The City's land use policies and design standards should aim to preserve, maintain and enhance Ocala's historic heritage.

5. IMAGE IDENTITY & MARKETING



The gazebo in the Square is one of the most recognizable identifiers for the community.



Downtown events not only attract people for the specific activity that day, they also educate participants to the wide array of shopping, dining, services and amenities in the city center.

Promoting a clear identity for the Downtown area is also a key part of Ocala's revitalization. Not only does a strong identity build pride and patronage among local residents, it also represents a character quite different from the competing commercial and retail areas in the surrounding suburbs. Downtown Ocala has begun to establish itself as a regional center for arts, culture, and entertainment. Focusing economic development, urban design, and advertising efforts around this theme will attract new residents and visitors to the area. Ocala has many assets, such as historic building stock, popular public events, a pedestrian-friendly street fabric, and an excellent focal point in the Downtown Square. Efforts to promote Downtown's image must build on these existing assets.

DEVELOP A COHESIVE DOWNTOWN IDENTITY

- **Ensure a consistent physical urban design throughout Downtown, which draws upon Ocala's historic heritage**
- **Establish Downtown as a center for arts, culture, and entertainment**
 - Promote a strong Downtown identity through economic development efforts
 - Initiate Downtown business marketing campaigns, including special events and promotions, that inform potential visitors of new businesses and Downtown activities.
- **Develop gateways to the Downtown area**
 - Reflect the history and character of Ocala
 - Include signs, physical and sculptural elements, and business directories

PROMOTE ADDITIONAL DOWNTOWN EVENTS

- Building upon the success of existing events, plan activities that support local businesses and enhance the identity and health of Downtown on a year-round basis
- Support and showcase cultural and arts-related events as a way to renew Downtown's image and attract new patrons.
- Promote the annual ice skating activities at their newly redeveloped location on the west of the Sprint Site
- Hold horse parades and other equestrian themed activities Downtown, including along the Osceola Greenway.

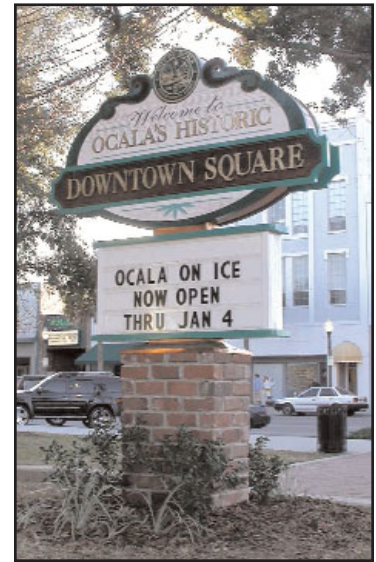
6. SIGNAGE & WAYFINDING

A hierarchy of directional signs can help community members and visitors choose Downtown Ocala as their target destination. When strategically placed at key entry points within the city center, and at more distant locations such as near freeway off-ramps, signage can help direct residents and visitors where to go, what to find and where to park Downtown.

A signage and wayfinding program informs patrons of the existence and location of retail shops, businesses, services and restaurants, as well as parking, restrooms and other information. A signage program also supports the creation of a unique Downtown identity and provides the opportunity for the business district to become known over a wider area. Proposed location of signs in the city center area are highlighted on the diagram on the following page.

CREATE A COMPREHENSIVE SIGNAGE AND WAYFINDING PROGRAM

- **Direct local residents and visitors where to go and where to park in the city center**
 - Parking information
 - City maps
 - Restrooms
 - Event information
- **Place at key locations**
 - City center
 - Key entry points along arterial streets (Highway 200, Highway 40)
 - Near I-75 off-ramps



Downtown signage and marquees help identify the area and attract visitors.



Directories help orient visitors, point people to attractions and shops, and provide information about store hours and events.



Columns and other sculptural features can be attractive entries, particularly along pedestrian walkways.

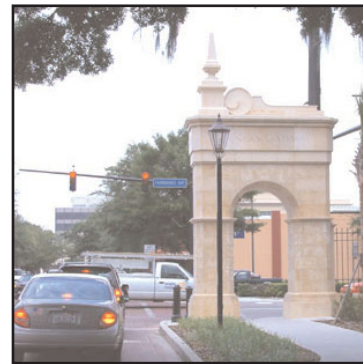
GATEWAY FEATURES

Gateway features are related to signage in helping to identify the Downtown and signal the start of a unique area. Such features can be created through of combination of landscaping, directional signage and lighting. They can range from subtle to monumental in design and scale, but all gateway design should harken to the city's historic themes. Gateway features should be located at key roadway entries into the city core and along the Osceola Greenway.

The diagram at the bottom of the page highlights proposed locations for parking location signs, Downtown directories, and larger gateway features.



Gateways can consist of signage that extends across streets at key entries to the city center.

