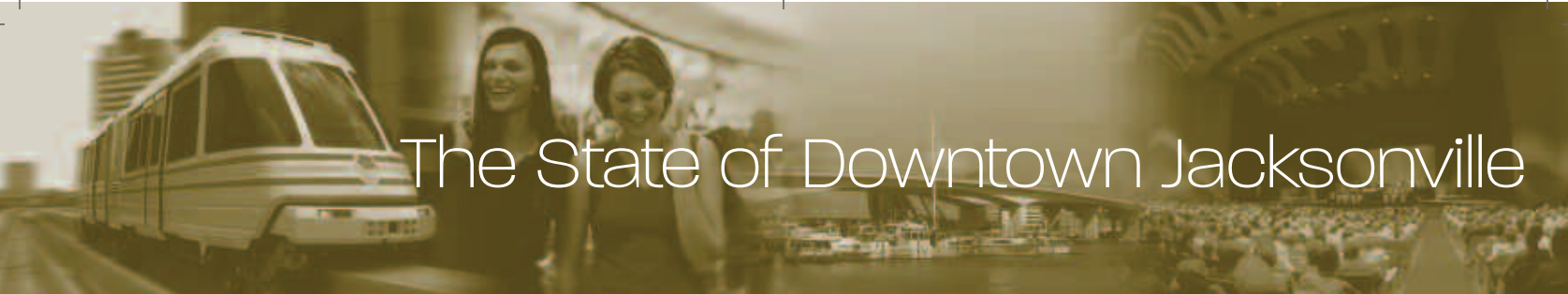




a downtown progress report

the state of downtown jacksonville
2006



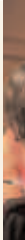


The State of Downtown Jacksonville

Downtown Jacksonville by the Numbers in 2006

*Source: CB Richard Ellis, Downtown Vision, Inc. & Jacksonville
Economic Development Commission*

Size:	1,740 acres
Development:	\$4.7 billion
Number of businesses:	1,200
Number of employees:	56,000
Number of residences:	1,674
Net rentable square feet of office space:	6.6 million
Number of visits:	13 million
Number of cultural & entertainment venues:	19
Number of restaurants:	87
Number of upscale restaurants:	10
Number of bars & clubs:	24
Number of hotel rooms:	2,153
Parks/recreation space:	54 acres
Number of public parking spaces:	19,141





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Downtown Jacksonville Development pg. 3

Downtown Jacksonville Residential Market pg. 5

Downtown Jacksonville Office Market pg. 9

Downtown Jacksonville Employment pg. 11

Downtown Jacksonville Culture & Entertainment pg. 13

Downtown Jacksonville Retail & Restaurants pg. 15

Downtown Jacksonville Hotels & Conventions pg. 17

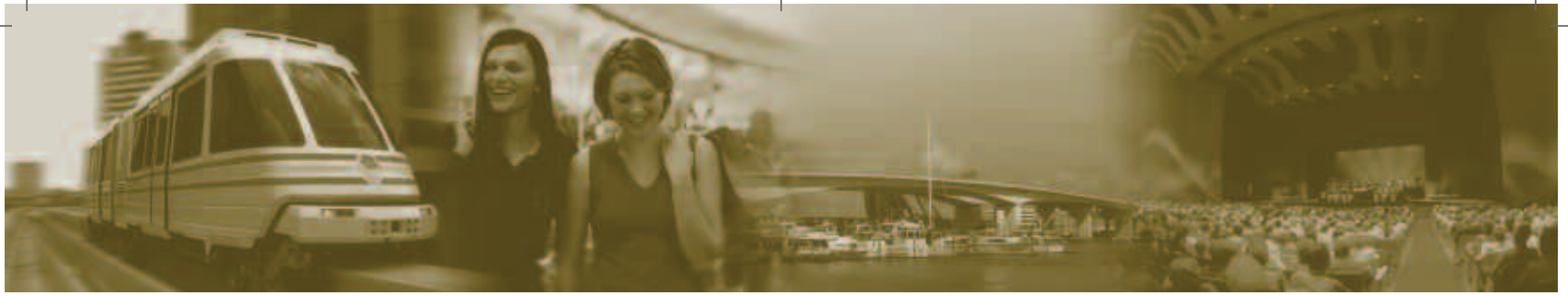
Downtown Jacksonville Transportation & Parking pg. 19

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A true urban renaissance is occurring in Downtown Jacksonville.

With more than \$4.7 billion in developments proposed, under construction or completed, Downtown is experiencing unprecedented investment and growth.

During the past five years, concerted efforts between the public and private sectors have resulted in over 1,600 new residential units either under construction or completed, along with a state-of-the-art baseball stadium and arena and the largest public library in the state of Florida. Along with the new Main Library, a stunning federal courthouse, a renovated Museum of Contemporary Art and the magnificently-restored City Hall at St. James, the refurbished Ed Ball building and former Haverty's building will anchor the Hemming Plaza area as a major civic complex.

In recent years, Downtown Jacksonville has been the beneficiary of increased interest and investment from nationally recognized developers, including LandMar, Hines, Miles Development and the Kuhn Companies. Many investors are engaging in adaptive reuse of historic structures, such as the Haydon Burns Library, which will be converted into a mixed-use landmark comprising both retail and residences. Our clean, safe and friendly Downtown is home to the headquarters of two *Fortune 500* companies - CSX and Fidelity National Financial - and numerous other major companies.

Northeast Florida cultural and entertainment icons such as the Florida Theatre, the Museum of Contemporary Art Jacksonville, the Ritz Theatre and LaVilla Museum, the Times Union Center for the Performing Arts and the Museum of Science and History continue to generate millions of visits to Downtown each year. Signature events such as the Jacksonville Film Festival and Jacksonville Jazz Festival keep these venues and waterfront parks buzzing with excitement. Downtown nightlife and restaurants gained significant momentum over the last year, and will continue to grow as entertainment corridors emerge and build critical mass. Additionally, our magnificent Riverwalk has been expanded and now extends a total of 2.5 miles along both sides of the spectacular St. Johns River, providing an outstanding recreational amenity.

In the coming months, we look forward to implementing recommendations of the Jacksonville Economic Development Commission's Downtown Committee that will further position Downtown Jacksonville as a great place to live, work and play. From improving the pedestrian environment to encouraging retail growth and addressing growing infrastructure needs, we look forward to the challenges and achievements before us.

The information contained in this report is reflective of the strides we as a community have made in revitalizing Downtown Jacksonville.

On behalf of the City of Jacksonville, the Jacksonville Economic Development Commission and Downtown Vision, Inc., we invite you to experience all that Downtown Jacksonville has to offer. Welcome to the neighborhood!

Sincerely,



John Peyton

Mayor John Peyton



Robert M. Rhodes

Robert M. Rhodes
Chair
Jacksonville Economic
Development Commission



Steve Crosby

Steve Crosby
Chair
Downtown Vision, Inc.



About Downtown Vision, Inc.

Our Mission

Downtown Vision, Inc. is a not-for-profit 501(c)6 Downtown improvement organization whose mission is to build and maintain a healthy and vibrant Downtown community and to promote Downtown as an exciting place to live, work, and play.

Downtown Vision is dedicated to making Downtown cleaner, safer and friendlier, promoting the Downtown area, building a Downtown neighborhood, addressing parking and transportation issues, creating a Downtown experience, serving as a one-stop shop for information about Downtown, and advocating the interests of local businesses and property owners.

The Downtown Jacksonville Improvement District

The Downtown Jacksonville Improvement District is a ninety-block neighborhood in which property owners tax themselves to make their community cleaner, safer and more vibrant. The tax is used by the district to provide services and capital improvements that supplement those provided by the city.

A private/public partnership that manages the district, Downtown Vision, Inc. is leading a new spirit of cooperation among property owners, businesses and the community by providing a wide range of valuable services, including cleanliness and safety initiatives, beautification projects, parking and transportation initiatives, marketing programs and advocacy support.

The Downtown Jacksonville Improvement District contains approximately 500 properties and is bounded by Prudential Drive on the south, Church Street on the north, Market Street on the east and Broad Street on the west.

Downtown Vision, Inc.
 214 N. Hogan St., Ste. 120
 Jacksonville, FL 32202
 (904) 634.0303
www.DowntownJacksonville.org

About the Jacksonville Economic Development Commission

The Jacksonville Economic Development Commission (JEDC) works to promote a healthy and vibrant Downtown environment through its official roles as Community Redevelopment Authority, Downtown Master Plan Developer, Downtown DRI Developer and Downtown Zoning Overlay Manager. The JEDC is committed to being a facilitator of future real estate development and a proactive partner with existing investors in Downtown.

In addition to its Downtown initiatives, the JEDC directs citywide business recruitment efforts, administers local and state incentives, houses the Film and Television Commission and the Sports and Entertainment divisions, and develops Cecil Commerce Center. All of these efforts enable the JEDC to accomplish its mission of developing and executing policies that result in sustainable job growth, rising personal incomes and a broader tax base throughout Northeast Florida.

Jacksonville Economic Development Commission
 1 W. Adams St., Ste. 200
 Jacksonville, FL 32202
 (904) 630.1858
www.jaxdevelopment.org

Downtown Jacksonville Development

Downtown Jacksonville has experienced a surge in investment during the past few years. Since 2000, 44 projects totaling \$893 million in investment have been completed. Currently, an additional 17 projects (\$405 million) are under construction and a total of 36 projects (more than \$3.4 billion) have been proposed for development.

Housing and infrastructure continued to be a major focus in 2006, with 48% of investment under construction in new Downtown housing and 41% of investment in transportation and infrastructure improvements.

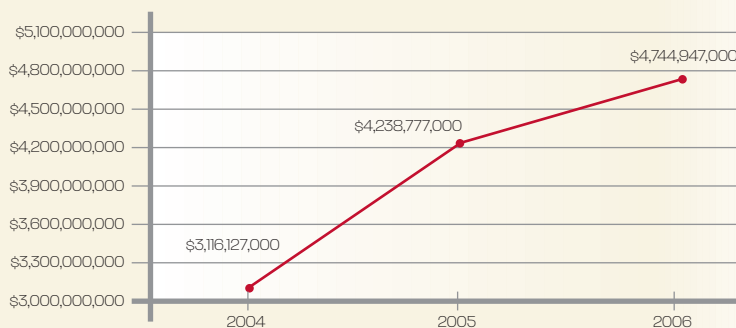
In 2006, 13 new Downtown development projects were announced, including four residential projects, four infrastructure projects and two new multi-million dollar mixed-use projects.

Outlook

- Downtown housing, with a focus on market-rate and workforce housing, will continue to be a key focus in Downtown development.
- Construction will continue along Riverside Avenue, the Northbank and Southbank riverfront, and Hemming Plaza.
- Plans for several projects in the west core and LaVilla area will commence following the finalization of a construction schedule on the new Duval County Courthouse.
- Interest from the city and the community to create an overall vision for the riverfront as a Downtown destination, combined with several riverfront projects in various stages of construction or development, will keep Downtown's riverfront at the forefront of discussion.
- The Jacksonville Economic Development Commission will establish a Downtown Development Review Board, a one-stop shop for Downtown development, to streamline the regulation and permitting of Downtown projects, and eliminate the need for projects to be reviewed by multiple agencies.

