# Master Plan Update

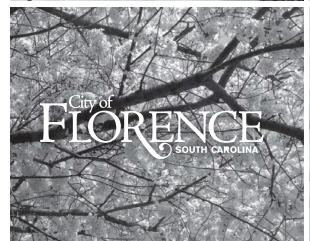
















## acknowledgments

2010



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## Additional Recognition

The Downtown Master Plan Update is a collaboration of past and present planning efforts. This document incorporates the findings and illustrations of previous planning documents originated by Hunter Interests Inc. and Allison Platt & Associates. Credit is also given to Aaron Gotter for the use of his photographs.

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# introduction





Somewhat paradoxically, one measure of a plan's success is how quickly it is made obsolete through effective implementation. It isn't contradictory to say then that the City's previous Downtown planning efforts can be considered both highly successful and highly in need of updating at the same time. Updating the plan however doesn't mean a complete departure from the past. Good ideas from old plans are revalidated, modified and carried forward. Others are either entirely recast or cast-off entirely depending upon the priorities of the day. New ideas are added in the face of new information and new economic conditions. The plan update therefore isn't a complete "reset" of the Downtown agenda, but rather the next-set of assignments toward creating a completely reinvigorated place.

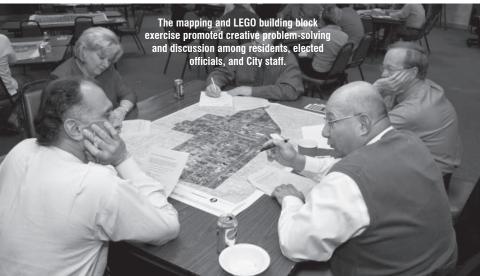
## plan scope and process

In addition to revisiting unfinished projects and looking at new development opportunities, this edition of the Florence Downtown Plan takes a look at some broader planning issues that have not been addressed in detail in previous plans. These issues include: housing, public space, employment, mobility, infrastructure and economic development programming. These more policy-based topics are integral to supporting a full revival of Downtown and need to be addressed alongside the strictly physical planning elements.

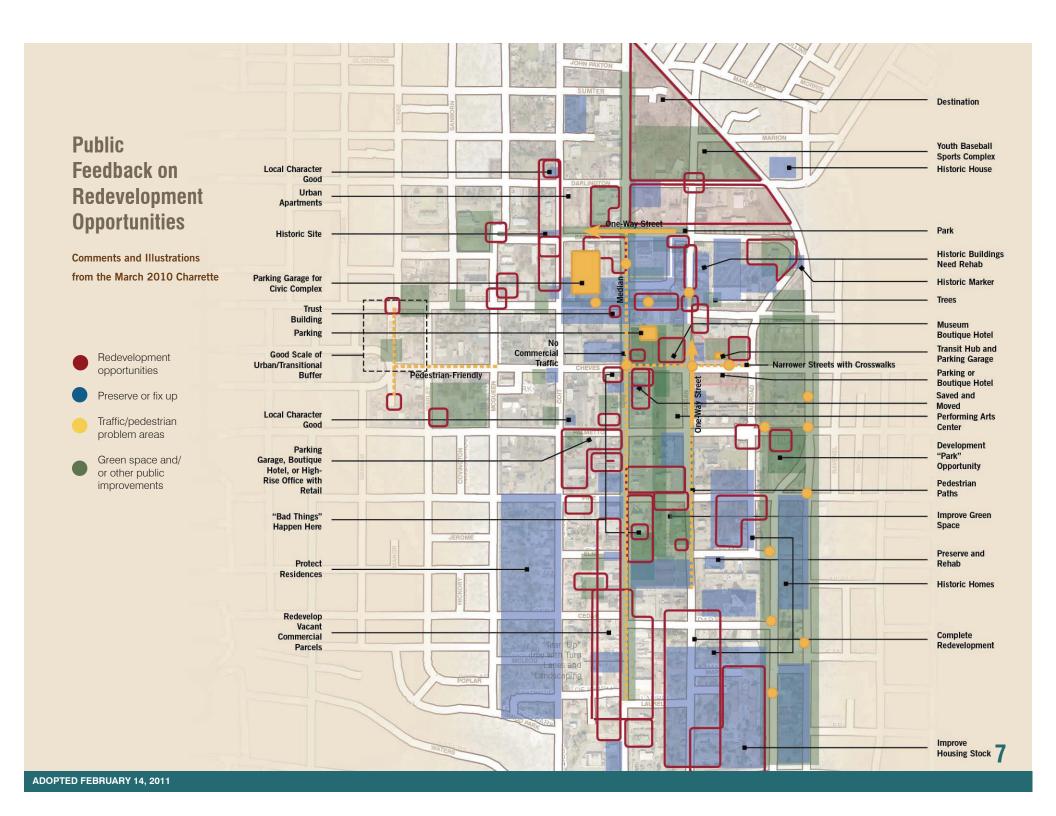
The plan also looks at a handful of exciting projects including a potential Downtown incubator and transit center, that are currently in the works that could have an important bearing on Downtown's future. Finally, the plan explores the emerging role of the Florence Downtown Development Corporation (FDDC) in spearheading the Downtown effort. The planning horizon is generally 10-15 years with implementation broken down into 2-5 year intervals. A "long view" is needed to avoid incremental decision-making that often results in missed opportunities or worse, the compounding of earlier mistakes. Actual implementation will depend on fiscal, economic and other circumstances.