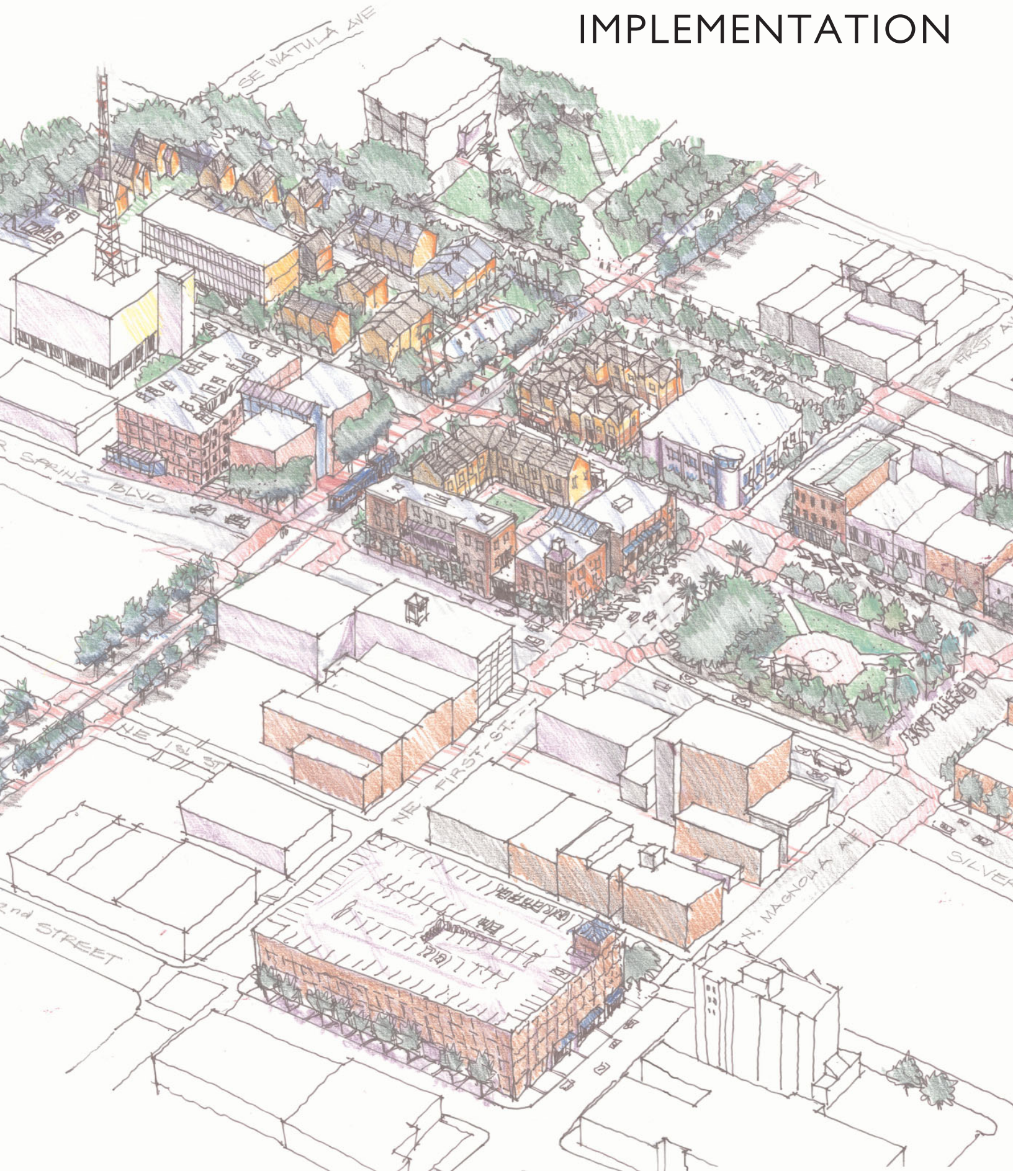


Lighting, landscaping and other features help announce entry to a district and cultivate an area identity.

Figure 3.9 Downtown Signage and Gateway Feature Locations



IMPLEMENTATION



IV. IMPLEMENTATION

The Downtown Ocala Master Plan provides clear, specific direction for rejuvenating the city center while allowing for flexibility and input as the area grows and changes. Project timelines, in particular, may need to be modified as market demands change, behavioral patterns shift, and momentum builds around Downtown development.

While this plan provides the short-and long-term road map for success, work must be done on the ground every day to ensure that its objectives are met and tangible change occurs. Downtown stakeholders must work together to continue to build public and private support for the Master Plan's visions and actions, and to ensure that every project is leveraged to its maximum extent.

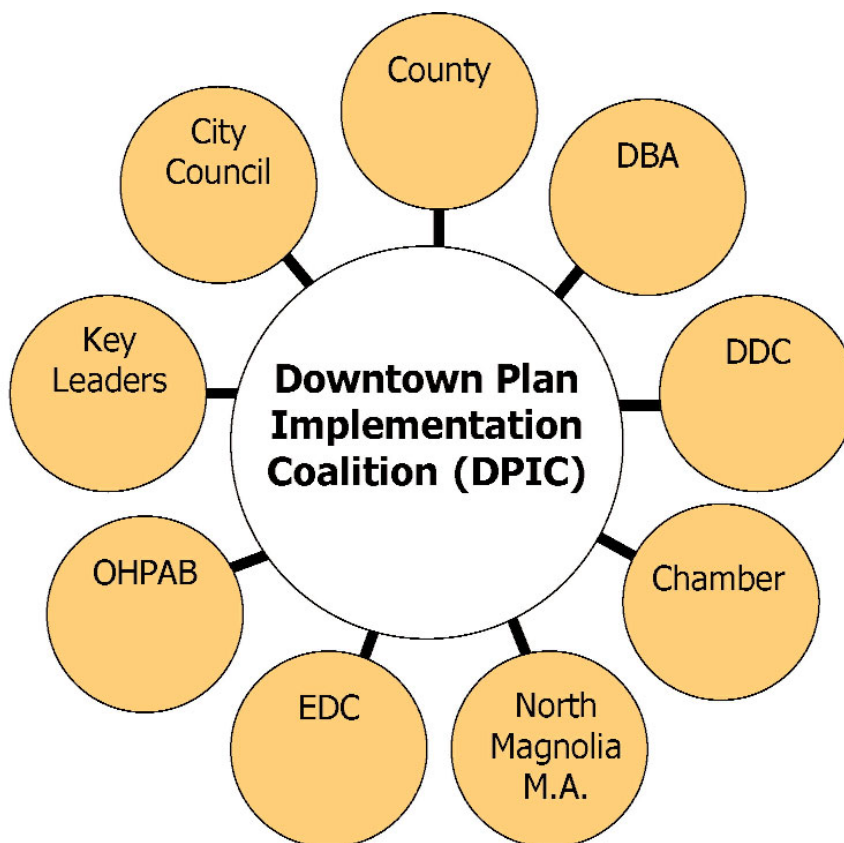
In order to provide a strong framework for implementation, this chapter covers:

- Organizational Framework
- Phasing Plan
- Immediate Action Steps

ORGANIZATIONAL FRAMEWORK



A strong coalition of public and private Downtown organizations will be critical to successful implementation of the Downtown Master Plan. While each group will maintain its distinct role and function, one organization must be created to spearhead initiatives and ensure that the actions and strategies outlined in the Plan are executed. This organization - the Downtown Plan Implementation Coalition (DPIC) - will consist of leaders and representatives from each of the major bodies in the diagram below (and others, as appropriate). Its sole purpose will be to monitor the implementation actions in the Ocala Downtown Master Plan and ensure that real change occurs in the city center.



PHASING

Phasing of key projects, streetscape enhancements, and infrastructure improvements will be essential to building a core concentration of development and securing funding. The Phasing Plan for implementation includes the following tools (located on the next three pages) to provide phasing direction:

- **Time Frame Chart:** Outlines timing of new projects, redevelopment and streetscape improvements, including specific steps needed for Catalytic Opportunity Site development.
- **Phasing Plan Diagram:** Highlights locations and general phasing of the proposed planning initiatives.
- **Phasing Cost Chart:** Provides estimated costs, projected city contribution, and potential revenue sources for the projects detailed in the Time Frame Chart and Phasing Plan Diagram.

PHASE I			
A. Chamber of Commerce and Library Site			
Investigation/selection of Chamber of Commerce office			
Draft and distribute RFP			
Developer selection/negotiation			
Site planning and design of Chamber of Commerce site			
Building and construction			
Streetscape improvements*			
Release Library			
Site planning and design of Library site			
Parade lot construction			
Building construction			
Streetscape improvements*			
B. Marion Theater			
Select project/development			
Building redevelopment/phase enhancement			
Streetscape improvements*			
C. Public & Private Streetscape Improvements			
Chumley Greenway (Silver Springs Blvd. to Broadway)			
Silver Springs (Pine Ave. to Magnolia Ave.)			
Silver Springs (Magnolia Ave. to White Ave.)			
Broadway (Pine Ave. to First Ave.)			
PHASE II			
A. Bank of America			
Facilitate partnership with owner			
Draft and distribute RFP/ select developer			
Site planning and design			
Facade improvements			