Total Downtown Investment

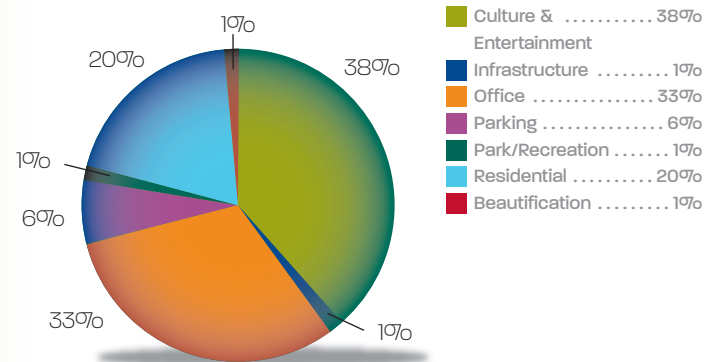
Source: Downtown Vision, Inc., Jacksonville Economic Development Commission



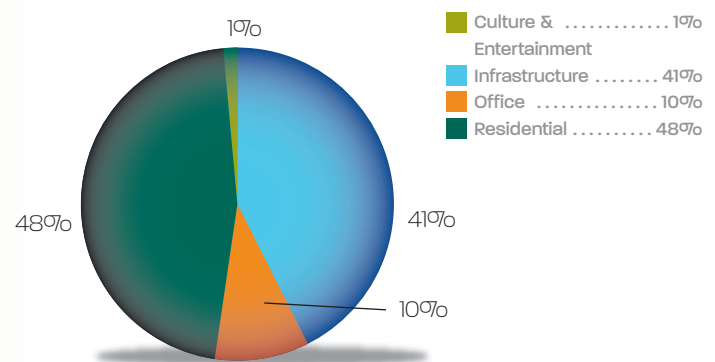
Total Investment in Downtown Development Projects by Category¹

Source: Downtown Vision, Inc., Jacksonville Economic Development Commission

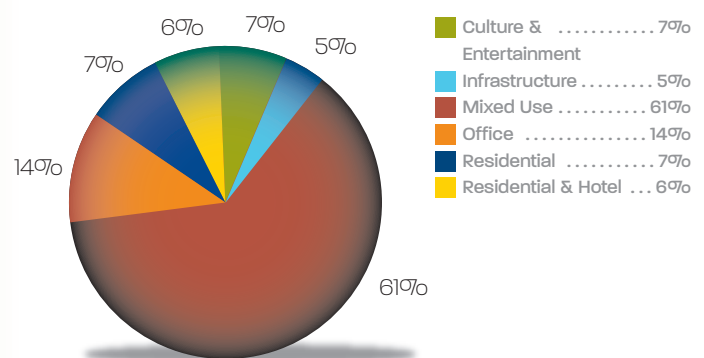
Completed 2000-2006 (n=\$893,054,000)



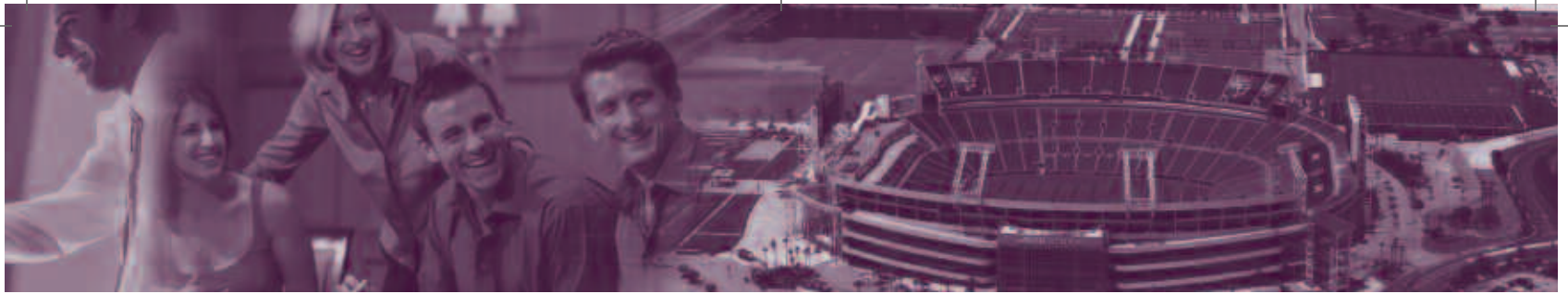
Under Construction (n=\$405,326,000)



Proposed (n=\$3,470,167,000)



¹ All projects categorized based on primary use or purpose. Mixed use indicates projects which have multiple buildings and components, such as Shipyards or San Marco Riverwalk.



Downtown Development Summary ^{2,3}

Source: Downtown Vision, Inc., Jacksonville Economic Development Commission

Projects Completed 2000-2006

11 E. Forsyth	Residential	\$24,150,000
100 N. Laura	Office	\$2,500,000
841 Prudential	Office	\$24,300,000
Adams Street Station	Culture/Entertainment	\$8,000,000
ALLTEL Stadium Upgrades	Culture/Entertainment	\$59,000,000
Amsterdam Sky Cafe	Culture/Entertainment	\$2,000,000
Arena/Sports Complex/County Courthouse Garages	Parking	\$53,000,000
Baptist Hospital	Office	\$55,000,000
Baseball Grounds of Jacksonville	Culture/Entertainment	\$34,000,000
Bay Street Town Center Streetscape	Beautification	\$1,400,000
Berkman Plaza Phase I	Residential	\$56,000,000
Clara White Mission	Office	\$2,150,000
Coffman, Coleman, Andrews & Grogan	Office	\$2,225,000
Community Connections	Office	\$850,000
Dyal Upchurch	Office	\$1,700,000
Educational Community Credit Union	Office	\$8,000,000
Eclate Jazz Club	Culture/Entertainment	\$730,000
Elkins Constructors	Office	\$3,310,000
Elks Building	Office	\$3,500,000
Federal Building Renovations	Office	\$20,000,000
Fidelity National Financial	Office	\$53,000,000
Harmony Dental	Office	\$1,875,000
Holmes Building	Office	\$1,100,000
Home Street Lofts	Residential	\$3,000,000
Jacksonville Museum of Modern Art	Culture/Entertainment	\$6,000,000
LaVilla Professional Office Complex	Office	\$5,100,000
New Main Library	Culture/Entertainment	\$95,000,000
Northbank Riverwalk Expansion	Park/Recreation	\$8,500,000
OUR Properties - 100 E. Adams	Culture/Entertainment	\$281,000
Parks at the Cathedral Phase I	Residential	\$8,200,000
Police & Fire Pension Fund	Office	\$4,000,000
Residences at City Place	Residential	\$2,000,000
Riverside Avenue Widening	Infrastructure	\$11,993,000
St. Joe Company Headquarters	Office	\$24,000,000
State & Union Street Landscaping	Beautification	\$6,100,000
Synovus Bank Branch	Office	\$1,500,000
The Carling	Residential	\$27,100,000
The Metropolitan	Residential	\$16,000,000
The Strand at St. Johns	Residential	\$42,000,000
The Warehouse	Office	\$1,290,000
Urban Core - 21 E. Adams St.	Culture/Entertainment	\$1,600,000
U.S. Federal Courthouse	Office	\$80,000,000
Veterans Memorial Arena	Culture/Entertainment	\$130,000,000
W.A. Knight Lofts	Residential	\$1,600,000
44 Completed Projects		\$893,054,000

Projects Under Construction

20 West/Lerner Building	Residential	\$6,800,000
Berkman Plaza Phase II	Residential	\$36,000,000
Chamblin Bookmine	Retail	Not Available
Churchwell Lofts	Residential	\$8,600,000
Ed Ball Building	Office	\$10,000,000
Genovar's Hall	Office	\$715,000
Hendricks Avenue Reconstruction	Infrastructure	\$5,711,000
I-95/I-10 Reconstruction	Infrastructure	\$148,000,000

Lee & Cates Glass	Office	\$1,000,000
Main Street Park	Park/Recreation	\$1,800,000
Mathews Bridge Grating Replacement	Infrastructure	\$12,900,000
One12	Residential	\$20,000,000
Riverside Avenue Partners	Office	\$28,000,000
Sax Seafood	Culture/Entertainment	\$2,400,000
San Marco Blvd. Reconstruction	Infrastructure	\$1,500,000
San Marco Place	Residential	\$46,900,000
The Peninsula at St. Johns	Residential	\$75,000,000

17 Projects Under Construction \$405,326,000

Proposed Projects

122 Ocean*	Mixed Use	\$20,000,000
16:flat*	Residential	\$6,000,000
200 Riverside	Mixed Use	\$96,800,000
218 W. Adams*	Residential	\$7,500,000
323 Duval & Ambassador Hotel	Office	\$50,000,000
605 W. Beaver	Residential	\$2,700,000
752 W. Adams	Office	\$1,500,000
Bay Street Town Center Streetscape (Phase II-IV)*	Beautification	\$3,200,000
BB&T Tower & Garage*	Office/Parking	\$220,000
Brewster Hospital	Office	\$1,700,000
Brooklyn Park*	Mixed Use	\$250,000,000
Bus Rapid Transit System*	Infrastructure	\$15,000,000
Clara White Mission Housing*	Residential	\$11,600,000
Duval County Courthouse	Office	\$316,000,000
Former Haverty's Building	Office	\$8,000,000
Former Jones Furniture Building	Office	Not Available
Harris, Guidi, Rosner, Dunlap, Rudolph, Catlin & Bethea	Office	\$2,000,000
Hogan's Creek Greenway*	Park/Recreation	\$8,200,000
Jacksonville Transportation Center*	Infrastructure	\$146,000,000
Kings Avenue Station	Office	\$60,000,000
Laura Trio (Marble Bank, Florida Life & Bisbee Buildings)	Office	\$29,300,000
LaVilla Professional Office Complex Phase II	Office	\$6,200,000
Maceo Elks Lodge	Office	\$447,000
Permits and Court Records Facilities	Office	\$12,600,000
Riverwatch at City Centre	Residential & Hotel	\$100,000,000
San Marco Riverfront District	Mixed Use	\$550,800,000
San Marco Riverwalk	Mixed Use	\$500,000,000
Shipyards	Mixed Use	\$450,000,000
St. Johns Hotel & Residences	Residential & Hotel	\$100,000,000
St. Johns Point	Mixed Use	\$234,000,000
South Shore Group Marina*	Park/Recreation	\$6,400,000
The Jacksonville Landing	Culture/Entertainment	\$250,000,000
The Lofts at East Union	Residential	\$20,000,000
The St. John	Residential	\$100,000,000
The Vu	Residential	\$100,000,000
Two Way Streets - Laura, Julia, Pearl, Bay, Independent*	Infrastructure	\$4,000,000

36 Proposed Projects \$3,470,167,000

97 Total Projects \$4,744,947,000

² A complete listing of Downtown development projects, including project descriptions, is available upon request from Downtown Vision, Inc.

³ Bold items were completed in 2006. Projects marked with an asterisk were announced in 2006.

Downtown Jacksonville Residential Market

Downtown Jacksonville is experiencing a residential renaissance. In early 2007, there were 1,969 units available for lease or purchase, with an additional 746 units under construction and 8,234 units proposed. Four new residential projects totaling 1,154 units were announced last year, while a record 1,008 units began preselling.

Sales of existing Downtown residences have continued in the past year, with 205 new ready-for-occupancy units becoming available for sale in November. The average sale price per square foot of existing Downtown residences continued to be in the \$270-\$280 range. Downtown rental communities also had a good year. Despite the addition of 118 units late in the year, more than 70% of all Downtown rental units were leased by the end of 2006.

While much of the new residential product being brought to market is higher-end development with prices starting in the \$300s, there is a need to ensure that there is an adequate supply of housing that is affordable to the Downtown workforce. The Jacksonville Economic Development Commission established the Downtown Residential Task Force to identify strategies that can be implemented to incent Downtown workforce housing (defined as 140% of the Jacksonville median household income, or \$76,020 for a family of three). Strategies include developer-based programs such as REV grants and expedited permitting and resident-based programs such as mortgage revenue bonds and down payment assistance.

Outlook

- New announcements for residential development in Downtown will slow as the market adjusts and investors watch sales in communities that have started preselling.
- Expect to see more small scale, infill projects, such as 16:flat and 218 W. Adams Lofts, add density and vibrancy to the Downtown core.
- Once residential units that are currently under construction have been completed, the number of residents in Downtown should double from the current total of 2,074 to approximately 4,300.

Downtown Housing Summary

Source: Downtown Vision, Inc.

