

An aerial architectural rendering of a city development project. The image shows a dense urban layout with various building types, including residential and commercial structures. A prominent feature is a large, circular building with a flat roof, situated near a body of water. The surrounding area is filled with greenery, including trees and parks. The overall scene is a detailed and colorful representation of a planned urban environment.

**Dream Big:  
P3 – Public Private Partnerships**



## What is a Public Private Partnership (P3)?

Public/Private Partnerships are “creative alliances” formed between a government entity and a private developer to achieve common development goals for a community.

Public/Private Partnerships can be formed to successfully accomplish a variety of development goals ranging from small single use type projects; to large complex development projects.

# Common Public/Private Partnership Components

## Private Sector

Retail  
Housing  
Office  
Mixed-Use  
Industrial Development

## Public Sector

Infrastructure  
Land  
Utilities  
Parking  
Incentives

# Keys Points for Successful P3 Projects

## 1. Creating a “Shared Vision”

Developing a shared vision is far more extensive, expensive, and time-consuming than private developers or many public entities expect.

A shared vision must be one that is based on solid market analysis, planning, and business principles and a realistic projection of future possibilities. *It is not based on the whim or unrealistic expectations of a political leader or constituent group.*

# Keys Points for Successful P3 Projects

## 2. Public Sector Pro-Activeness in Predevelopment

- ✓ Community Engagement/Education of Goals
- ✓ Conducting Market Studies
- ✓ Infrastructure Planning
- ✓ Financial Strategy Planning
- ✓ Identifying Key Players needed for Public Sector Team
- ✓ Identify limits of Participation

# Keys Points for Successful P3 Projects

## 3. Project Execution

- ✓ Understanding Private Capital criteria/return requirements
- ✓ Pre-development Risks (soft costs, time to market, etc.)
- ✓ Determining the “Fairness” of a Deal for both parties
- ✓ Financing Public Sector Components
- ✓ Reasonable Performance Schedules
- ✓ Protection of Public Investment

# Huntsville P3 Project Examples

*Redstone Gateway Park (Greenfield Site)*

Key Tools Used: Tax Increment Financing (TIF)

*MidCity District (Regional Mall Redevelopment)*

Key Tools Used: Urban Renewal, Public Improvement District (PID)

*Twickenham Square (Redevelopment of Public Housing)*

Key Tools Used: Capital Funds, Parking Leases, Land Trades

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# *Alabama Improvement Districts*

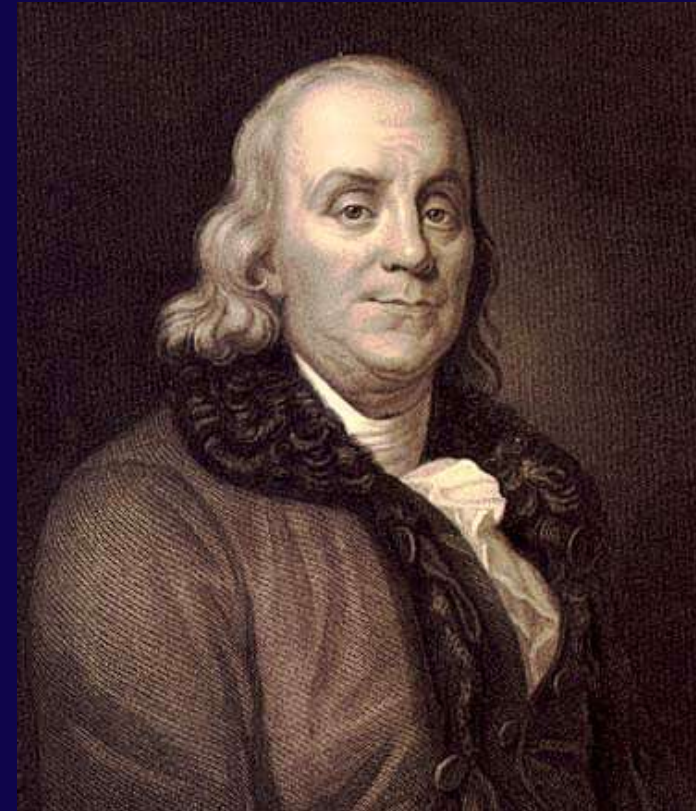


## *Introduction*

- Florida since 1980
- Florida law is precursor of many states
- Recently adopted by AL, LA, MS, and NC
- Members of our firm involved in 300 deals totaling \$5 billion.
- WHHA currently manages 80+ districts in AL, FL, MS, LA, GA & soon NC

## *History of Special District Financing*

- *Benjamin Franklin established the first special district on December 7, 1736.*
- *Throughout the United States, there were estimated to be over 36,000 special districts in 2002.*



# ***History of Alabama Improvement District Legislation***

***•In 1999 and 2000, the State of Alabama adopted the Alabama Improvement District (Chapter 99A) and Cooperative Improvement District (Chapter 99B) laws respectively.***



## *What is an Improvement District?*

- A local Special Purpose Government
- Entity to finance, construct and maintain public infrastructure.