PHASING COSTS

Figure 4.1 Phasing Costs

PHASE I					
Development Action		Estimated Cost	City Contribution	Difference	Potential Funding Sources*
Chamber of Commerce and Library Sites					
I.1	Chamber of Commerce buildings	\$ 9,799,677	\$ 1,838,227	\$ 7,961,450	TIF Funds, Bond Financing, SHIP Grants, EDA Funds
I.2	Chamber of Commerce streetscape improvements	\$ 134,187		\$ 134,187	TLC Grants, TIF Funds, Bond Financing
I.3	Library buildings	\$ 5,799,440	\$ 2,812,799	\$ 2,986,641	TIF Funds, EDA Funds
I.4	Library streetscape improvements	\$ 124,206		\$ 124,206	TLC Grants, TIF Funds, Bond Financing,
Marion Theater					
I.5	Marion Theater rehabilitation	\$ 1,218,253		\$ 1,218,253	Historic Preservation Grants, EDA Funds
I.6	Marion Theater streetscape improvements	\$ 22,180		\$ 22,180	Historic Preservation Grants, TLC Funds
Public and Private Improvements					
Osceola Greenway:					
I.7	Broadway to Silver Springs Blvd.	\$ 88,719		\$ 88,719	FDOT, TLC Grants, TIF Funds Bond Financing
Silver Springs Blvd. Streetscape improvements					
I.8	Pine Ave. to SE First Ave.	\$ 439,158		\$ 439,158	FDOT, TLC Grants, TIF Funds Bond Financing
Broadway streetscape improvements					
I.9	Pine Ave. to SE First Ave.	\$ 439,158		\$ 439,158	FDOT, TLC Grants, TIF Funds Bond Financing
Subtotal Phase I		\$18,064,977	\$ 4,651,026	\$13,413,951	

Streetscape numbers are estimates for budgeting purposes only and are not based on any final design.

* In addition to private investments. Please refer to Appendix C for a full description of funding sources.

PHASING COSTS

PHASE II				
Development Action		Estimated Cost	City Contribution	Potential Funding Sources*
Bank of America				
II.1	Bank of America façade improvements	\$ 50,000		\$ 50,000 TLC Grants, TIF Funds, Bond Financing
II.2	Bank of America new buildings	\$ 4,077,701	\$ 220,000	\$ 3,857,701 SHIP Grants, EDA Funds
II.3	Bank of America streetscape improvements	\$ 141,950		\$ 141,950 TLC Grants, TIF Funds, Bond Financing
Sprint Site				
II.4	Sprint site park/plaza	\$ 321,360	\$ 321,360	
				TIF Funds, Bond Financing, FL Communities Trust Grants
II.5	Sprint site buildings	\$ 5,565,141		\$ 5,565,141 TIF Funds, Bond Financing, SHIP Grants, EDA Funds
II.6	Sprint site streetscape improvements	\$ 143,281		\$ 143,281 TLC Grants, TIF Funds, Bond Financing
Public and Private Improvements				
Osceola Greenway				
II.7	First St. to Silver Springs Blvd.	\$ 97,591		\$ 97,591 FDOT, TLC Grants TIF Funds, Bond Financing
II.8	Silver Springs Blvd. to NW 1st St.	\$ 97,591		\$ 97,591 FDOT, TLC Grants TIF Funds, Bond Financing
Subtotal Phase II		\$10,494,614	\$ 541,360	\$ 9,953,254

Streetscape numbers are estimates for budgeting purposes only and are not based on any final design.

* In addition to private investments. Please refer to Appendix C for a full description of funding sources.

PHASING COSTS

PHASE III				
Development Act ion	Estimated Cost	City Contribution	Difference	Potential Funding Sources*
City Parking Site				
III.1 City parking structure	\$ 3,185,494	\$ 4,452,182	\$ (1,266,688)	EDA Funds
III.2 City parking structure streetscape improvements	\$ 186,309		\$ 186,309	TLC Grants TIF Funds, Bond Financing
Public and Private Improvements				
Osceola Greenway				
III.3 NE First St. to Amtrak Station	\$ 585,544		\$ 585,544	FDOT, TLC Grants, TIF Funds, Bond Financing
III.4 Fort King to SE Third St.	\$ 195,181		\$ 195,181	FDOT, TLC Grants, TIF Funds, Bond Financing
First Ave. streetscape improvements				
III.5 Magnolia Ave. to Osceola Ave.	\$ 88,719		\$ 88,719	TLC Grants, TIF Funds, Bond Financing
Magnolia Ave. Streetscape improvements				
III.6 Silver Springs Blvd. to NW Second St.	\$ 137,514		\$ 137,514	FDOT, TLC Grants, TIF Funds, Bond Financing
NE First Ave. Streetscape improvements				
III.7 Silver Springs Blvd. to NW First St.	\$ 88,719		\$ 88,719	FDOT, TLC Grants, TIF Funds, Bond Financing
Subtotal Phase III	\$ 4,467,480	\$ 4,452,182	\$ 15,298	
TOTAL COST	\$33,027,071	\$ 9,644,568	\$23,382,503	

Streetscape numbers are estimates for budgeting purposes only and are not based on any final design.

* In addition to private investments. Please refer to Appendix C for a full description of funding sources.

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TIMELINE

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PLAN

IMMEDIATE ACTION STEPS

All of the actions and strategies described in the Master Plan document and Phasing Plan are important to the future success of the city center. However, there are several actions that should be undertaken immediately to take advantage of the current momentum and jump-start the implementation process. These include:

- Establish the Downtown Planning Implementation Coalition (DPIC):** The City must convene an initial meeting with the leaders of the various organizations that have a role in Downtown. The purpose of this meeting will be to organize the DPIC, establish its meeting times and protocols, and define its powers. Regular meetings (at least monthly) should begin immediately following this initial session.
- Designate a City staff member to serve as the point person for Downtown improvement efforts:** It is important to establish one person to coordinate efforts and ensure that all elements of the plan are carried out. This person will maintain focus on the plan and work with individual property owners and developers to translate the Downtown vision into reality.
- Modify design and development standards for the CRA:** To ensure a successful Downtown revitalization, an active, pedestrian-friendly character must extend beyond the catalytic sites to the entire CRA. As such, design and development standards for the CRA must be adjusted to provide incentives for developers and property owners to support the guidelines highlighted in the plan and ensure the realization of these urban design goals.
- Begin negotiations with the Chamber of Commerce to move from its current location:** The Chamber of Commerce has expressed that it will be a willing partner in any relocation efforts. The City must work with the Chamber to find an interim site for its offices Downtown, then subsequently ensure that the organization can relocate back into newly developed office space on the Chamber of Commerce project site.
- Draft and distribute a request for proposals (RFP) for development of the Chamber of Commerce and Library Sites:** Within the first six months of approval of the Downtown Master Plan, the City should draft and distribute an RFP to interested members of the development community for development of these sites.
- Select a proposal for reuse of the Marion Theater:** Because it is a significant venue in the Downtown and one of the key Catalytic Opportunity Sites, successful reuse of the Marion Theater will be an immediate, high-profile symbol of revitalization. The City Council should select a qualified, appropriate team within the first six months of Master Plan approval to re-use the theater and bring it back to life for the community.



Rehabilitation and re-use of the Marion Theater is a key action step to immediately jump-start implementation.