Projects Completed 2000-2006

#Units

11 E. Forsyth	127	For Lease	
Cathedral Residences (senior living)	632	For Lease	* Already existing in 2000
Home Street Lofts	12	For Sale	
Parks at the Cathedral	51	For Sale	
Residences at City Place	205	For Sale	* Converted/renovated in 2006
Single Family Homes (low income)	134	For Sale	* Already existing in 2000
Stephens Duval	58	For Lease	
The Carling	99	For Lease	
The Metropolitan	118	For Lease	
The Plaza Condominiums at Berkman Plaza	206	For Sale	
The Strand at St. Johns	295	For Lease	* Completed in 1st quarter 2007
The Townhomes at Berkman Plaza	20	For Sale	
W. A. Knight Lofts	12	For Lease	

Total Units Completed/Existing

1,969

Projects Under Construction

#Units

20 West	20	For Lease	
Berkman Plaza Phase II	222	For Sale	* Presales began in 2006
Churchwell Lofts at East Bay	21	For Sale	
One12	108	For Sale	* Presales began in 2006
San Marco Place	141	For Sale	
The Peninsula at St. Johns	234	For Sale	

Total Units Under Construction

746

Proposed Projects

#Units

16:flat	20	For Sale	*Announced in 2006, presales began in 2006
200 Riverside	250	For Sale	*Announced in 2006
218 W. Adams	30	For Sale	*Announced in 2006, presales began in 2006
605 W. Beaver	N/A	For Sale	
Ambassador Hotel	50	For Lease	
Brooklyn Park	800	For Lease	*Announced in 2006
Clara White Mission Housing	54	For Lease	*Announced in 2006
Riverwatch at City Centre	188	For Sale	
San Marco Riverfront District/JEA Park	2,000	For Sale	
San Marco Riverwalk	2,000	For Lease & For Sale	
Shipyards	1,000 (328 Phase I)	For Sale	* Presales began in 2006
St. Johns Hotel & Residences	469	For Sale	
St. Johns Point	810	For Sale	
The Lofts on Main	73	For Sale	
The St. John	300	For Sale	* Presales began in 2006
The Vu	190	For Sale	

Total Units Proposed

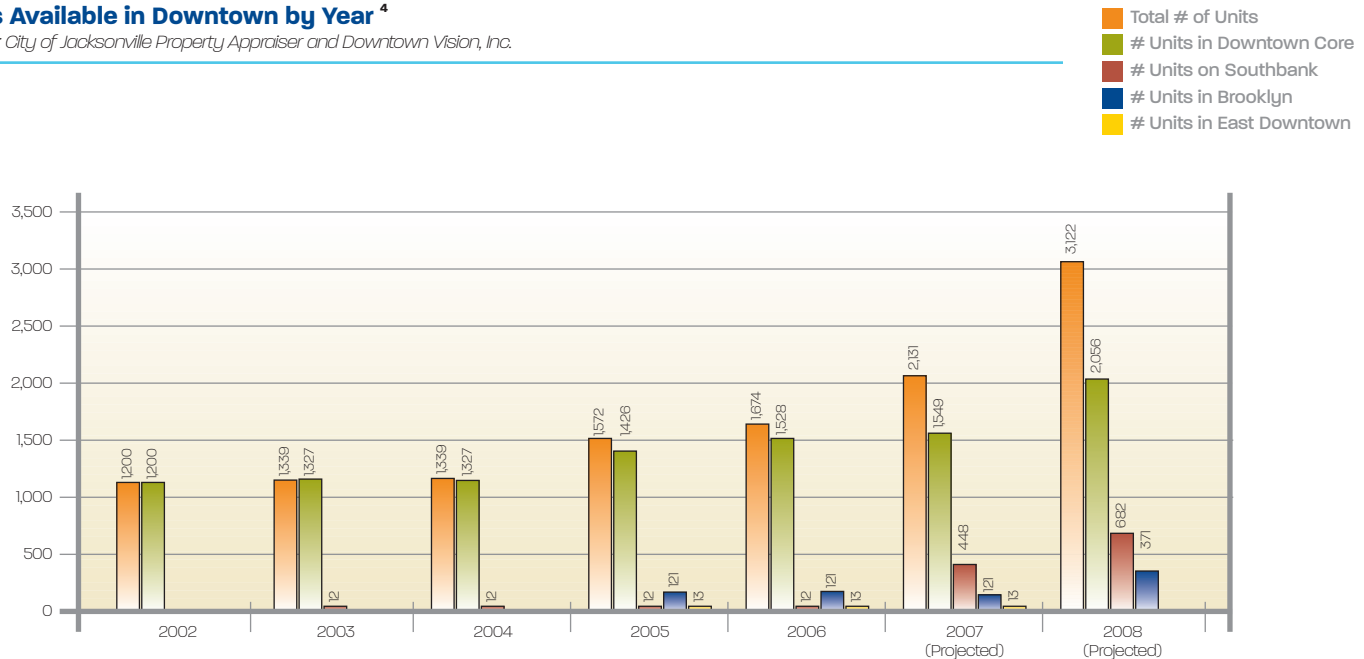
8,234

TOTAL UNITS

10,949

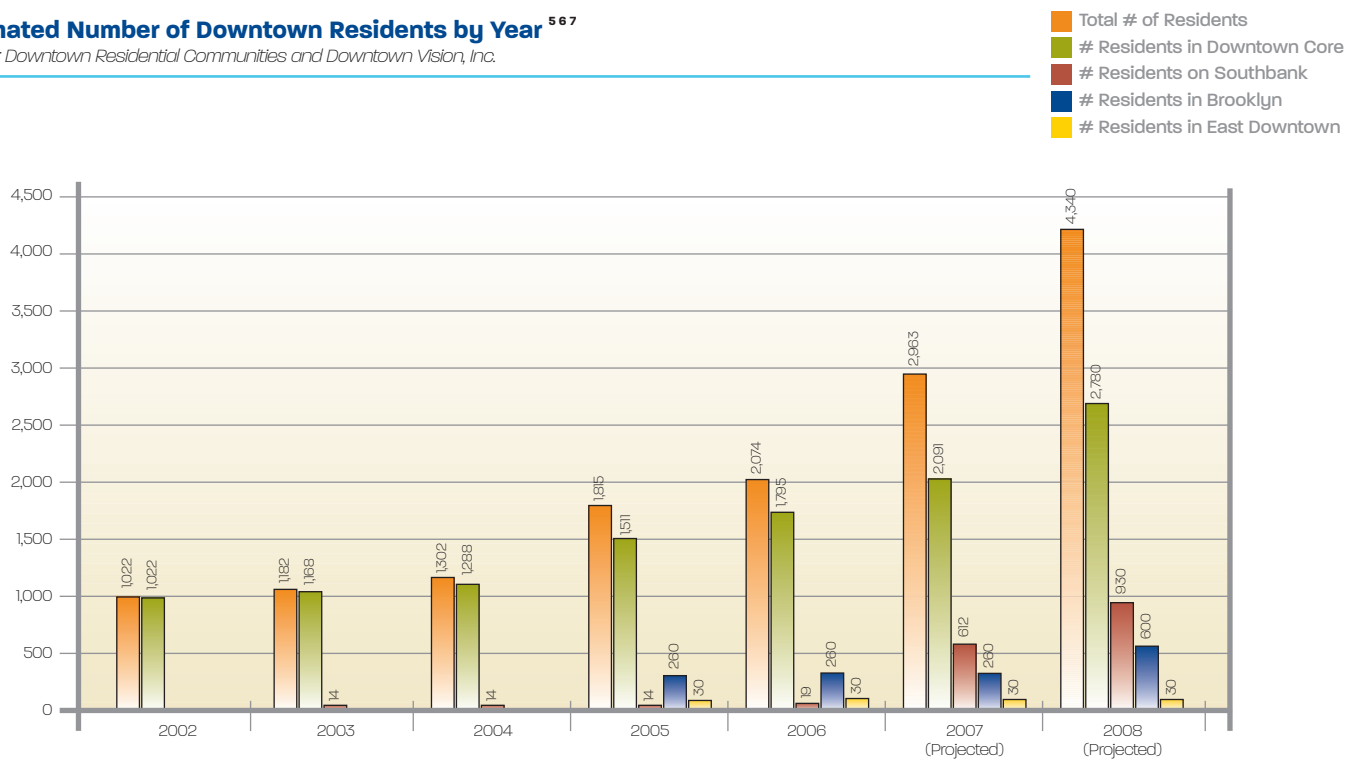
Units Available in Downtown by Year ⁴

Source: City of Jacksonville Property Appraiser and Downtown Vision, Inc.



Estimated Number of Downtown Residents by Year ^{5 6 7}

Source: Downtown Residential Communities and Downtown Vision, Inc.



⁴ Numbers not available for East Downtown and Brooklyn from 2001 - 2004.

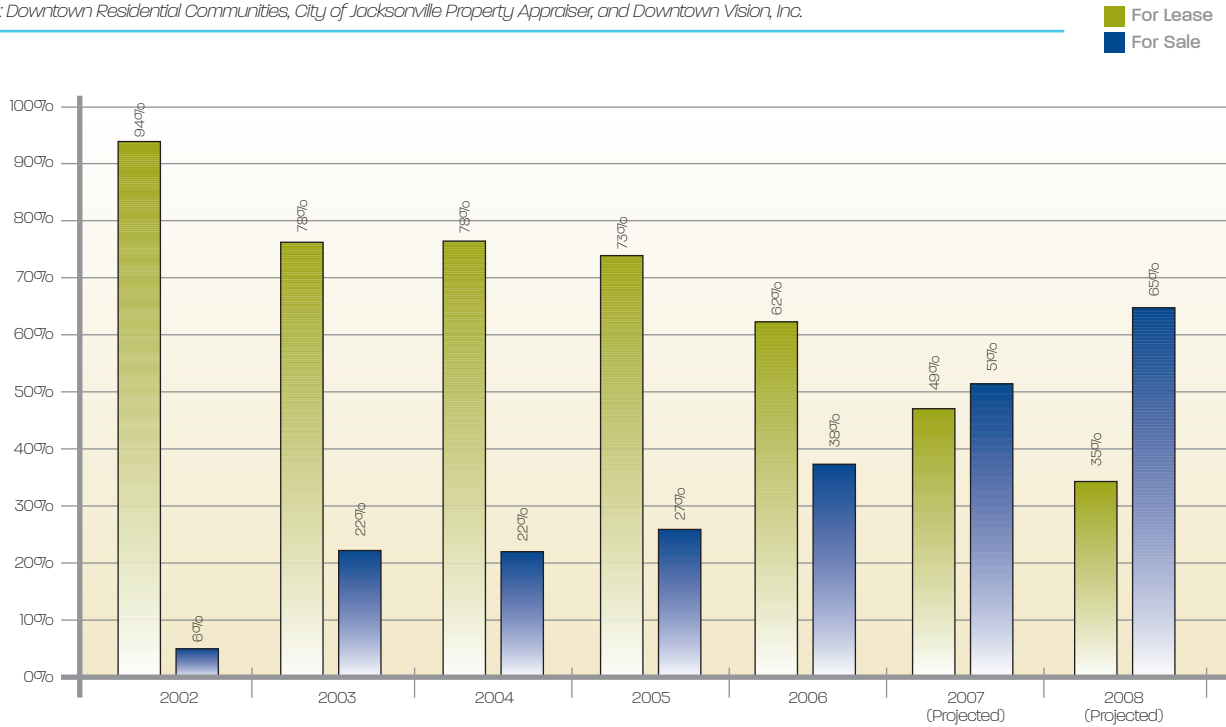
⁵ Based on counts provided by individual communities, or 1.6 residents per occupied unit in Downtown core in communities which did not give a count of residents, and 2.2 residents per occupied unit in Brooklyn and East Jacksonville. Transient residences, boarding houses and homeless shelters not included. Projected numbers based on existing number of residents, plus 1.6 residents per occupied unit (estimated at 85% occupancy) in communities opened in late 2006 and expected to open in 2007 for 2007 projection and communities expected to open in 2008 for 2008 projection.

⁶ There are currently no residents in LaVilla.

⁷ Numbers not available for East Downtown and Brooklyn from 2001 - 2004.