## ***Legally Financeable Infrastructure***

- ***Road***
- ***Bridge***
- ***Water***
- ***Sewer***
- ***Storm water***
- ***Sidewalks***
- ***Streetscapes***
- ***Landscaping***

### ***Public Recreation***

- ***Golf Courses***
- ***Tennis Courts***
- ***Pools***
- ***Clubhouses***
- ***Marina***
- ***Boat Docks***

### ***Offsite Improvements***

- ***Arterial Roads***
- ***Accel-Decel Lanes***
- ***Turn Signals***
- ***Existing Road Widening***
- ***Extend Existing W&S Lines***

## *How Do Improvements Districts work?*

- **Tax Exempt Bond Financing**
- **Public Infrastructure**
- **Long-Term, Fixed Rate Bond**
- **Non-Recourse**
- **Back by Assessments on Land/Lots**



## *Example*

- *Sources and Uses*

- ❑ *10mm construction need*
- ❑ *3 years capitalized interest*
- ❑ *1 year debt service reserve*
- ❑ *Cost of Issuance*
- ❑ *Interest Rate 7.5% (as of September 9, 2013)*
- ❑ *1,000 Lots*



- *Result - \$15mm Par - \$1.27mm Annual DS.*



# *Long-Term vs. Short-Term Debt*

- **Example**
- **Prepayment Flexibility**



## ***\$50,000 Lot Example***

	<b>Without AID</b>	<b>With AID</b>
<b>Lot Asking Price</b>	<b>\$50,000</b>	<b>\$30,000</b>
<b>Land Cost</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Infrastructure</b>	<b>\$20,000</b>	<b>\$0</b>
<b>Profit</b>	<b>\$10,000</b>	<b>\$10,000</b>

# ***What happens to City / County?***

## ***“Nothing”***

- ***Government has same entitlement process***
- ***Government has same development approval process***
  - Zoning powers***
  - Police powers***
  - Permitting powers***
  - Gains Roof Tops***
  - Keeps Ad Valorem Taxes (Much More)***
  - Dedication of infrastructure***

## *Advantages of Special District Financing To Residents.*

- Protect residents from failure of the developer
- Protect residents who pay from those that do not
- Offer amenities and benefits not usually found in typical developments



# *Advantages of Special District Financing To Residents*

- Operate not-for-profit
- District constructs, operates, and maintains infrastructure.
- Districts are governmental agencies with all the benefits of public corporations.



## *Process of Creation*

- Submit petition to City/County
- City/County adopts Resolution to create district
- The District adopts bond documents  
(i.e. Engineer's Report, Methodology, Indenture)
- Bond Validation
- Bond Pricing
- City/County adopt final assessments on land
- Bond Closing



## *Miscellaneous*

- Gates
- Land
- Size Limits
- Mortgage Escrows
- Projects Already Underway



## *Cooperative Districts – Ch. 99B*

- Generally the same powers as 99A
- Security for bonds can be any revenue collected within the district.





# Examples of Improvement Districts

Project	Bessemer	Spanish Fort	Daphne	Valley
Description	430,000 Sq Ft Power Center anchored by Target – developed by Colonial Properties	750,000 Sq Ft Lifestyle Center with 96 stores – developed by Trotman and Foshee	Lowes, Sams, Honda, Toyota – Developed by Aronov Properties	100,000 Sq Ft Retail Center and 730 Residential Condo and Apartments
Pledged Security For Bonds	2.4 Cents Sales Tax from City of Bessemer (100% of City Levy)	1 Cent Sales Tax from the District. District added 1 Cent Tax on top of city's tax. No City Contribution.	1 Cent Sales Tax from City of Daphne. (40% of City Levy)	1 Cent Sales Tax from the District & Assessments on the Land. No City Contribution



## **Wrathell, Hunt & Associates – Special Dist. Managers**

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**Tel: (251) 591-0905**  
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**Web Site: [www.whhassociates.com](http://www.whhassociates.com)**