This plan was developed over several months in conjunction with an ad hoc Downtown Advisory Committee (see acknowledgements). The results from a community-wide planning forum held on March 22, 2010 as well as numerous interviews with city business leaders and real estate professionals were used to inform major recommendations of the plan. The results of the forum are included in the appendix.

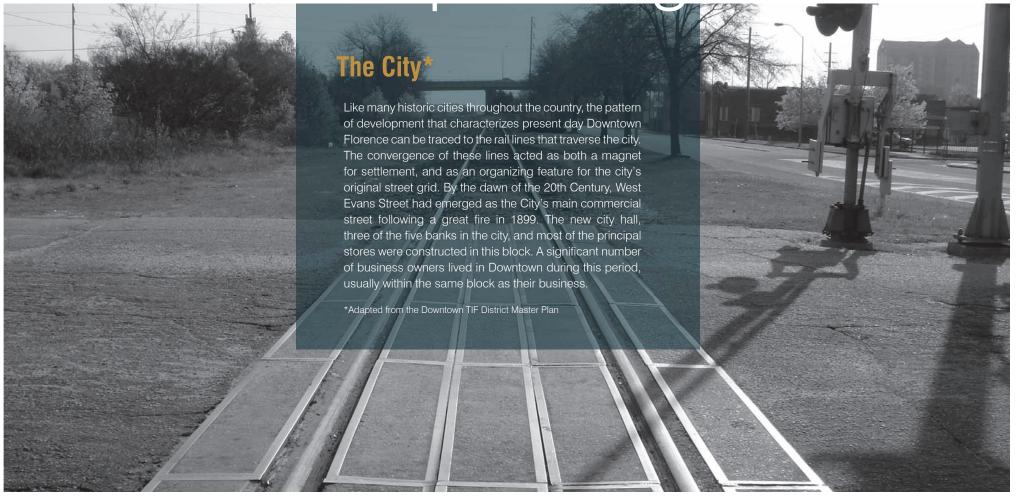




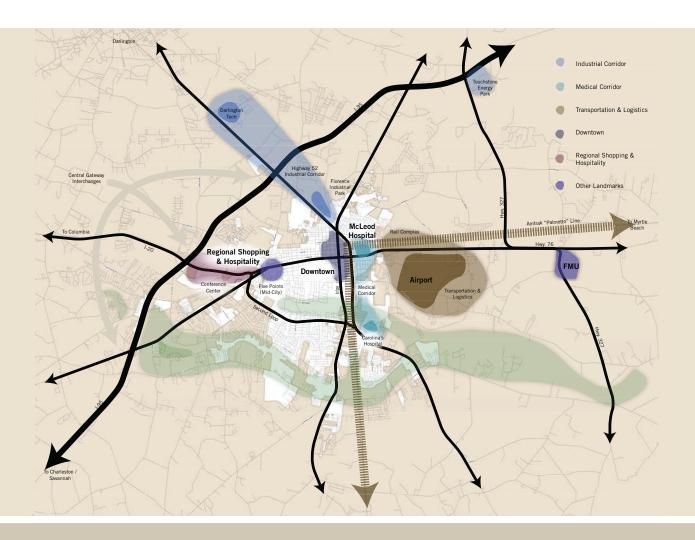




# planning context



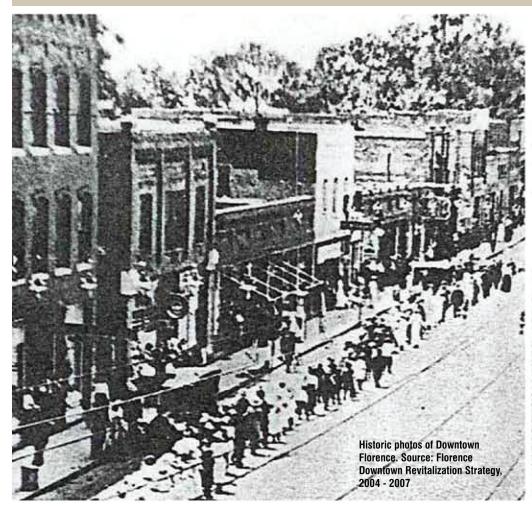
## Economic Landscape



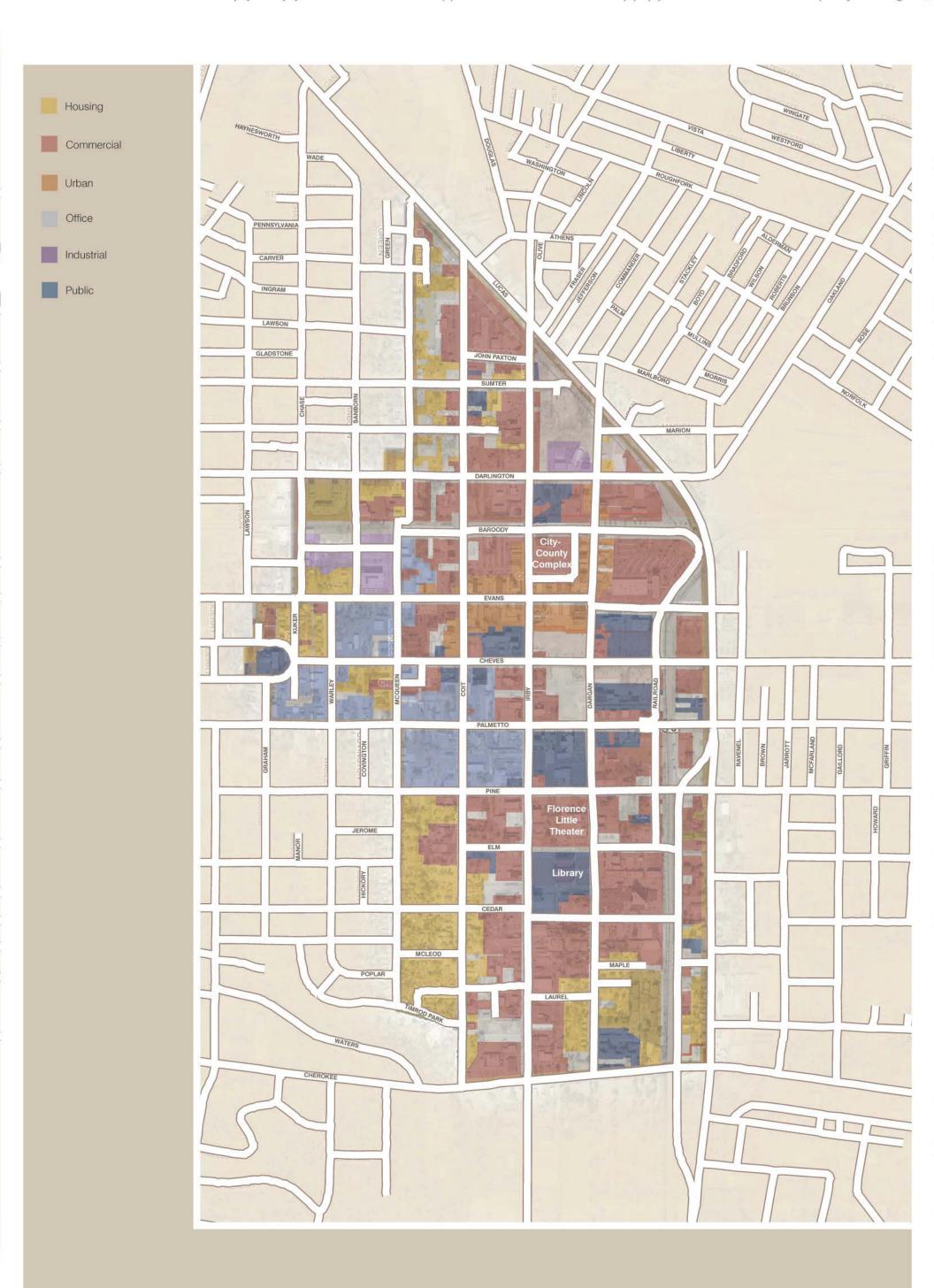
A wave of building construction in the early decades of the 20th Century established the physical profile of the current-day Downtown. In 1900, the Bank of Florence erected a building on Evans Street, and the city built a new city hall and opera house. These two buildings were followed in succession by the Federal Court House and Post Office (1905-06), the Rainwater building (1912), the W.M. Waters building (1914), and the Florence Trust Company "skyscraper" (1919), and the Guaranty Bank building (1910). All of these structures survive except for the original city hall building. During the latter portion of the 1960's and continuing even now, the original compact, Downtown Florence, like many other downtowns across the nation, began to experience the exodus of retail merchants to suburban shopping