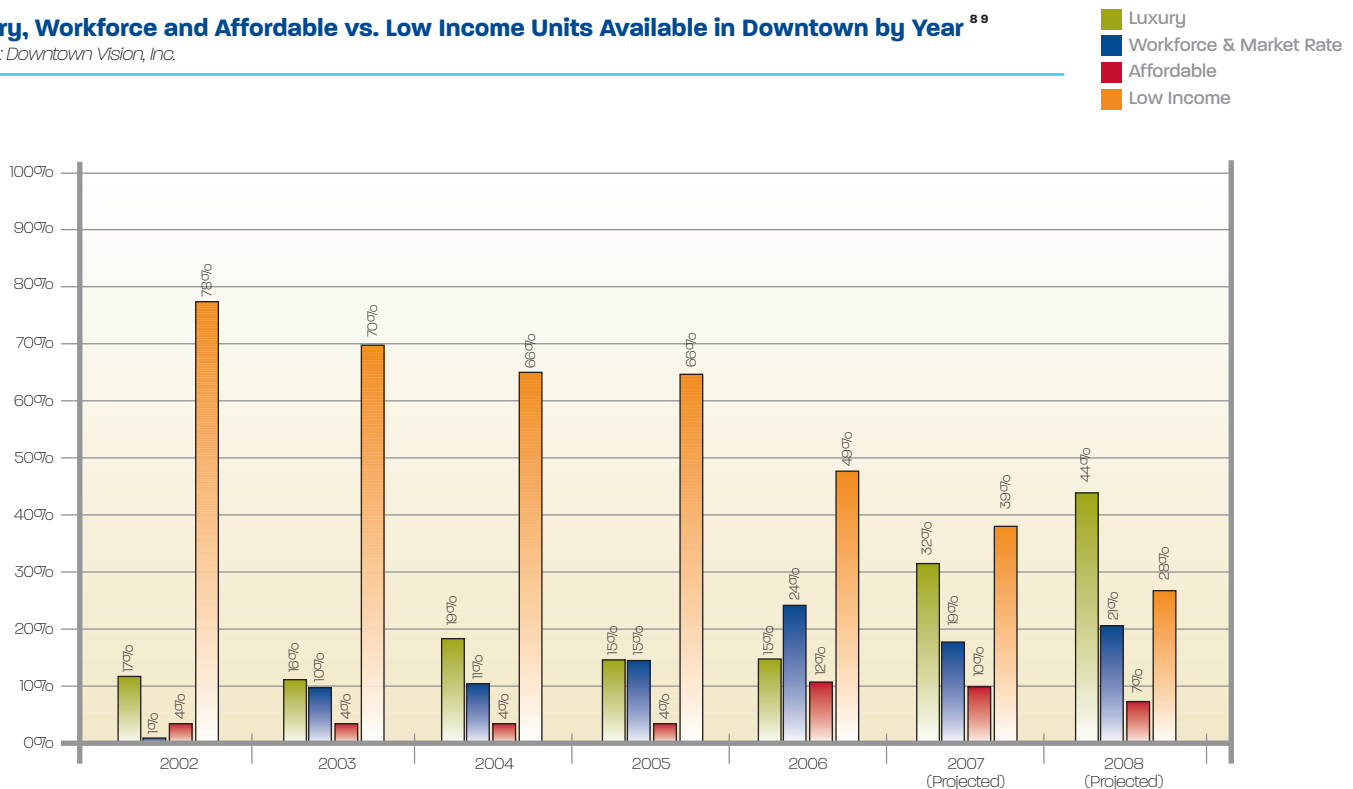
For Lease & For Sale Units Available in Downtown by Year

Source: Downtown Residential Communities, City of Jacksonville Property Appraiser, and Downtown Vision, Inc.



Luxury, Workforce and Affordable vs. Low Income Units Available in Downtown by Year ^{8 9}

Source: Downtown Vision, Inc.

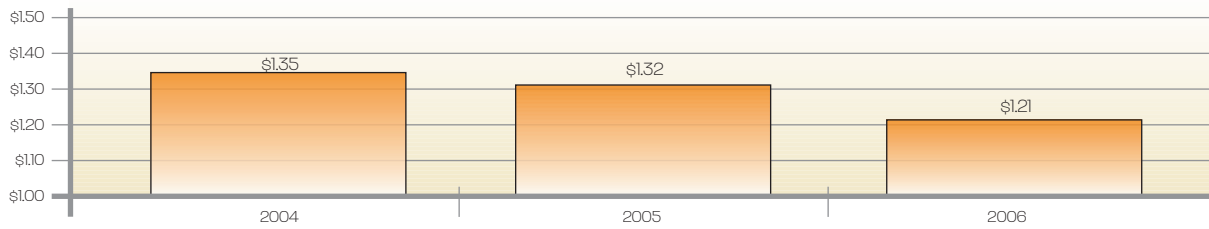


⁸ Affordable units are defined as equal to 30% of a household's gross monthly income. Market rate units are defined as +/- 20% of average cost per square foot for rental or for sale properties. Luxury units are defined as +/- 20% of \$320 price per square foot of rental or for sale properties. Cost equates to median price per square foot cost for condominium units sold in Duval County in 2006.

⁹ Classification for units built since 2000 based on average price per square foot for monthly rent in apartments and average price per square foot of original sale of townhomes and condominiums.

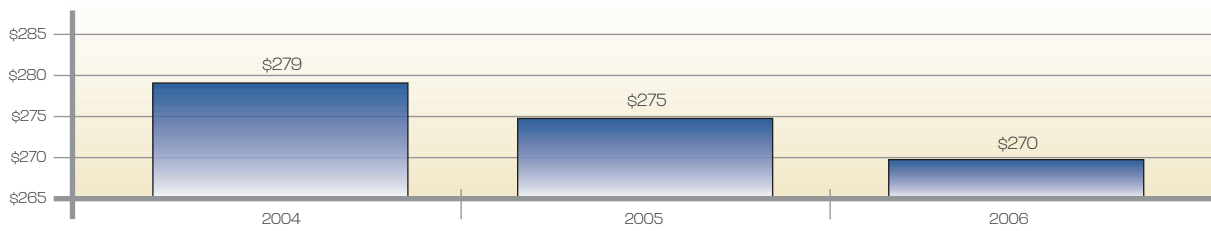
Average Rental Prices Per Square Foot Per Month in Downtown by Type of Unit

Source: Downtown Residential Communities and Downtown Vision, Inc.



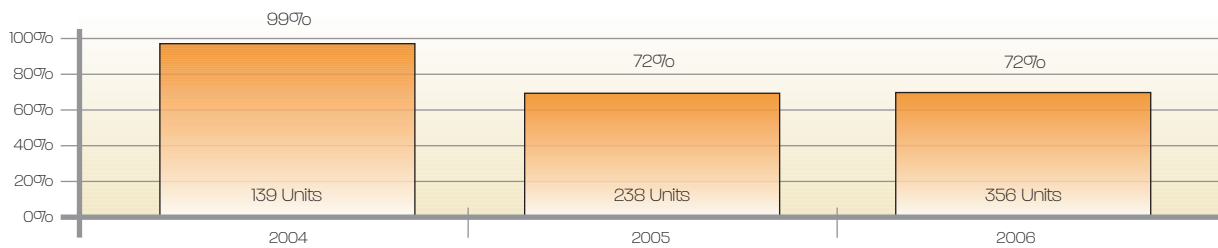
Average Sale Prices Per Square Foot in Downtown

Source: City of Jacksonville Property Appraiser



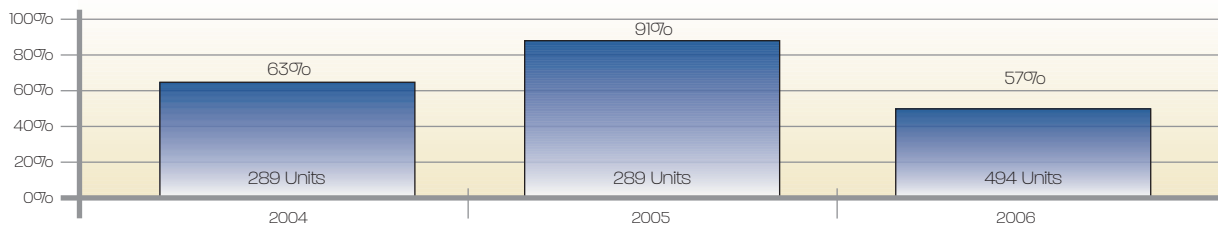
Percentage of Units Leased in Downtown

Source: City of Jacksonville Property Appraiser, Downtown Residential Communities and Downtown Vision, Inc.



Percentage of Units Sold in Downtown ¹⁰

Source: City of Jacksonville Property Appraiser and Downtown Vision, Inc.



¹⁰ 205 units at Residences at City Place began sales in November 2006.

Downtown Jacksonville Office Market

Downtown Jacksonville is home to over 6.6 million net rentable square feet of office space, more than 1,200 businesses, two *Fortune 500* headquarters and 56,000 workers.

The Downtown office market finished the year with a vacancy rate of 14.8% - the lowest since 2000 - and a net absorption of over 62,000 square feet of space. This was the first year of positive net absorption since 2002, and by comparison, the CBD vacancy rate declined at a faster rate than the suburban market. The average rental rate in Downtown was \$18.97 per square foot.

Over \$54 million in new office development was completed in 2006, primarily in Brooklyn with the completion of Fidelity National Financial's campus expansion. An additional \$347 million in office and mixed use investment is proposed for Riverside Avenue, making it one of the hottest areas for development in Downtown Jacksonville.

Employment in Downtown Jacksonville remained essentially static, with the 56,000 employees working in Downtown representing 13.2% of employment in Duval County and 8.8% of employment in the region.

Outlook

- The Hemming Plaza area will continue to gain density as the city consolidates its offices within the core of Downtown and off the waterfront - which should be put to a higher and better use.
- Downtown will continue to become a more attractive office location than the suburban competition as companies realize the unique amenities and conveniences afforded by a Downtown location and the suburban market becomes tighter.
- Expect a shift in employment over the next several years to Riverside Avenue as new office space is completed and to the western section of Downtown as the new Duval County Courthouse proceeds with construction.

Top Downtown Building Sales & Leases in 2006 ¹

Source: Colliers Dickinson, Jacksonville Business Journal

Building Sales

Address	Buyer	Price per Square Foot	Total Price	Square Feet	Close Date
Ed Ball Building 214 N. Hogan St.	City of Jacksonville	\$59.29	\$23,000,000	387,900	02/2006
Everbank Building 300 W. Adams St.	300 W. Adams St. LLC	\$105.97	\$4,500,000	42,466	05/2006
Exchange Building 218 W. Adams St.	Exchange GMO, LLC	\$62.58	\$2,000,000	31,960	05/2006
1015 Kings Ave.	Cady & Cady Associates	\$157.14	\$1,100,000	7,000	01/2006
Hamby Building 331 W. Forsyth St.	331 W. Forsyth St., LLC	\$25.00	\$875,000	35,000	08/2006

Leases

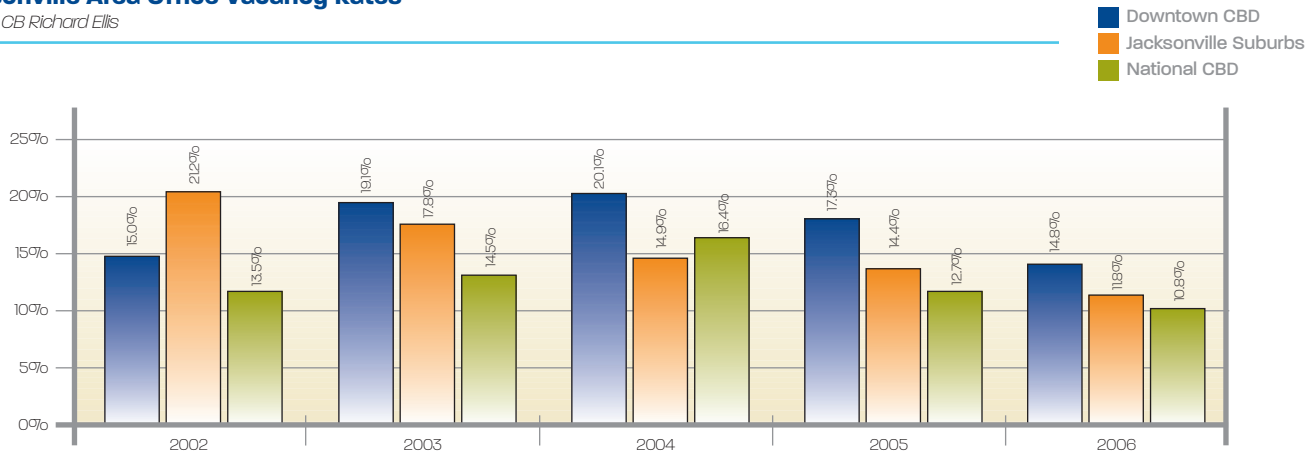
Tenant	Address	Value	Square Feet	Length	Close Date
Medical Services Co.	Aetna Building - South Shore Group 841 Prudential Dr.	\$12,400,000	101,076	90 months	12/2006
Sungard Corbel LLC	DuPont Center II 1660 Prudential Dr.	\$5,970,000	54,667	WND	09/2006
Southern Baptist Hospital of Florida	Aetna Building - South Shore Group 841 Prudential Dr.	\$2,680,000	15,207	WND	03/2006
American Association of of Clinical Endocrinologists	St. Joe Building 245 Riverside Ave.	\$2,550,000	16,500	WND	07/2006
Bank of North Florida	135 W. Bay St.	\$2,400,000	13,364	WND	09/2006