# Midtown Miami Community Development District *Miami*

- ❖ *Wrathell, Hunt and Associates* serves as the District Manager
- ❖ At build-out, Midtown is estimated to have over 3,000 condos and apartments, as well as over 1,000,000 square feet of retail, commercial and office uses
- ❖ The District issued \$103,600,000 in bonds in 2004 and refunded its bonds in 2014
- ❖ The District has a General Fund with \$2.6 million in operating expenses, \$6.6 million annual debt service on the infrastructure bonds, **Enterprise Fund** generating \$3.7 million in parking fees to fund parking garage operations and, within the Enterprise Fund, \$6.5 million in **Tax Increment Financing (“TIF”) revenues** to pay debt service on the parking garage bonds
- ❖ The District constructed, owns, and operates two parking garages with approximately 3,000 parking spaces; the bonds which financed the garages are paid via **TIF revenues** with a special assessment pledge



# Miami World Center Community Development District

## *Miami*

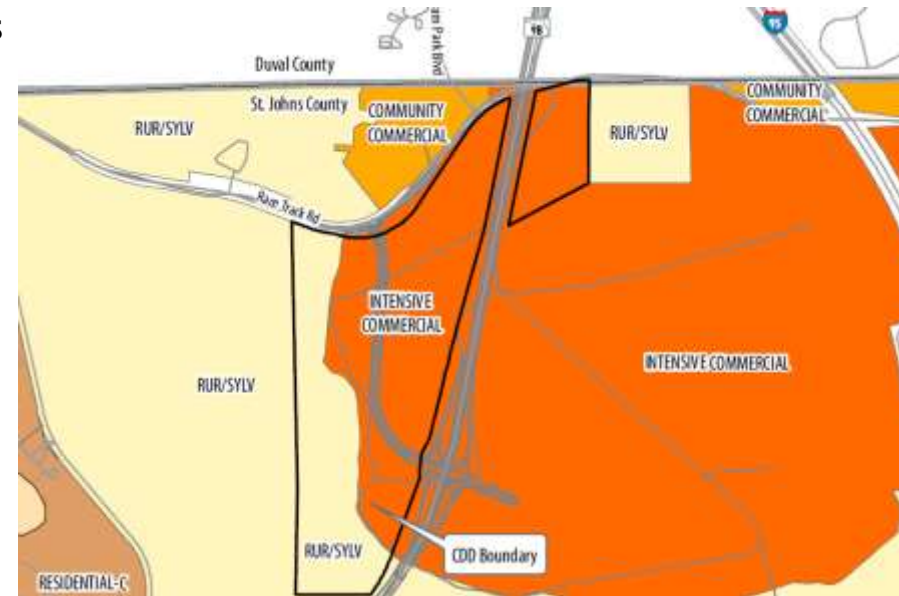
- ❖ *Wrathell, Hunt and Associates* serves as the District Manager
- ❖ The project is planned for 3,200 condo/apartments, 400 hotel rooms and 957,900 square feet of retail and restaurant uses
- ❖ The District issued \$74,065,000 in bonds in 2017
- ❖ The Developer has a funding agreement in place to provide in excess of \$6 million in **Tax Increment Financing (“TIF”)** revenues annually to cover bond debt service and CDD operations
- ❖ The District has a General Fund with \$1 million in operating expenses; after the capitalized interest period ends in 2020, the District will have \$4.9 million annual debt service on the infrastructure bonds



# DPI Community Development District

## *St. Johns County*

- ❖ *Wrathell, Hunt and Associates* serves as the District Manager
- ❖ Established in 2017
- ❖ 261-acre District
- ❖ The development includes approximately 700,000 square feet of commercial uses
- ❖ The District utilizes a ½ cent **Public Infrastructure Fee (“PIF”)** charged on sales of goods and services within the District
- ❖ In 2018, the District issued bonds in the initial principal amount of \$8,122,247; subsequently, the District increased the principal amount to \$9,745,518



# Water Street Tampa Improvement District

## Tampa

- ❖ *Wrathell, Hunt and Associates* serves as the District Manager
- ❖ Established in 2018 by special act of Florida Legislature
- ❖ 50-acre District
- ❖ The development includes approximately 1 million square feet of retail, 2 million square feet of office, and 650 hotel rooms
- ❖ The District utilizes a **Public Infrastructure Fee (“PIF”)** charged on sales of goods and services within the District



# Orlando Sports & Edutainment District

## Orlando

- ❖ Proposed mixed-use sports, educational and entertainment destination for Orlando's west-side
- ❖ Land within the proposed **Project** owned by the Developer and over 100 other landowners
- ❖ **Project** anchored by an **8.4-acre SED Parcel** and a nearby **3-acre Parcel**
- ❖ **SED Parcel** proposed to be developed with approximately 100,000 square feet of retail, 200,000 square feet of office and 80,000 square feet of event uses, as well as 300 condominium and 250 hotel units
- ❖ **3-acre Parcel** developed as a separate mixed-use property
- ❖ Area underneath the I-4 overpass can be developed with various retail/entertainment uses and provide connection to the Church Street area