APPENDICES



APPENDICES

APPENDIX A: ECONOMIC SUMMARY TABLES5-101

APPENDIX B: DOWNTOWN PARKING ASSESSMENT5-113

APPENDIX C: POTENTIAL FUNDING SOURCES AND INCENTIVES5-115

APPENDIX D: REFERENCES5-119

APPENDIX A. ECONOMIC SUMMARY TABLES

Table 5.1 Non-Agricultural Employment Trends & Projections

CATEGORY	Woods & Poole				CHANGE: 2000-2010		
	1990	2000	2003	2010	Amount	%	CAGR
Woods & Poole							
Mining & Construction	6,330	8,310	8,480	9,090	780	9.4%	0.9%
Manufacturing	10,300	12,190	12,940	14,520	2,330	19.1%	1.8%
Transp/Comm/Public Utilities	2,370	4,460	4,670	5,090	630	14.1%	1.3%
Wholesale & Retail Trade	21,490	27,370	28,770	31,770	4,400	16.1%	1.5%
Finance/Insurance/Real Estate	5,810	8,680	9,150	9,840	1,160	13.4%	1.3%
Services	19,180	30,090	32,290	37,460	7,370	24.5%	2.2%
Government	11,960	15,640	17,060	20,120	4,480	28.6%	2.6%
Total - Woods & Poole:	77,440	98,430	104,880	118,800	20,370	20.7%	1.9%
Annual % Change		2.7%	2.2%	2.1%			
Florida Dept. of Workplace Innovation							
Mining & Construction			6,900				
Manufacturing			8,900				
Transp/Comm/Public Utilities			2,400				
Wholesale & Retail Trade			17,600				
Finance/Insurance/Real Estate			5,400				
Services			28,600				
Government			14,700				
Total - State:			84,500				
DIFFERENCE:			20,380				
			24.1%				

(1)

(1) Woods & Poole includes part-time and self employment (i.e., employees that do not contribute to state unemployment insurance).

Table 5.2 Office Demand for Marion County and Downtown Ocala - 2010

CATEGORY	% OF OFFICE USERS	SQ. FT. PER OFFICE USER	DEMAND FOR NEW SPACE (In Sq. Ft.)	
			Actual 1990-2000	Estimates 2000-2010
Demand Analysis		(1)		
Mining & Construction	10%	175	69,300	21,350
Manufacturing	20%	175	170,100	142,200
Transp/Comm/Public Utilities	40%	225	54,863	11,025
Wholesale & Retail Trade	15%	175	1,293,600	660,000
Finance/Insurance/Real Estate	80%	275	114,800	27,600
Services	20%	200	954,625	452,375
Government	50%	175	247,086	205,457
TOTAL DEMAND:	34%	200	2,904,373	1,520,007
		<i>Estimates</i>		
Plus				
Vacancy Adjustment		(2)	72,609	38,000
Cumulative Replacement Demand		(3)	145,219	76,000
Less				
Self Employed/Part-time @		24.1%	(753,023)	(394,096)
		(4)		
TOTAL OFFICE SPACE DEMAND-MARION COUNTY (IN SQ. FT.):			2,369,178	1,239,912
<i>Average Annual (Rounded)</i>			236,900	124,000
Fair Share Capture vs. Induced				
Capture to Downtown Ocala				
Fair Share (of Employment)		(5)		9.8%
Total Demand (In 000s Sq. Ft., Rounded)				121,000
Induced				
Total Demand (In 000s Sq. Ft., Rounded)				186,000

- (1) Reflects office-using employees in each employment sector requiring office space.
- (2) This allows for a 2.5% "frictional" vacancy rate in new space delivered to the market.
- (3) This represents new space required by existing businesses to replace obsolete or otherwise unusable space. This is assumed to represent 5% of total demand.
- (4) Reflects the difference between 2000 employment estimates prepared by the Florida Dept. of Workplace Innovation and Woods & Poole, Inc.
- (5) This represents Downtown Ocala's **fair share** of service (office) employment in 2010 in the TAZ zones that comprise "Greater Downtown" as estimated by the City of Ocala.

Table 5.3 Housing Demand for Marion County and Downtown Ocala - 2010

AREA	2000		2010	
	Population	HHs	Population	HHs
Demographic Forecasts				
Marion County	258,916	106,755	303,070	127,190
Persons Per HH		2.43		2.38
City of Ocala	45,943	18,646	49,980	19,901
Persons Per HH		2.46		2.51
As % of County	17.7%		16.5%	(1)
Housing Demand Potentials				
To City of Ocala				Units
Demand for New Housing Attributable to Population Growth:				1,607
Plus Assumed Turnover Factor @			30.0%	482
Citywide Total (2000-2010):			(2)	2,089
To Downtown				
Assumed Average HH Size				1.50
				167%
Fair Share Capture vs. Induced				

POTENTIAL NEW DOWNTOWN HOUSING UNITS:		
Scenario	Est. Capture	No. of Units
Fair Share	1.8%	60
Moderate	4%	140
Induced	6%	210

(1) Assumes that household size (persons per household) in Ocala will increase at the same rate between 2000-2010 as it did between 1990-2000.

(2) Turnover among renter households is an estimate that considers area job growth, delivery of new apartments to the inventory, propensity of households to move, etc.

Table 5.4 Potential Expenditures & Supportable Space from New Downtown Residents & Employees, 2010

GENERAL RETAIL

		SCENARIO		
		Fair Share	Moderate	Induced
Expenditure Potentials				
"Greater Downtown" Households				
From New Housing		60	140	210
Subtotal:		60	140	210
Median HH Income (In Constant \$)	(1)	\$ 57,434	\$ 57,434	\$ 57,434
Household Expenditure Potentials (As % of Household Income)				
General Retail	15.2%	\$ 523,266	\$ 1,220,953	\$ 1,831,430
Resident Expenditure Potentials:		\$ 523,266	\$ 1,220,953	\$ 1,831,430
"Greater Downtown" Employees				
From New Office Development		605	930	930
Subtotal:		605	930	930
Annual Expenditure Potentials				
General Retail	\$ 500	\$ 302,500	\$ 465,000	\$ 465,000
Employee Expenditure Potentials:		\$ 302,500	\$ 465,000	\$ 465,000
Supportable Space				
From New Households				
Annual Expenditures		\$ 523,266	\$ 1,220,953	\$ 1,831,430
Estimated Capture Rate @		10.0%	15.0%	20.0%
Captured Expenditures:		\$ 52,327	\$ 183,143	\$ 366,286
Required Productivity	(2)	\$ 150	\$ 150	\$ 150
Subtotal - Households:		349	1,221	2,442
Plus Inflow Factor @	(3)	0.0%	2.5%	5.0%
Subtotal - Inflow:		-	31	122
Supportable Space - General Retail:		349	1,251	2,564
From New Employees				
Annual Expenditures		\$ 302,500	\$ 465,000	\$ 465,000
Estimated Capture Rate @		10.0%	12.0%	15.0%
Captured Expenditures:		\$ 30,250	\$ 55,800	\$ 69,750
Required Productivity	(2)	\$ 150	\$ 150	\$ 150
Subtotal - Households:		202	372	465
Plus Inflow Factor @	(3)	0.0%	5.0%	7.5%
Subtotal - Inflow:		-	19	35
Supportable Space - General Retail:		202	391	500
TOTAL - GENERAL RETAIL:		551	1,642	3,064

(1) Assumes median household incomes of \$50,000 for new downtown households grown at 2% per year.

(2) Required productivity is the estimated minimum annual performance (in sales per sq. ft.) required by all retailers.

(3) Represents potential expenditures from other market segments to downtown Ocala, such as nearby daytime employees, visitors to the area, etc.