¹ WND = Would Not Disclose



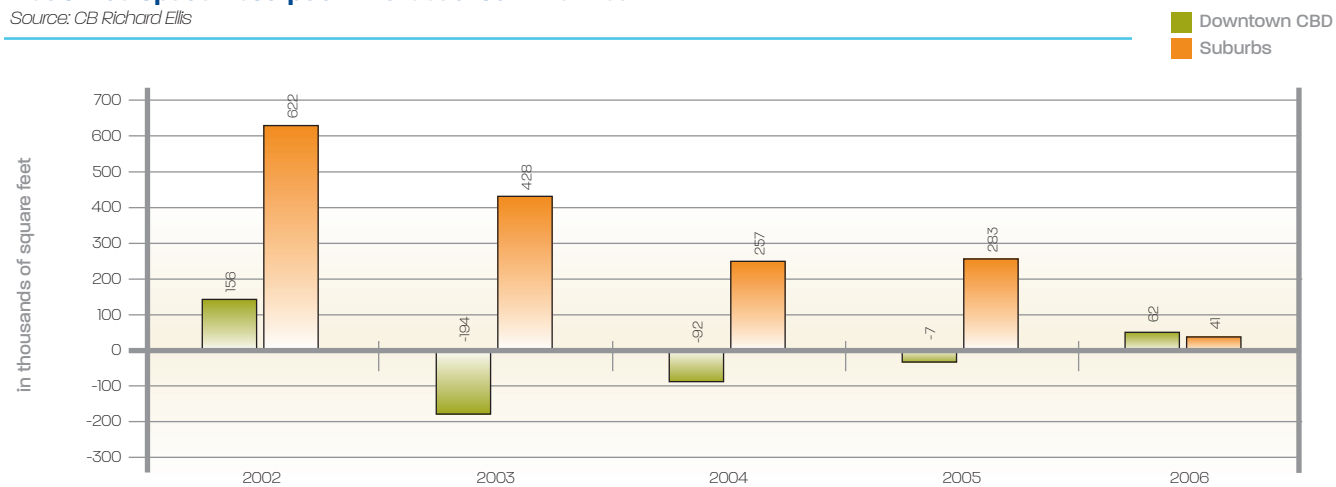
Jacksonville Area Office Vacancy Rates ¹²

Source: CB Richard Ellis



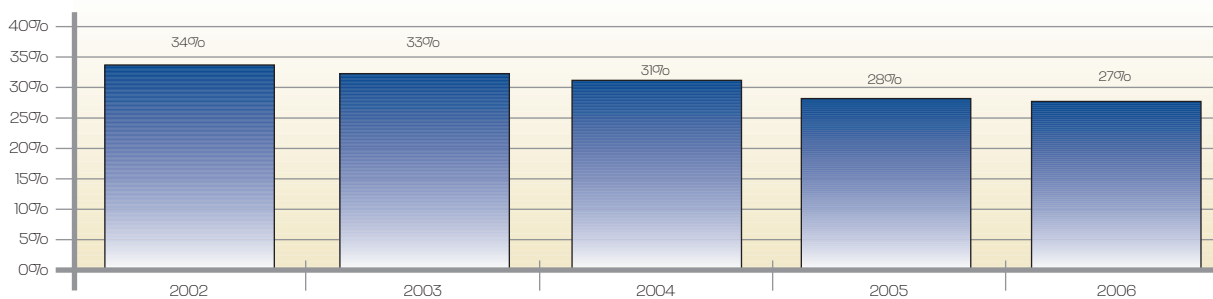
Net Office Space Absorption in the Jacksonville Area ¹³

Source: CB Richard Ellis



Percent of Jacksonville Office Space Located in Downtown

Source: CB Richard Ellis



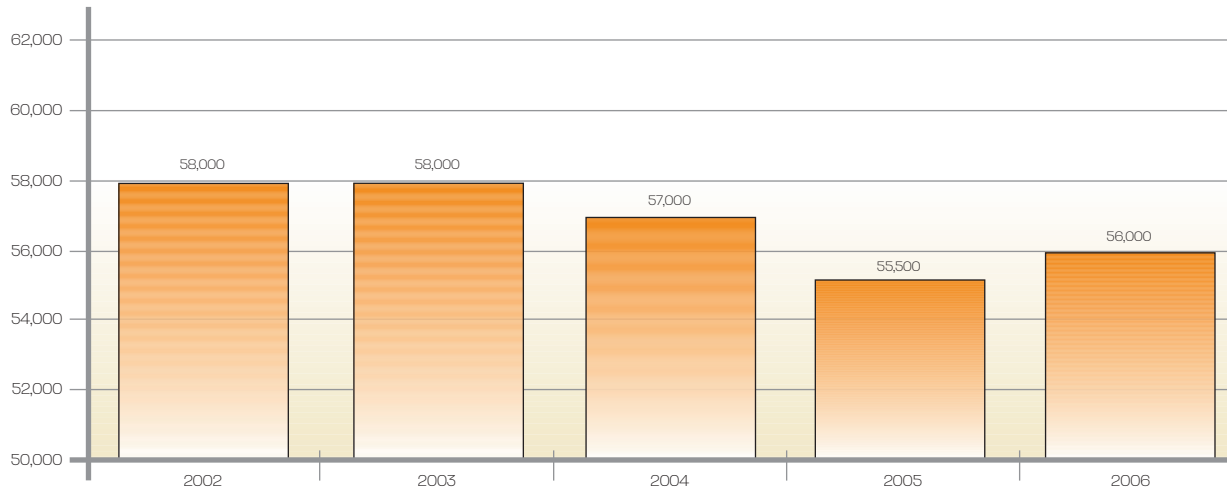
¹² All figures based on 4th quarter reports.

¹³ All figures based on 4th quarter reports.

Downtown Jacksonville Employment

Estimated Downtown Employment by Year

Source: Downtown Vision, Inc.

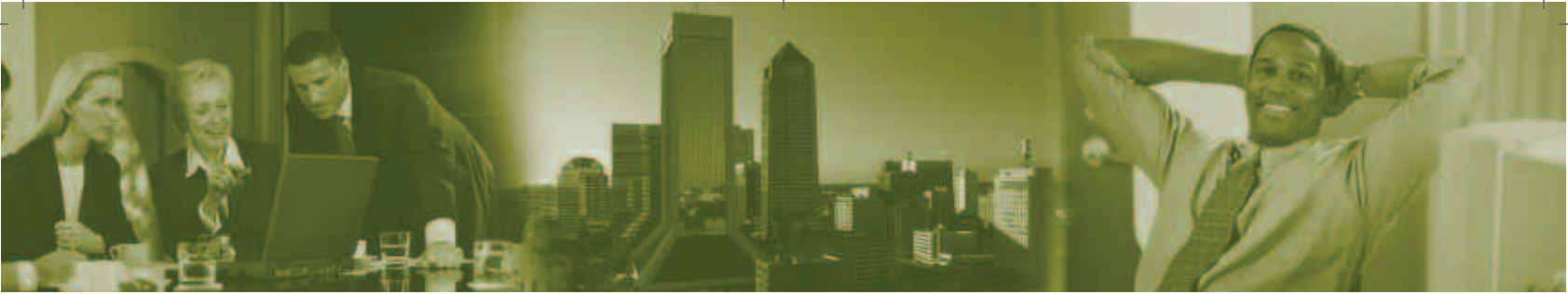


Downtown Employment vs. Employment in Duval County & Jacksonville MSA

Source: Downtown Vision, Inc., Cornerstone, Florida International University Center for Labor Research & Studies

■ % Duval County
 Employment in Downtown
■ % Jacksonville MSA
 Employment in Downtown





Downtown Employment by Region

Source: Downtown Vision, Inc.



Downtown Culture & Entertainment

In 2006, there were nearly 13 million visits to Downtown Jacksonville, an increase of 3% over the previous year (which also included nearly half a million visits for Super Bowl XXXIX).

Attendance at professional sports team events rose last year, as did attendance to theatres and performing arts centers, The Jacksonville Landing and the Main Library. The Downtown riverfront and the Sports Complex remain the primary areas of attraction in Downtown, with 5 million visits and 2.6 million visits, respectively.

Last year, Downtown Vision worked with Downtown property owners and local artist cooperatives to find new uses for vacant retail space. As a result of the initiative, two galleries opened in 2006 and an additional gallery opened in early 2007. As the city finds new ways to attract retail, temporary cultural and entertainment uses enhance the Downtown environment and create energy on the streets.

Outlook

- As a retail strategy is shaped and implemented, more people will visit Downtown on weekends and in the evening.
- Signature cultural and sporting events will continue to make Downtown Jacksonville the center of culture and entertainment in Northeast Florida.

Estimated Visits to Downtown by Category

Source: Downtown Venues, SMG, Jacksonville & the Beaches Convention & Visitors Bureau & Downtown Vision, Inc.

	2004	2005	2006
Professional Sports Team Events	939,294	979,708	995,683
Special Events ¹⁴	1,271,689	1,945,457	1,353,404
Sports Complex Facilities	961,301	982,417	955,686
Theatres & Performing Arts Centers	616,826	644,479	743,521
Museums & Galleries	237,481	321,975	284,000
The Jacksonville Landing	3,500,000	4,100,000	4,500,000
Main Library	N/A	337,855	672,188
Nightlife Venues	156,000	256,000	275,000
Churches	821,200	821,200	821,200
Business	1,435,200	1,435,200	1,435,200
Convention Center	221,530	233,517	227,096
Hotels	575,240	587,068	612,959

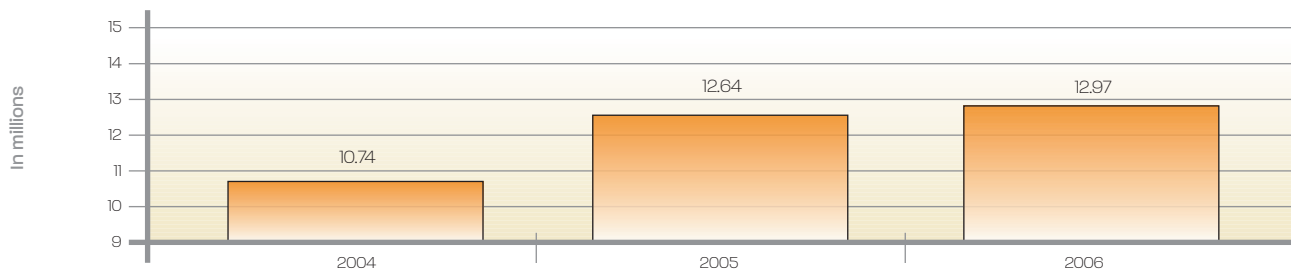
Estimated Attendance by Facility for Major Sports, Cultural & Entertainment Venues

Source: Downtown Venues

	2004	2005	2006
Baseball Grounds of Jacksonville	344,068	432,636	503,348
Florida Theatre	280,000	300,000	380,000
Jacksonville Expo Center at the Fairgrounds	525,000	590,000	445,000
Jacksonville Historical Society & Center	38,000	38,000	38,000
Jacksonville Landing	3,500,000	4,100,000	4,500,000
Jacksonville Municipal Stadium	792,354	839,949	943,143
Main Library	Not Available	337,855	771,141
Metropolitan Park	230,000	257,700	199,850
MOCA Jacksonville	40,000	42,212	58,000
Museum of Science & History ¹⁵	134,881	206,763	165,000
Northbank & Southbank Riverwalks	100,000	150,000	150,000
Ritz Theatre & LaVilla Museum	21,511	22,000	22,000
Times Union Center for the Performing Arts	310,315	315,814	341,521
Veterans Memorial Arena/Coliseum	490,177	431,840	474,652
TOTAL	6,836,306	8,064,759	8,991,655

Estimated Visits to Downtown by Year

Source: Downtown Venues and Downtown Vision, Inc.