Table 5.5 Potential Expenditures & Supportable Space from New Downtown Residents & Employees, 2010

FOOD & BEVERAGE

		SCENARIO		
		Fair Share	Moderate	Induced
Expenditure Potentials				
"Greater Downtown" Households				
From New Housing		60	140	210
Subtotal:		60	140	210
Median HH Income (In Constant \$)	(1)	\$ 57,434	\$ 57,434	\$ 57,434
Household Expenditure Potentials (As % of Household Income)				
Food & Beverage	7.6%	\$ 263,376	\$ 614,544	\$ 921,817
Resident Expenditure Potentials:		\$ 263,376	\$ 614,544	\$ 921,817
"Greater Downtown" Employees				
From New Office Development		605	930	930
Subtotal:		605	930	930
Annual Expenditure Potentials				
Food & Beverage	\$ 1,500	\$ 907,500	\$ 1,395,000	\$ 1,395,000
Employee Expenditure Potentials:		\$ 907,500	\$ 1,395,000	\$ 1,395,000
Supportable Space				
From New Households				
Annual Expenditures		\$ 263,376	\$ 614,544	\$ 921,817
Estimated Capture Rate @		5.0%	10.0%	20.0%
Captured Expenditures:		\$ 13,169	\$ 61,454	\$ 184,363
Required Productivity	(2)	\$ 250	\$ 250	\$ 250
Subtotal - Households:		53	246	737
Plus Inflow Factor @	(3)	10.0%	15.0%	25.0%
Subtotal - Inflow:		-	37	184
Supportable Space - Food & Beverage:		53	283	922
From New Employees				
Annual Expenditures		\$ 907,500	\$ 1,395,000	\$ 1,395,000
Estimated Capture Rate @		10.0%	12.0%	15.0%
Captured Expenditures:		\$ 90,750	\$ 167,400	\$ 209,250
Required Productivity	(2)	\$ 250	\$ 250	\$ 250
Subtotal - Households:		363	670	837
Plus Inflow Factor @	(3)	0.0%	10.0%	15.0%
Subtotal - Inflow:		-	67	126
Supportable Space - Food & Beverage:		363	737	963
TOTAL - FOOD & BEVERAGE:		416	1,019	1,884

(1) Assumes median household incomes of \$50,000 for new downtown households grown at 2% per year.

(2) Required productivity is the estimated minimum annual performance (in sales per sq. ft.) required by all retailers.

(3) Represents potential expenditures from other market segments to downtown Ocala, such as nearby daytime

Table 5.6 Potential Expenditures & Supportable Space from New Downtown Residents & Employees, 2010

LEISURE & ENTERTAINMENT

		SCENARIO		
		Fair Share	Moderate	Induced
Expenditure Potentials				
"Greater Downtown" Households				
From New Housing		60	140	210
Subtotal:		60	140	210
Median HH Income (In Constant \$)	(1)	\$ 57,434	\$ 57,434	\$ 57,434
Household Expenditure Potentials (As % of Household Income)				
Leisure & Entertainment	10.4%	\$ 263,376	\$ 614,544	\$ 921,817
Resident Expenditure Potentials:		\$ 263,376	\$ 614,544	\$ 921,817
"Greater Downtown" Employees				
From New Office Development		605	930	930
Subtotal:		605	930	930
Annual Expenditure Potentials				
Leisure & Entertainment	\$ 250	\$ 907,500	\$ 1,395,000	\$ 1,395,000
Employee Expenditure Potentials:		\$ 907,500	\$ 1,395,000	\$ 1,395,000
Supportable Space				
From New Households				
Annual Expenditures		\$ 263,376	\$ 614,544	\$ 921,817
Estimated Capture Rate @		5.0%	10.0%	20.0%
Captured Expenditures:		\$ 13,169	\$ 61,454	\$ 184,363
Required Productivity	(2)	\$ 200	\$ 200	\$ 200
Subtotal - Households:		66	307	922
Plus Inflow Factor @	(3)	5.0%	10.0%	15.0%
Subtotal - Inflow:		-	31	138
Supportable Space - Leisure & Ent.:		66	338	1,060
From New Employees				
Annual Expenditures		\$ 907,500	\$ 1,395,000	\$ 1,395,000
Estimated Capture Rate @		5.0%	7.5%	10.0%
Captured Expenditures:		\$ 45,375	\$ 104,625	\$ 139,500
Required Productivity	(2)	\$ 200	\$ 200	\$ 200
Subtotal - Households:		227	523	698
Plus Inflow Factor @	(3)	0.0%	5.0%	7.5%
Subtotal - Inflow:		-	26	52
Supportable Space - Leisure & Ent.:		227	549	750
TOTAL - LEISURE & ENTERTAINMENT:		293	887	1,810

(1) Assumes median household incomes of \$50,000 for new downtown households grown at 2% per year.

(2) Required productivity is the estimated minimum annual performance (in sales per sq. ft.) required by all retailers.

(3) Represents potential expenditures from other market segments to downtown Ocala, such as nearby daytime employees, visitors to the area, etc.

Table 5.7 Catalytic Opportunity Sites: Financial Analysis

	Chamber of Commerce Site	Bank of America Site	City Parking/ Sprint Site	Library Site	City Parking Lot Site	TOTAL
DEVELOPMENT PROGRAM						
Land Use						
Professional Office	40,000	-	-	25,000	-	65,000
Street-level Retail/Restaurant	12,000	2,000	500	7,000	-	21,500
Housing	24,200	33,000	45,000	-	-	102,200
Units	22	30	27	-	-	79
Total (Sq. Ft.):	76,200	35,000	45,500	32,000	-	188,700
Parking Spaces						
Surface	-	-	54	-	-	54
On-street	-	-	-	-	-	-
Structured	120	50	-	250	450	870
Total (Spaces):	120	50	54	250	450	924
FINANCIAL ANALYSIS						
Development Costs						
Residential	\$ 2,344,625	\$ 3,293,132	\$ 4,807,500	\$ -	\$ -	\$ 10,445,258
Commercial (Office & Retail)	6,019,833	157,571	36,050	3,841,784	-	10,055,238
Public Space/Plaza	-	100,000	321,360	-	-	421,360
Parking	835,219	356,997	121,590	1,657,656	3,165,494	6,136,957
Theater	-	-	-	-	-	-
Subtotal:	\$ 9,199,677	\$ 3,907,701	\$ 5,286,501	\$ 5,499,440	\$ 3,165,494	\$ 27,058,812
Other Costs						
Basis in Land	\$ 500,000	\$ 150,000	\$ 300,000	\$ -	\$ -	\$ 950,000
Demolition/Site Prep	100,000	20,000	300,000	300,000	20,000	740,000
Façade Improvements	-	50,000	-	-	-	50,000
Subtotal:	\$ 600,000	\$ 220,000	\$ 600,000	\$ 300,000	\$ 20,000	\$ 1,740,000
TOTAL DEVELOPMENT COSTS:	\$ 9,799,677	\$ 4,127,701	\$ 5,886,501	\$ 5,799,440	\$ 3,185,494	\$ 28,798,812
Without Parking	\$ 8,964,458	\$ 3,770,704	\$ 5,764,910	\$ 4,141,784	\$ 20,000	\$ 22,661,856
Net Operating Income (2)						
Residential	\$ 1,692,354	\$ 2,068,562	\$ 5,572,729	\$ -	\$ -	\$ 9,333,645
Commercial (Office & Retail)	5,054,846	171,144	59,364	2,759,907	-	8,045,261
Public Space/Plaza	-	-	-	-	-	-
Parking	(261,008)	(133,052)	-	(855,143)	(1,266,688)	(2,515,891)
Theater	-	-	-	-	-	-
TOTAL - NOI:	\$ 6,486,193	\$ 2,106,653	\$ 5,632,093	\$ 1,904,764	\$ (1,266,688)	\$ 14,863,015
PRESENT VALUE & RETURN ANALYSIS						
Internal Rate of Return (IRR)	21.03%	15.08%	19.30%	11.31%	0.00%	
Net Present Value (Rounded) @						
10.0%	\$ 3,322,000	\$ 991,000	\$ (776,000)	\$ 826,000	\$ (625,000)	
8.0%	\$ 3,996,000	\$ 1,207,000	\$ (1,076,000)	\$ 1,032,000	\$ (714,000)	
CITY CONTRIBUTION						
	\$ 1,838,227	\$ 220,000	\$ 321,360	\$ 2,812,799	\$ 4,452,182	\$ 9,644,568

(1) Excludes Marion Theater.

(2) NOI reflects gross revenues less operating expenses for all uses. Total figures may vary depending on the allocation of certain costs.

Table 5.8 Catalytic Opportunity Sites: Assumed City Contributions

ITEM	Chamber of Commerce Site	Bank of America Site	City Parking/ Sprint Site	Library Site	City Parking Lot Site	TOTAL
CITY CONTRIBUTION						
Existing Mortgage	\$ 142,000	\$ -	\$ -	\$ -	\$ -	\$ 142,000
Parking Garage	835,219	-	-	1,657,656	3,165,494	\$ 5,658,369
Parking Operating Expenses	261,008	-	-	855,143	1,266,688	\$ 2,382,839
Land Writedown	500,000	150,000	-	-	-	\$ 650,000
Demo/Site Prep/Acquisition	100,000	20,000	-	300,000	20,000	\$ 440,000
Public Improvements	-	-	321,360	-	-	\$ 321,360
Façade Improvements	-	50,000	-	-	-	\$ 50,000
ESTIMATED TOTAL:	\$ 1,838,227	\$ 220,000	\$ 321,360	\$ 2,812,799	\$ 4,452,182	\$ 9,644,568

These are preliminary estimates only. City contributions across specific items have been assumed in each financial model for purposes of discussion.
Excludes Marion Theater.

Table 5.9 Potential Economic Impacts: New Housing

FACTOR	SITE				
	Chamber of Commerce	Bank of America	Sprint Block	Library Block	City Parking Lot
PROGRAM					
Townhouse Units	-	-	18	-	-
Small Lot Single-family Units	-	-	9	-	-
Multi-family Units	22	30	-	-	-
Total Units:	22	30	27	-	-
Residential Surface Parking	-	-	54	-	-
Residential Structured Parking	33	50	-	-	-
Total Spaces:	33	50	54	-	-
CONSTRUCTION EMPLOYMENT (1)					
Estimated Development Costs					
Townhouse Units	\$ -	\$ -	\$ 2,655,722	\$ -	\$ -
Small Lot Single-family Units	-	-	2,151,778	-	-
Multi-family Units	2,344,625	3,293,132	-	-	-
Surface Parking	-	-	121,590	-	-
Total:	\$ 2,344,625	\$ 3,293,132	\$ 4,929,091	\$ -	\$ -
Equivalent Person Years-Employment:	35	50	74	-	-
CONSTRUCTION INCOME					
Wages as % of Dev't Costs	40.0%	40.0%	40.0%	40.0%	40.0%
Average Ann'l Construction Wage	\$ 26,531	\$ 26,531	\$ 26,531	\$ 26,531	\$ 26,531
Construction Income:	\$ 937,850	\$ 1,317,253	\$ 1,971,636	\$ -	\$ -
PERMANENT EMPLOYMENT & WAGES (2)					
Permanent Employment: (3)	3	5	4	-	-
Average Annual Wage	26,635	26,635	26,635	26,635	26,635
Permanent Wages:	\$ 87,896	\$ 119,858	\$ 107,872	\$ -	\$ -
STATE INCOME TAXES-PERMANENT JOBS					
Permanent Income	\$ 87,896	\$ 119,858	\$ 107,872	\$ -	\$ -
Estimated Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Taxes-Permanent Jobs:	\$ -	\$ -	\$ -	\$ -	\$ -
STATE INCOME TAXES-CONSTRUCTION JOBS					
Construction Income	\$ 937,850	\$ 1,317,253	\$ 1,971,636	\$ -	\$ -
Estimated Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%
Temporary Taxes-Construction Jobs:	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL PROPERTY TAX REVENUES					
City of Ocala Tax Rate	-	-	-	-	-
Per \$1,000 of Assessed Value	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37	\$ 11.37
Estimated Value at Buildout	\$ 2,344,625	\$ 3,293,132	\$ 4,929,091	\$ -	\$ -
Equalization Ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Future Annual Property Taxes:	\$ 26,670	\$ 37,459	\$ 56,068	\$ -	\$ -
OTHER IMPACTS					
Net New Households	22	30	27	-	-
Estimated Persons/Household	1.5	1.5	1.5	1.5	1.5
Net New Population:	33	45	41	-	-
Average Annual Wage	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635
Net New Income:	\$ 878,955	\$ 1,198,575	\$ 1,078,718	\$ -	\$ -
Disposable Income @	35.0%	35.0%	35.0%	35.0%	35.0%
Potential New Disposable Income:	\$ 307,634	\$ 419,501	\$ 377,551	\$ -	\$ -
Potential Supportable Retail (Sq. Ft.): (5)	1,119	1,525	1,373	-	-

(1) Estimated development costs were used to determine equivalent construction employment and assessed values.

(2) Includes permanent, seasonal and part-time employment on a full-time equivalent basis.

(3) Estimated at 0.15 full-time equivalent jobs per housing unit.

(4) Defined as estimated income available after consumer needs, housing costs and taxes.

(5) Assumes minimum annual performance (sales) of retail or restaurant tenants is \$275 per sq. ft. This estimate is not location-specific.