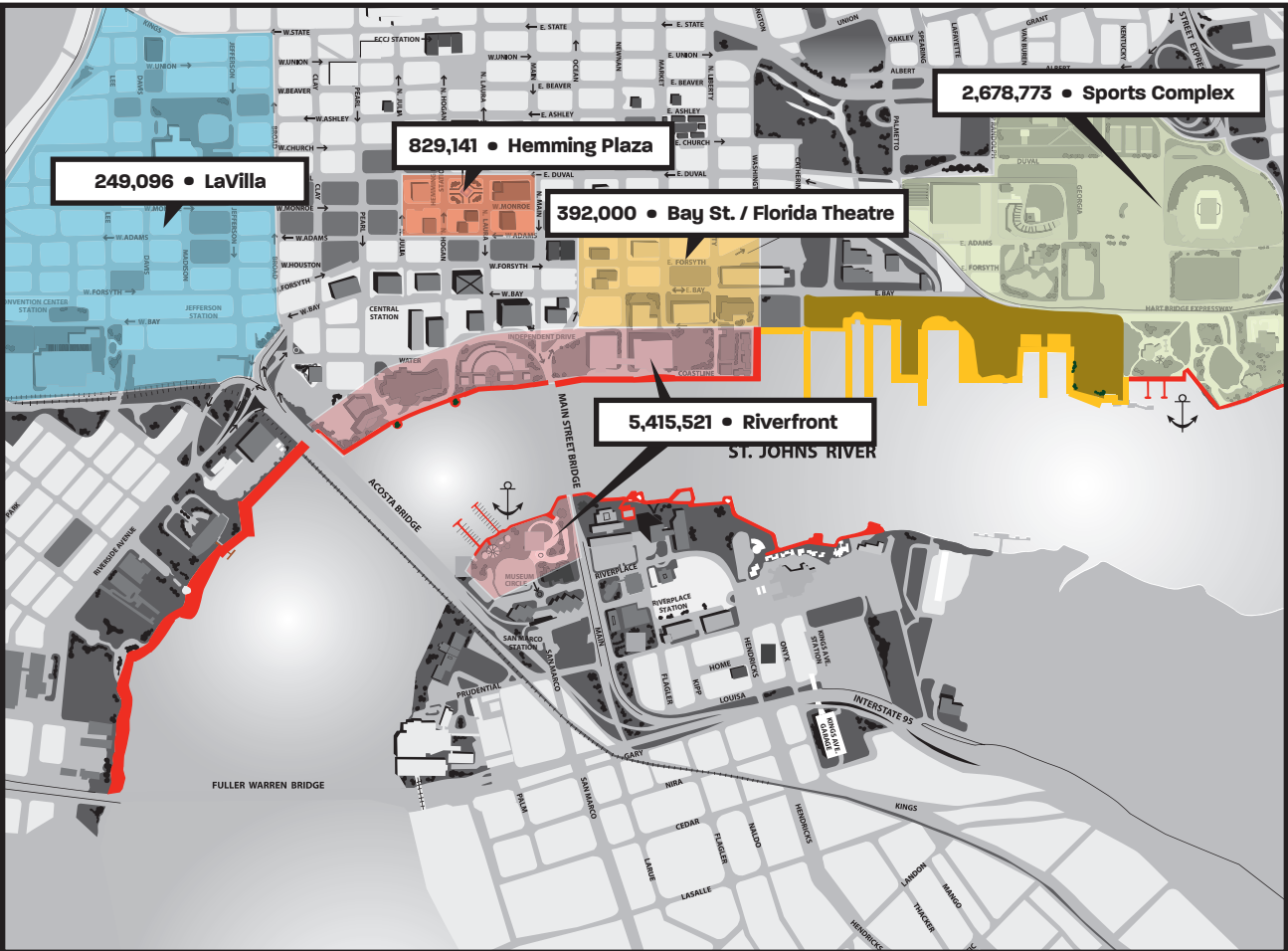
¹⁴ 2005 number includes approximately 400,000 attending the Super Downtown Celebration.

¹⁵ Attendance jump attributed to *Return of the Dinosaurs* exhibit.



Map of Downtown Cultural & Special Event Attendance

Source: Downtown Venues & Downtown Vision, Inc.



Downtown Retail & Restaurants

More than 85 restaurants, 20 bars and nightclubs and 100 retailers and service providers are located in Downtown Jacksonville. However, the Downtown area is extremely large and much of the retail and entertainment is spread in pockets over a wide area, creating a challenge in attracting a critical mass.

During the past year, Downtown Jacksonville's retail market has been the focus of a great deal of discussion. The Jacksonville Economic Development Commission's Retail Task Force made many recommendations to improve the existing retail environment in Downtown. The primary recommendation of the Task Force was to brand retail and entertainment districts within Downtown to cluster complementary retailers and uses together.

Seven new retailers opened in Downtown Jacksonville in 2006. Currently, several additional retailers are planning on opening within the next few months, including three coffee shops, a new casual dining restaurant, a furniture store, an urban grocer, and a yoga studio.

According to the JEDC's most recent study, an estimated \$1.5 billion in retail sales will occur within a three-mile radius of Downtown, and this is expected to increase at a rate greater than that of other areas of Jacksonville. Currently, retail and restaurants in Downtown serve 56,000

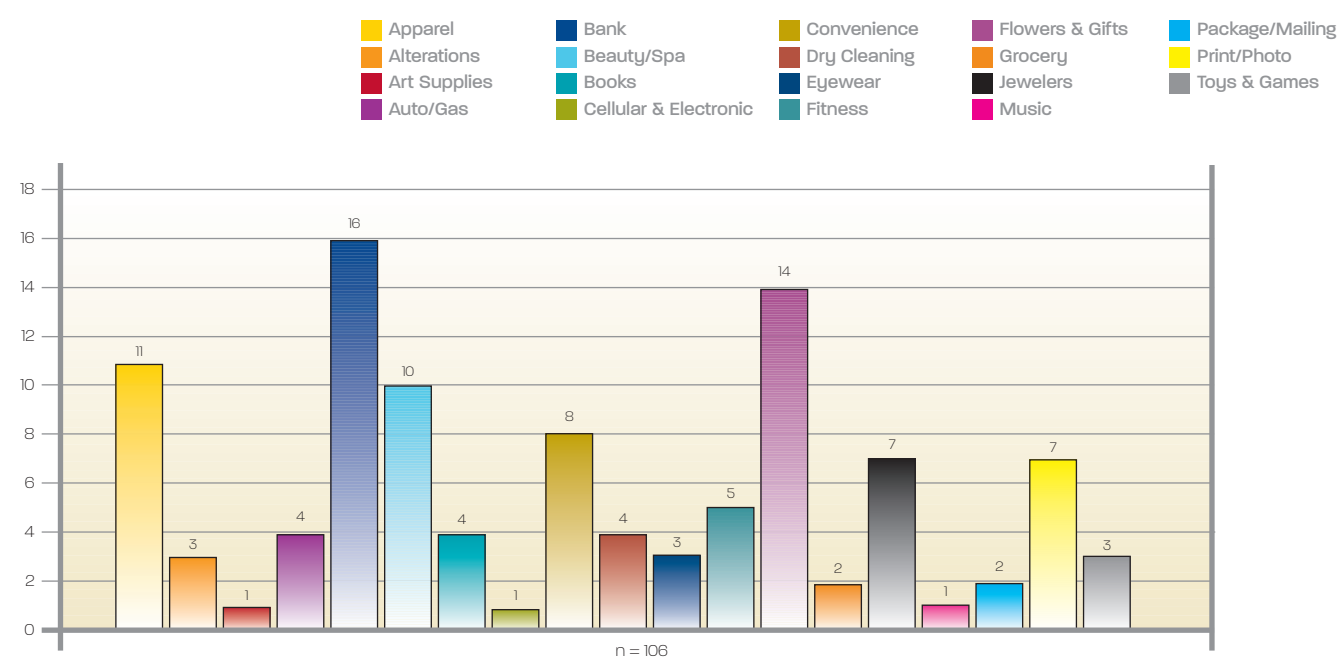
Downtown workers, 2,000 Downtown residents and an additional 79,000 households within a three-mile radius. Supported by an ever-increasing customer base within the surrounding affluent neighborhoods and a substantial increase in Downtown core residents, demand for Downtown retail is predicted to grow rapidly.

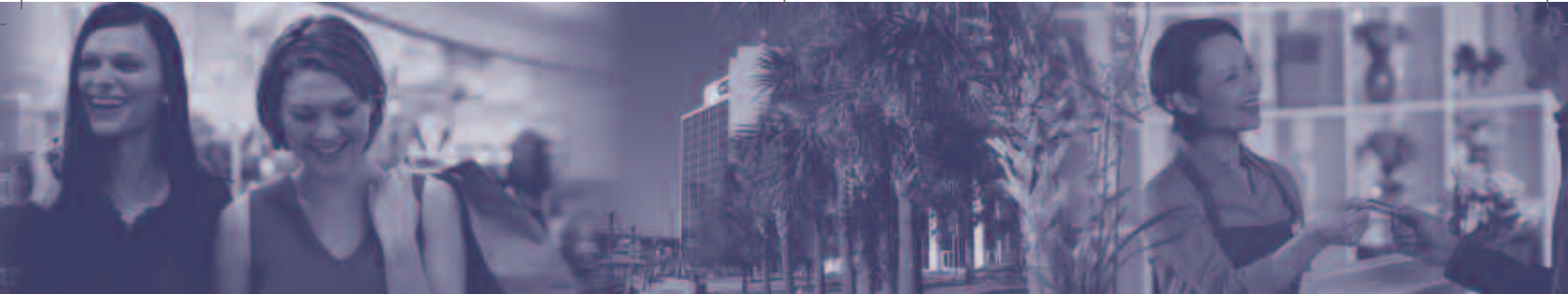
Outlook

- The Jacksonville Economic Development Commission has identified Laura Street between Hemming Plaza and The Jacksonville Landing, and Bay Street between Main Street and Liberty Street as key retail corridors in Downtown. New initiatives proposed by the JEDC Retail Task Force will identify ways to attract targeted retail to these key corridors and enhance their viability for retail.
- Enhancing the pedestrian environment between key attraction areas (Hemming Plaza, The Jacksonville Landing and Florida Theatre/Bay Street area) will be a high priority.
- An update to the Downtown Overlay Zone will eliminate the requirement for first floor retail space outside of the Downtown core, allowing the market demand for retail to adjust and encouraging retail development in targeted areas.
- The Jacksonville Landing will continue to attract retail and entertainment establishments.

Number of Downtown Retail Establishments by Type

Source: Downtown Vision, Inc.





New Retail Opened in 2006

Source: Downtown Vision, Inc.

Retail & Culture

- Laura Street Gallery
- Needless Things
- The Art Center

Restaurants

- Chew

Bars & Nightclubs

- Mark's
- Club Paris
- Bay Street Dive Bar

Population & Households in 3-mile Radius

Source: Jacksonville Economic Development Commission, Robert Charles Lesser & Co.

	2000 Census	Estimated 2006	Projected 2011
Population	78,165	78,979	80,804
Households	31,922	32,176	32,811
Household Size	2.45	2.45	2.46

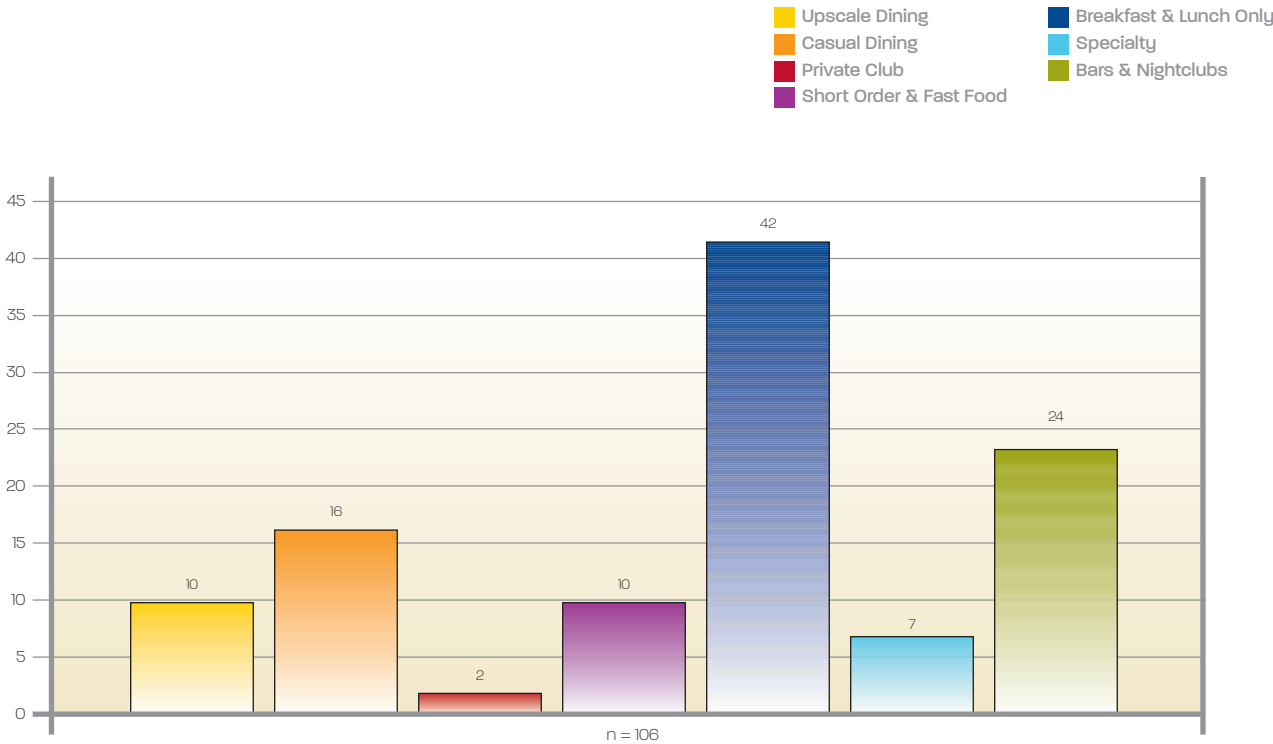
Population & Households Within a 20-Minute Drive Time

Source: Jacksonville Economic Development Commission, Robert Charles Lesser & Co.

	2000 Census	Estimated 2006	Projected 2011
Population	726,763	781,034	842,857
Households	283,037	305,701	329,839
Household Size	2.45	2.55	2.56

Downtown Bars & Restaurants by Type

Source: Downtown Vision, Inc.



Downtown Hotels & Conventions

Downtown's hotel occupancy rose in 2006 to 65%, for a total of more than 600,000 visits to Downtown.

The number of events at the Prime Osborn Convention Center dropped slightly in 2006, from 257 events to 242 events.

The past year has seen a tremendous amount of community discussion regarding Downtown Jacksonville as a convention destination. In late 2006, the Mayor asked the Convention and Visitors Bureau to spearhead a Convention Center Task Force. The task force is charged with determining whether Jacksonville can compete for convention business, and if the city needs to renovate the existing convention center or build a new convention center. Should the task force determine a new convention center is needed, the group will make recommendations on possible locations for the new development.

Outlook

- Expect recommendations from the Convention Center Task Force by the end of 2007.
- Look for additions to the hotel market in Downtown, including groundbreaking on Kings Avenue Station, which will include a Homewood Suites by Hilton and a Hilton Garden Inn, and a new hotel in Brooklyn.

Downtown Hotel Rooms

Source: Downtown Hotels

	Rooms
Crowne Plaza Jacksonville Riverfront	292
Extended Stay America	101
Hampton Inn	118
Hyatt Regency Jacksonville Riverfront	966
Omni Jacksonville Hotel	354
Wyndham Jacksonville Riverwalk	322
TOTAL	2,153

Prime Osborn Convention Center

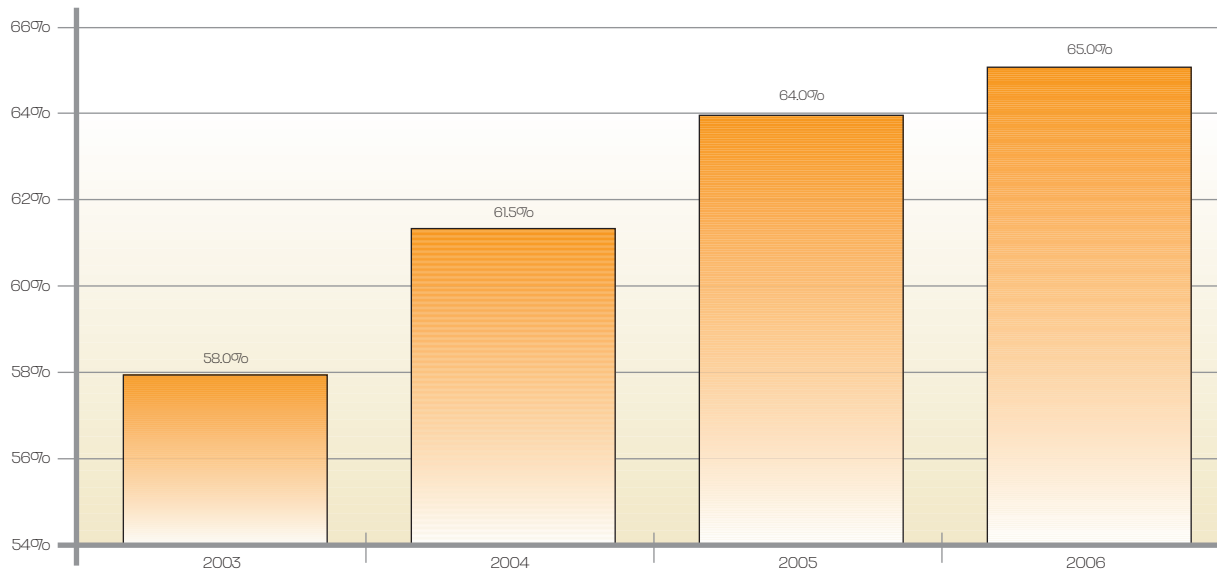
Source: SMG

	Square Feet
Exhibit Space	78,500
Meeting Space	40,000
Grand Ballroom	10,000
Additional Space in Lobby & Pavilions	71,500
TOTAL	265,000



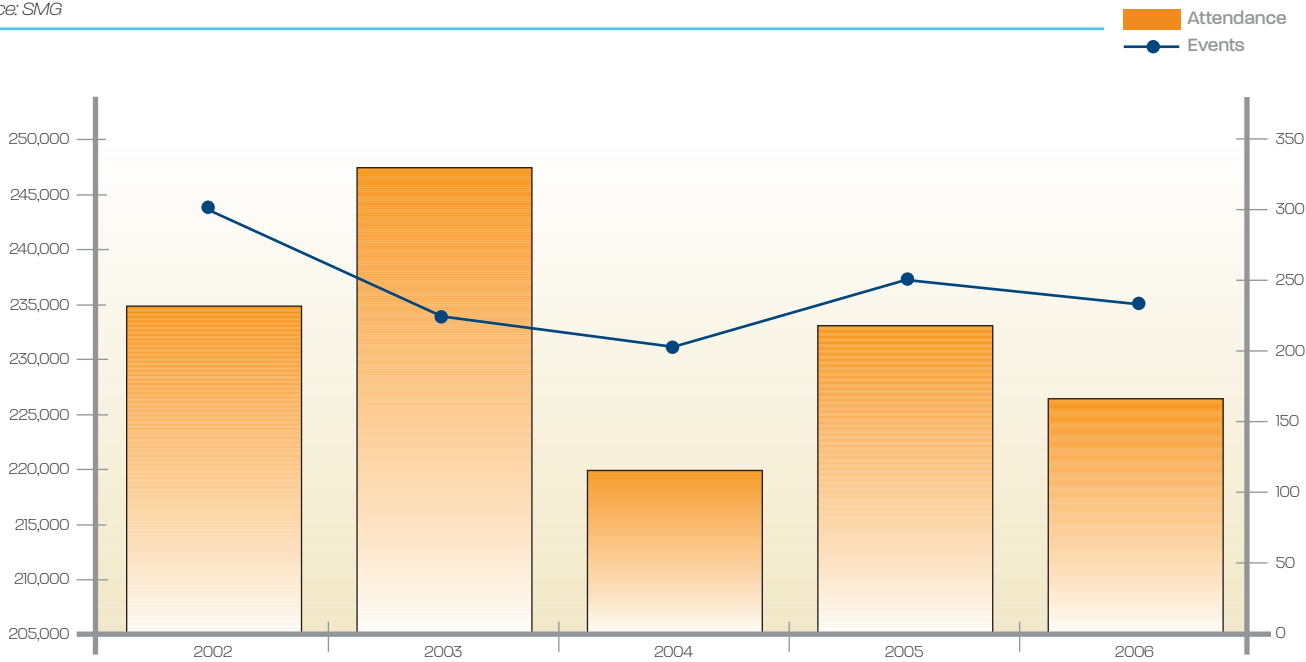
Downtown Hotel Occupancy by Year

Source: Jacksonville & the Beaches Convention & Visitors Bureau



Convention Center Attendance by Year

Source: SMG





Downtown Transportation & Parking

Downtown Jacksonville has more than 42,000 parking spaces, including 1,942 metered spaces on the street.

In 2006, 1,480 new public parking spaces were completed at the Sports Complex, and an additional 1,375 spaces became available in early 2007 at the newly completed Courthouse garage.

Last year, the City of Jacksonville, Kuhn Companies and Sleiman Development reached an agreement to provide additional parking for The Jacksonville Landing. According to the new agreement, Kuhn Companies will include a 1,050 space parking garage at River Watch at City Center, which will have available spaces for Landing visitors.

Downtown transit use remains a high priority, and the Jacksonville Transportation Authority has announced plans for three major projects that will enhance transportation within Downtown. The first, the Jacksonville

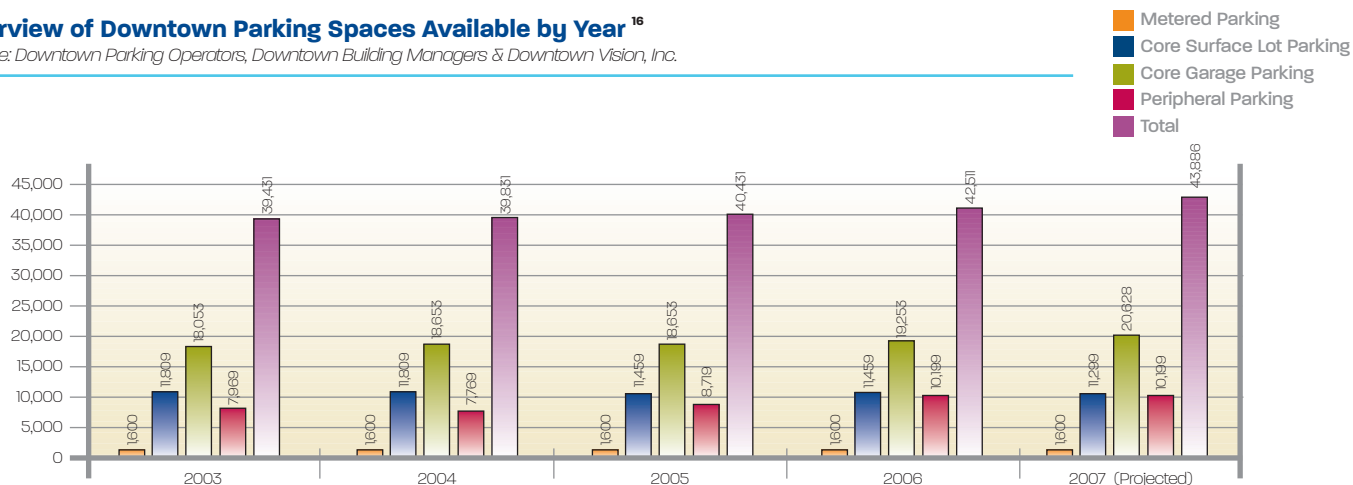
Transportation Center, proposes to relocate the hub of all JTA bus, Skyway and trolley operations to LaVilla. The relocation of the Greyhound Bus Station and AmTrak to the center are also included in the project. JTA also announced plans for a Bus Rapid Transit system that will serve to bring people from the suburbs into Downtown, where they can access the complementary Downtown trolley system. JTA has also proposed an extension of the Skyway into Brooklyn along Riverside Avenue.

Outlook

- Urban walkability remains a key focus to encourage a more pedestrian-friendly environment.
- Downtown visitors, residents and workers will increasingly demand a frequent and reliable trolley system to reach destinations within Downtown.
- A Downtown parking entity will be created to better manage and coordinate Downtown parking options.

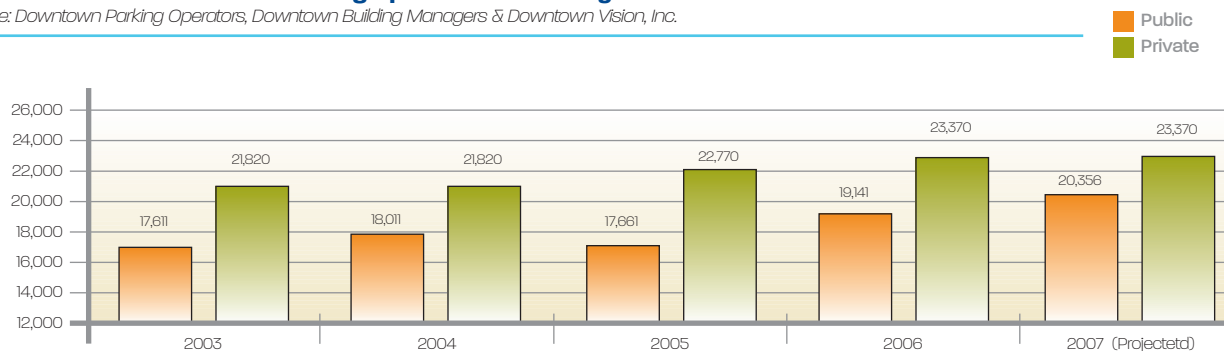
Overview of Downtown Parking Spaces Available by Year ¹⁶

Source: Downtown Parking Operators, Downtown Building Managers & Downtown Vision, Inc.