Table 5.10 Potential Economic Impacts: Commercial Uses

		SITE					
FACTOR		Chamber of Commerce	Bank of America	Sprint Block	Library Block	City Parking Lot	TOTAL
PROGRAM (In Sq. Ft.)							
General Retail		12,000	2,000	500	7,000	-	21,500
Office		40,000	-	-	25,000	-	65,000
Total Commercial Space:		52,000	2,000	500	32,000	-	86,500
Commercial Surface Parking		-	-	-	-	-	-
Commercial Structured Parking		87	-	-	250	450	787
Total Spaces:		87	-	-	250	450	787
CONSTRUCTION EMPLOYMENT (1)							
Estimated Development Costs (Per Gross Sq. Ft.)							
General Retail		\$ 917,891	\$ 157,571	\$ 36,050	\$ 557,408	\$ -	\$ 1,668,920
Office		5,101,942	-	-	3,284,375	-	8,386,318
Total:		\$ 6,019,833	\$ 157,571	\$ 36,050	\$ 3,841,784	\$ -	\$ 10,055,238
Equivalent Person Years-Employment:		91	2	1	58	-	152
CONSTRUCTION INCOME							
Wages as % of Dev't Costs		40.0%	40.0%	40.0%	40.0%	40.0%	
Average Ann'l Construction Wage		\$ 26,531	\$ 26,531	\$ 26,531	\$ 26,531	\$ 26,531	
Construction Income:		\$ 2,407,933	\$ 63,028	\$ 14,420	\$ 1,536,713	\$ -	\$ 4,022,095
PERMANENT EMPLOYMENT & WAGES (2)							
Permanent Employment (Per Sq. Ft.) (3)							
General Retail		400 30	5	1	18	-	54
Office		200 200	-	-	125	-	325
Total:		230	5	1	143	-	379
Average Wage		\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	
Permanent Wages:		\$ 6,126,050	\$ 133,175	\$ 33,294	\$ 3,795,488	\$ -	\$ 10,088,006
STATE INCOME TAXES-PERMANENT JOBS							
Permanent Income		\$ 6,126,050	\$ 133,175	\$ 33,294	\$ 3,795,488	\$ -	\$ 10,088,006
Estimated Income Tax Rate		0.00%	0.00%	0.00%	0.00%	0.00%	
Annual Taxes-Permanent Jobs:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE INCOME TAXES-CONSTRUCTION JOBS							
Construction Income		\$ 2,407,933	\$ 63,028	\$ 14,420	\$ 1,536,713	\$ -	\$ 4,022,095
Estimated Income Tax Rate		0.00%	0.00%	0.00%	0.00%	0.00%	
Temporary Taxes-Construction Jobs:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL PROPERTY TAX REVENUES							
City of Ocala Tax Rate							
Per \$1,000 of Assessed Value		\$ 11.37	11.37	\$ 11.37	\$ 11.37	\$ 11.37	
Estimated Value at Buildout		(1) \$ 6,019,833	\$ 157,571	\$ 36,050	\$ 3,841,784	\$ -	\$ 10,055,238
Equalization Ratio		100.0%	100.0%	100.0%	100.0%	100.0%	
Future Annual Property Taxes:		\$ 68,475	\$ 1,792	\$ 410	\$ 43,700	\$ -	\$ 114,377
SALES TAXES							
Estimated Annual Retail Sales							
General Retail Space		12,000	2,000	500	7,000	-	21,500
Assumed Productivity (Sales Per Sq. Ft.)		\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	
Total:		\$ 3,300,000	\$ 550,000	\$ 137,500	\$ 1,925,000	\$ -	\$ 5,912,500
State Retail Sales Tax		6.0%	6.0%	6.0%	6.0%	6.0%	
County Discretionary Sales Surtax		1.0%	1.0%	1.0%	1.0%	1.0%	
Annual Retail Sales Tax Receipts:		\$ 231,000	\$ 38,500	\$ 9,625	\$ 134,750	\$ -	\$ 413,875
OTHER IMPACTS							
Permanent Employment		230	5	1	143	-	
Avg. Annual Spending-Retail & Food		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
Gross Employee Spending Potentials:		\$ 460,000	\$ 10,000	\$ 2,500	\$ 285,000	\$ -	\$ 757,500
Potential Supportable Retail (Sq. Ft.):		(4)					2,755

(1) Estimated development costs were used to determine equivalent construction employment.

(2) Includes permanent as well as seasonal and part-time employment on a full-time equivalent basis.

(3) Estimated at one full-time job per 400 sq. ft. of retail or general commercial space.

(4) Assumes minimum annual performance (sales) of retail or restaurant tenants is \$275 per sq. ft. This estimate is not location-specific.

Table 5.11 Stabilized Year Pro Forma for Reuse of the Marion Theater

DEVELOPMENT PROGRAM		
Land Use		
Multi-use Theater		6,800
Restaurant		4,000
Total (Sq. Ft.):		10,800
No. of Seats		
Multi-use Theater		252
Restaurant		112
Total (Seats):		364
Parking		
No. of Spaces		30
FINANCIAL ANALYSIS		
Hard & Soft Costs		
Multi-use Theater (Pro Rata)	\$	818,253
Restaurant @ \$100/SF		400,000
Parking		-
TOTAL DEVELOPMENT COSTS:	\$	1,218,253
Per Sq. Ft.	\$	113
ESTIMATED REVENUES & EXPENSES		
Gross Annual Revenues		
Multi-use Theater	\$	265,162
Restaurant		1,043,318
Parking		-
Subtotal:	\$	1,308,480
Operating Expenses		
	\$	317,194
Restaurant		312,995
Parking		-
Subtotal:	\$	630,189
TOTAL - NET OPERATING INCOME:	\$	678,291
ESTIMATED REVENUE POTENTIAL TO CITY		
Restaurant		
Annual Lease @ 10% of Gross	\$	104,332
Theater		
Assumes No Annual Rental Payments	\$	-
Total Development Costs	\$	1,218,253
POTENTIAL RETURN-ON-INVESTMENT:		8.6%

APPENDIX B. DOWNTOWN PARKING ASSESSMENT

Table 5.12 Parking Inventory

A. DOWNTOWN CORE Total			
A1. Parking Lot Type	# Locations	# Spaces	% of Total
Public Street	35	227	11%
Public Lot	11	1,130	55%
Private Lot	3	250	12%
Unknown	19	459	22%
Total	68	2,066	100%
A2. Parking Location			
A2. Parking Location	# Locations	# Spaces	% of Total
On Street	35	227	11%
Off Street	32	1,120	54%
Structured	1	719	35%
Total	68	2,066	100%
A3. Downtown Core Breakdown			
A3. Downtown Core Breakdown	# Locations	# Spaces	% of Total
North of Silver Springs	25	1,308	63%
South of Silver Springs	43	758	37%
Total	68	2,066	100%
B. CRA Total			
B1. Parking Lot Type	# Locations	# Spaces	% of Total
Public Street	60	358	11%
Public Lot	25	1,916	58%
Private Lot	8	572	17%
Unknown	19	459	14%
Total	112	3,305	100%
B2. Parking Location			
B2. Parking Location	# Locations	# Spaces	% of Total
On Street	60	358	11%
Off Street	52	2,947	89%
Structured	0	0	0%
Total	112	3,305	100%
B3. CRA Breakdown			
B3. CRA Breakdown	# Locations	# Spaces	% of Total
North of Silver Springs	39	1,877	57%
South of Silver Springs	73	1,428	43%
Total	112	3,305	100%

Source: City of Ocala

Table 5.13 Parking Projections

C. Projected Downtown Parking Demand 2000-2010			
Cl. Use Type	Projected Demand (2000-2010)	Pkg Req Per 1000 sqft/unit	# New Spaces Required
Office Space (sqft)	120,000	4	480
Induced Demand Scenario	175,000	4	700
Residential (units)	60	1	60
Induced Demand Scenario	140	1	140
Retail (sqft)	2,000	5	10
Induced Demand Scenario	6,000	5	30
Total Fair Share Scenario			550
Total Induced Demand Scenario			870

D. Projected Parking Supply 2010			
D1. Catalytic Opportunity Sites	Existing Spaces	Proposed Spaces	Net Gain
1 Chamber (structure)	70	120	50
2 Library (structure)	0	250	250
3 Marion Theater	30	30	0
4 B of A (structure)*	0	50	50
(off street)*	40	40	0
5 Sprint (off street)	94	58	-36
6 City Parking (structure)	84	450	366
Total Off Street	318	128	-36
Total Structure	0	870	716
Total	318	998	680

D2. DOWNTOWN CORE Total	Existing Spaces	Proposed Spaces	Total
On Street	227	227	227
Off Street	1,120	128	1,084
Structured	719	870	1,435
Total**	2,066	998	2,746

* Net gain is zero spaces. The Bank of America site loses 40 spaces for commercial uses and gains 50 spaces for housing. Remaining commercial spaces lost on the Bank of America site will be incorporated in the Library parking structure.

** These numbers do not add up exactly because some spaces are lost in the development.

Source: City of Ocala GIS, City Staff

APPENDIX C. POTENTIAL FUNDING SOURCES AND INCENTIVES

FUNDING SOURCES

1. QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM

The Qualified Target Industry (QTI) Tax Refund Program is a state-sponsored tax refund program based on the number of jobs created and the quality of those jobs. The program allows for refunds of up to \$3,000 per job created within certain industrial sectors. The program may apply to Downtown-appropriate industries, barring any issues with compatible land uses.

2. TAX-INCREMENT FINANCING

Tax Increment Financing (TIF) districts have been widely used around the country and have generally proved successful for financing public improvement and infrastructure projects. In particular, TIF funds could be used to bridge financial gaps on catalytic projects, and to fund the construction of structured parking for businesses locating downtown.

3. SPECIAL ASSESSMENT DISTRICTS

The City can encourage formation of special assessment districts for high priority areas within Downtown. For example, the city could obtain agreement of property owners to voluntarily join a special assessment district for the purpose of installing needed public improvements such as lighting, signage, and landscaping.

4. FLORIDA HOUSING FINANCIAL CORPORATION STATE HOUSING INCENTIVES

Florida's State Housing Incentive Program (SHIP) provides funding for emergency repairs, rehabilitation, new construction, and home purchase assistance. Grants are made to counties with a minimum of \$350,000 to each county. SHIP could help fund new downtown housing units or a first-time home buyers program.

5. BELOW-MARKET RATE MORTGAGES AND SECOND MORTGAGES

Below-market rate mortgages and forgivable second mortgages have been successful financing tools for affordable housing across the country.

6. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

Grants are made available through the State of Florida's Department of Community Affairs to cities and counties for the rehabilitation of owner-occupied homes. Local governments apply for the grants, as well as establish selection procedures for which homes are assisted. CDBG funds could help fund historic housing restorations, development of housing in upper stories of downtown buildings, or restorations that bridge connections to Downtown.

7. ENTERPRISE BOND PROGRAM

The Enterprise Bond Program is a statewide program administered by Enterprise Florida whereby smaller industrial revenue bond requests are pooled together to make the sale financially feasible. Each request must stand on its own merits and the pooled bonds are sold when the assembled total equals \$4 million.

8. BOND FINANCING

Depending on municipal budgetary status, bond issues may or may not be appropriate for redevelopment projects.

9. LAND SALE/LEASE PROCEEDS

Proceeds from sale of public land can potentially be a key part of the City's revenue stream for financing specific site redevelopment projects. Two aspects must be taken into consideration-whether to or sell or lease the property and, if the land is sold-whether to sell it all at once or in pieces. Generally speaking, the latter may be wiser, as higher prices could potentially be achieved in subsequent land sales if early phases prove successful.

10. FLORIDA COMMUNITIES TRUST PROGRAM

The Florida Communities Trust Program (FCT) program is a state land acquisition grant program housed at the Florida Department of Community Affairs. FCT provides funding to local governments and eligible non-profit environmental organizations for acquisition of community-based parks, open space and greenways that further outdoor recreation and natural resource protection needs identified in local government comprehensive plans.

11. ECONOMIC DEVELOPMENT AGENCY FUNDING

Through projects such as Partnership Planning for Economic Development Districts, and local technical assistance programs, the Florida Economic Development Agency (EDA) provides grants and funding for economic development assistance programs to help communities implement economic development, create wealth and minimize poverty.

12. HISTORIC PRESERVATION GRANTS

Florida Bureau of Historic Preservation in the Division of Historical Resources operates the Certified Local Governments program and other Historic Preservation Grant programs, which provide technical assistance and funding opportunities to cities for establishing historic districts and rehabilitating historic structures.

INCENTIVES

1. CREATE A BUSINESS FRIENDLY ENVIRONMENT

In order to concentrate new development in the Downtown Core and Community Redevelopment Area, the City of Ocala can enact a series of measures designed to create a business friendly environment..

- Establish a "one stop shop for Downtown development" within city government, so that developers, investors and others have an ombudsman to run interference between and among city departments. Other valuable services might include managing a vacancy database that matches interested developers and potential business owners with available sites.
- Make it easier to develop or do business Downtown than at any other location in the City through regulatory reform measures.
- Expedite plan review for all projects within two blocks of the Square and the catalytic projects; streamline the application and review process for projects in the Community Redevelopment Area.
- Explore adoption of rehab code (similar to the New Jersey model) for historic properties and allow adjacent and abutting properties to work together to meet issues like fire exiting, access and other requirements
- Provide information and services to potential developers, including catalytic opportunity site pro formas, marketing materials, early notice of building vacancies.
- Conduct an educational program on non-City incentives, such as New Market and Historic Preservation Tax Credits; ask banks to commit CRA resources at matching money or look at establishing a low-interest loan pool for small businesses that invest in Downtown.
- Explore job training possibilities/partnerships with the community college or University of Florida.
- Collaborate to adopt unique techniques to save Downtown businesses money, such as shared marketing and common trash/recycling areas, common grease traps for blocks with high concentration of restaurants, etc. Think out of the box with developers to address unique challenges to get development within two blocks of Square and around catalytic projects.

2. CREDITS AND FEE ADJUSTMENTS

The City of Ocala can reduce or eliminate development fees associated with construction projects in Downtown. The city can provide credits, fee waivers, or fee deferments on exactions such as water and sewer fees, construction and building permit fees, etc., on projects within two blocks of the Downtown Square and catalytic projects.

3. SALES AND PROPERTY TAX DEFERRALS

The City of Ocala may adopt a policy to defer or adjust sales and/or property taxes in the Community Redevelopment Area (CRA) or in specific areas of Downtown. For example:

- Identify sale tax receipts from restaurants and bars in the Downtown core, add 3% annual to cover City/County taxes, and commit all new sales tax revenues to fun events in the Square year-round for a variety of audiences and age groups. Do this for an initial period of up to three years.
- Explore the possibility of exempting from sales tax the purchase of building materials for catalytic projects and those for projects within two blocks of the Square.
- Investigate legality and financial implications of freezing property taxes at the year 2004 (or at level at time of development) for parcels that are underutilized or blighted, or any developments that place housing above restaurants or retail in Downtown.

4. ZONING & DENSITY INCENTIVES

The City of Ocala can adjust its land use policies, and zoning and development standards to provide developers with greater potential financial returns in exchange for tackling high priority development projects which otherwise might prove too risky. The city could provide density bonuses for the creation of mixed use (i.e., retail, office, housing combination) projects at primary development opportunity sites.

5. "OUT-OF-THE-BOX" IDEAS

All creative possibilities should be explored to reduce or eliminate barriers to achieving the kind of development in Downtown the community wants to see.

APPENDIX D. REFERENCES

City of Ocala Community Redevelopment Area (CRA)Plan, 1988

City of Ocala Comprehensive Plan, 1988

CRA Element

CRA Evaluation and Appraisal Report

Downtown Ocala Design Standards Manual, 1996

Herbert Hallback, Inc.

City of Ocala Transportation Concurrency Exception Area Study, 1999

Tampa Bay Engineering, Inc.