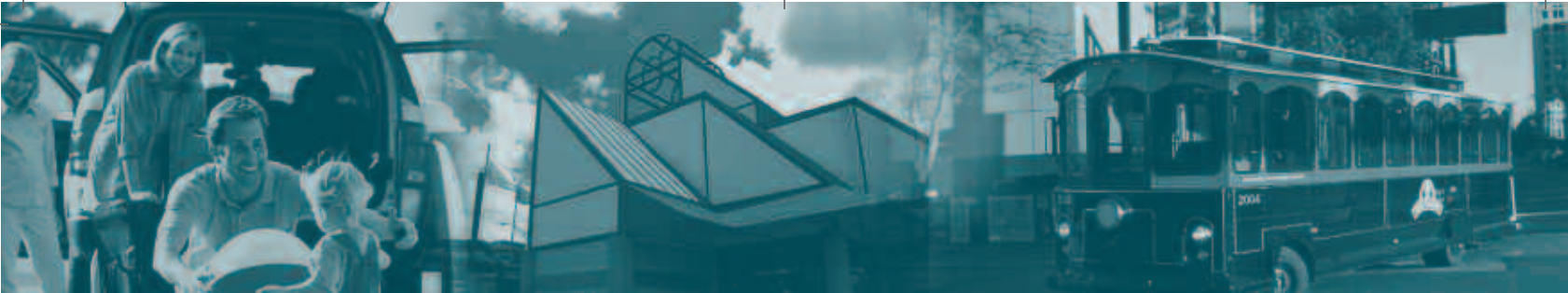


Downtown Public & Private Parking Spaces Available by Year

Source: Downtown Parking Operators, Downtown Building Managers & Downtown Vision, Inc.

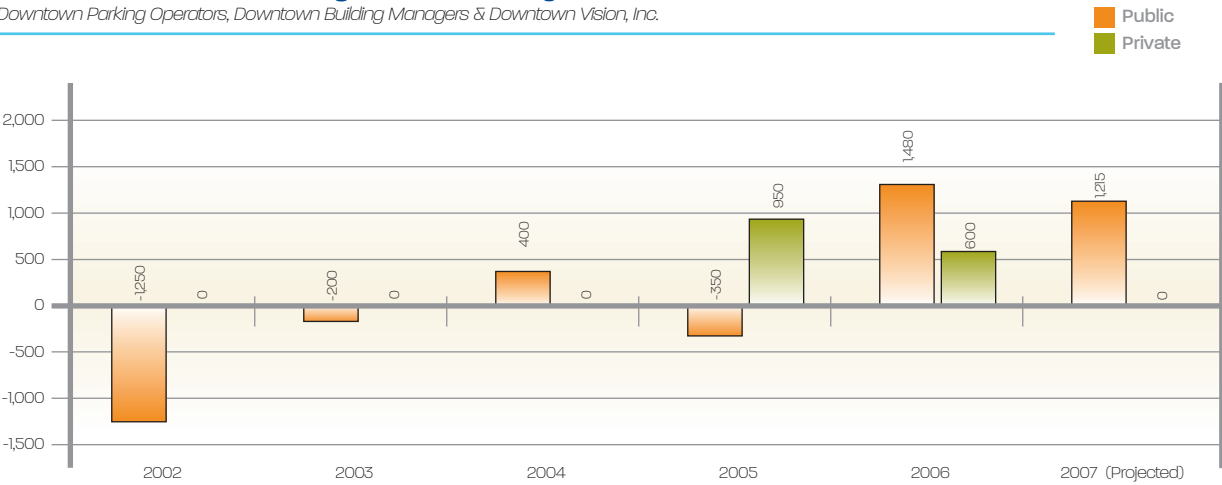


¹⁶ Includes public and private parking.



Downtown Public & Private Parking Net Gain/Loss by Year

Source: Downtown Parking Operators, Downtown Building Managers & Downtown Vision, Inc.



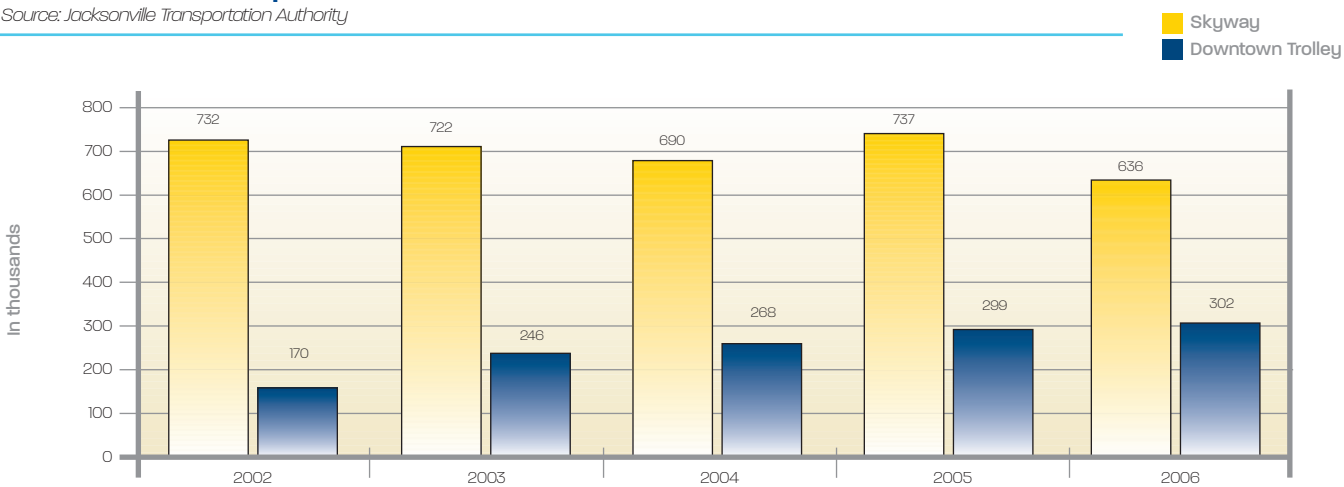
Average Parking Rates for Garage Parking in Downtown Core and Peripheral Locations

Source: Colliers International, Downtown Vision, Inc.

	Downtown Jacksonville	National
Core Monthly Non-reserved	\$110.00	\$153.85
Core Monthly Reserved	\$110.00	\$181.59
Core Daily	\$13.00	\$15.15
Peripheral Monthly	\$33.81	N/A

Annual Transit Ridership in Downtown

Source: Jacksonville Transportation Authority



Downtown's Financial Impact

In 2006, the total value of Downtown Improvement District properties rose to \$799 million.

Approximately 49% of the City of Jacksonville General Fund was generated through ad valorem taxes. Although comprising only .001%¹⁷ of the land area of Duval County, property in the Downtown Improvement District contributed approximately \$81 million or 14.9% of the total ad valorem taxes collected by the City of Jacksonville in FY 06/07¹⁸.

The taxable value of Downtown Improvement District property has risen by \$164 million in the past six years, attributed to new developments such as the Hyatt Regency Jacksonville Riverfront and the development of new residential properties.

Outlook

- The value of Downtown property will continue to rise as additional development is completed.

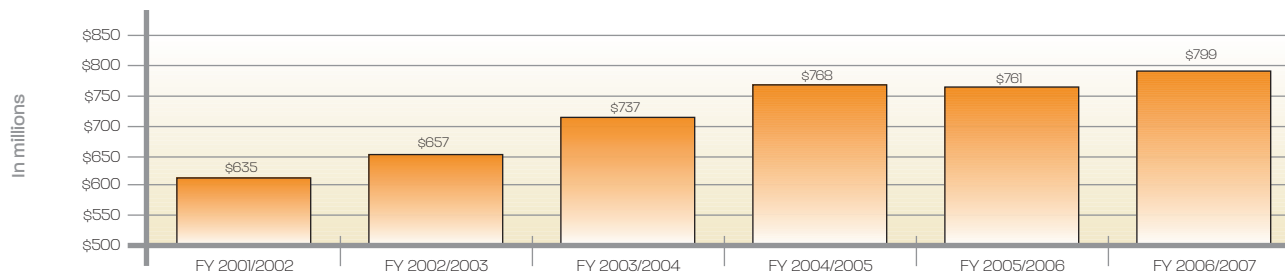
Downtown Improvement District Ad Valorem Tax Contribution

Source: City of Jacksonville Budget Office and City of Jacksonville Tax Collector

	FY 03/04	FY 04/05	FY 05/06	FY 06/07
Total City Budget (General Fund)	\$798,000,000	\$855,985,187	\$838,209,064	\$934,132,235
Total Revenue from Ad Valorem Taxes in Duval County	\$338,600,000	\$349,521,936	\$394,382,573	\$461,461,324
Total Revenue from Ad Valorem Taxes in Downtown Improvement District	\$68,773,994	\$74,104,372	\$72,532,018	\$81,117,657

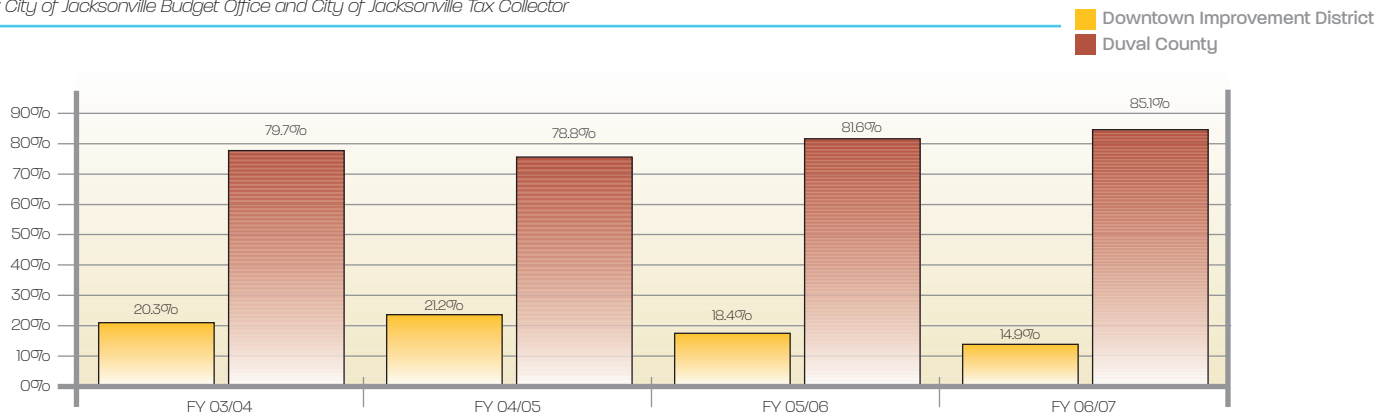
Taxable Value of Downtown Improvement District Property by Year

Source: City of Jacksonville Tax Rolls



Percent of Duval County Ad Valorem Taxes Contributed by Downtown Improvement District Properties

Source: City of Jacksonville Budget Office and City of Jacksonville Tax Collector



¹⁷ Jacksonville Economic Development Commission.

¹⁸ City of Jacksonville Tax Collector's Office.



Credits

Downtown Vision, Inc. would like to thank the following organizations for their assistance in producing the 2006 State of Downtown report:

CB Richard Ellis

City of Jacksonville

Colliers Dickinson

Colliers International

Cornerstone

Florida International University
Center for Labor Research & Studies

Jacksonville & the Beaches
Convention & Visitors Bureau

Jacksonville Economic Development Commission

Jacksonville Sheriff's Office

Jacksonville Transportation Authority

Robert Charles Lesser & Co.

SMG

U.S. Census Bureau

We would also like to thank all Downtown property owners, building managers, parking operators and facility managers for their willingness to share information for the purpose of this report.

Suggestions for improving this report are welcomed and encouraged.

Copies of this report are available online at www.DowntownJacksonville.org and www.jaxdevelopment.org.

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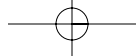
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