malls. This movement was made possible by the advent of the Interstate Highway system and increasing automobile ownership among other factors.

Today the primary land use in the Downtown Redevelopment District is retail and office/institutional, with a portion of the district including residential uses and a lesser number of industrial uses. The traditional downtown core along Dargan and Evans Streets is in a declining state due to the lack of public and private sector investment. Past street beautification efforts, including a mid-Century covered "promenade" along portions of Dargan and Evans Streets as well as more recent streetscaping, haven't generated a sustained revitalization of downtown.



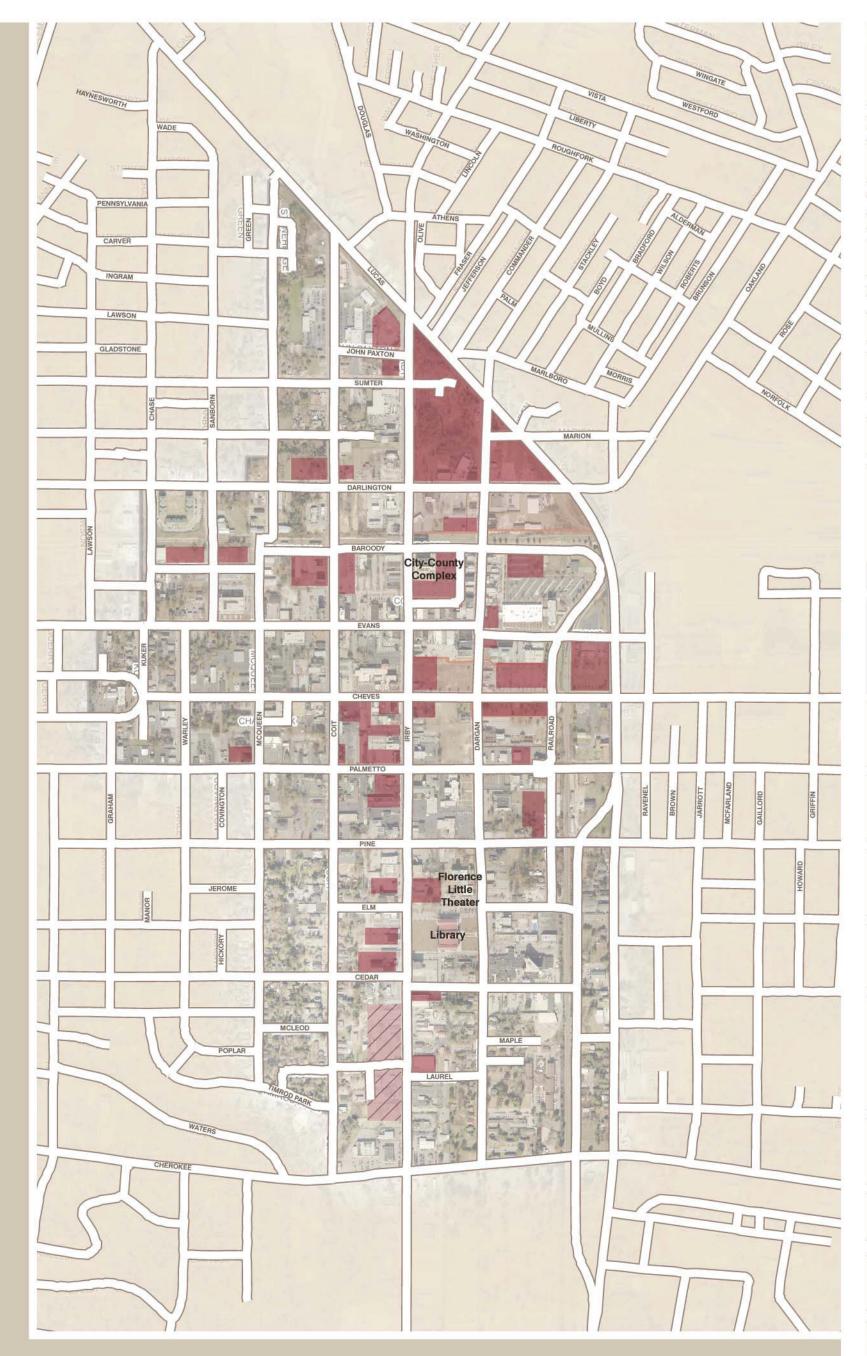




**Existing Land Use** 

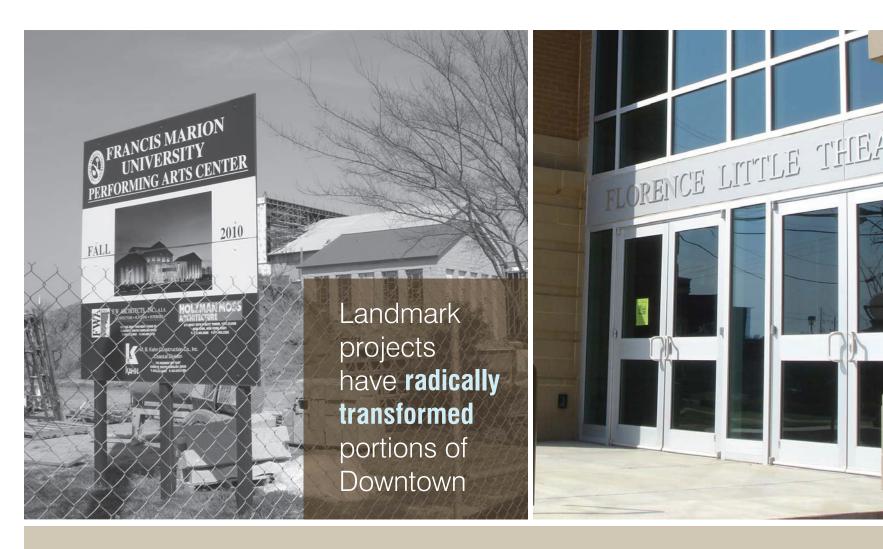


Scattered Vacancy and Marginal Use



**PLANNING CONTEXT** 

**Key Redevelopment Opportunities** 



#### current context

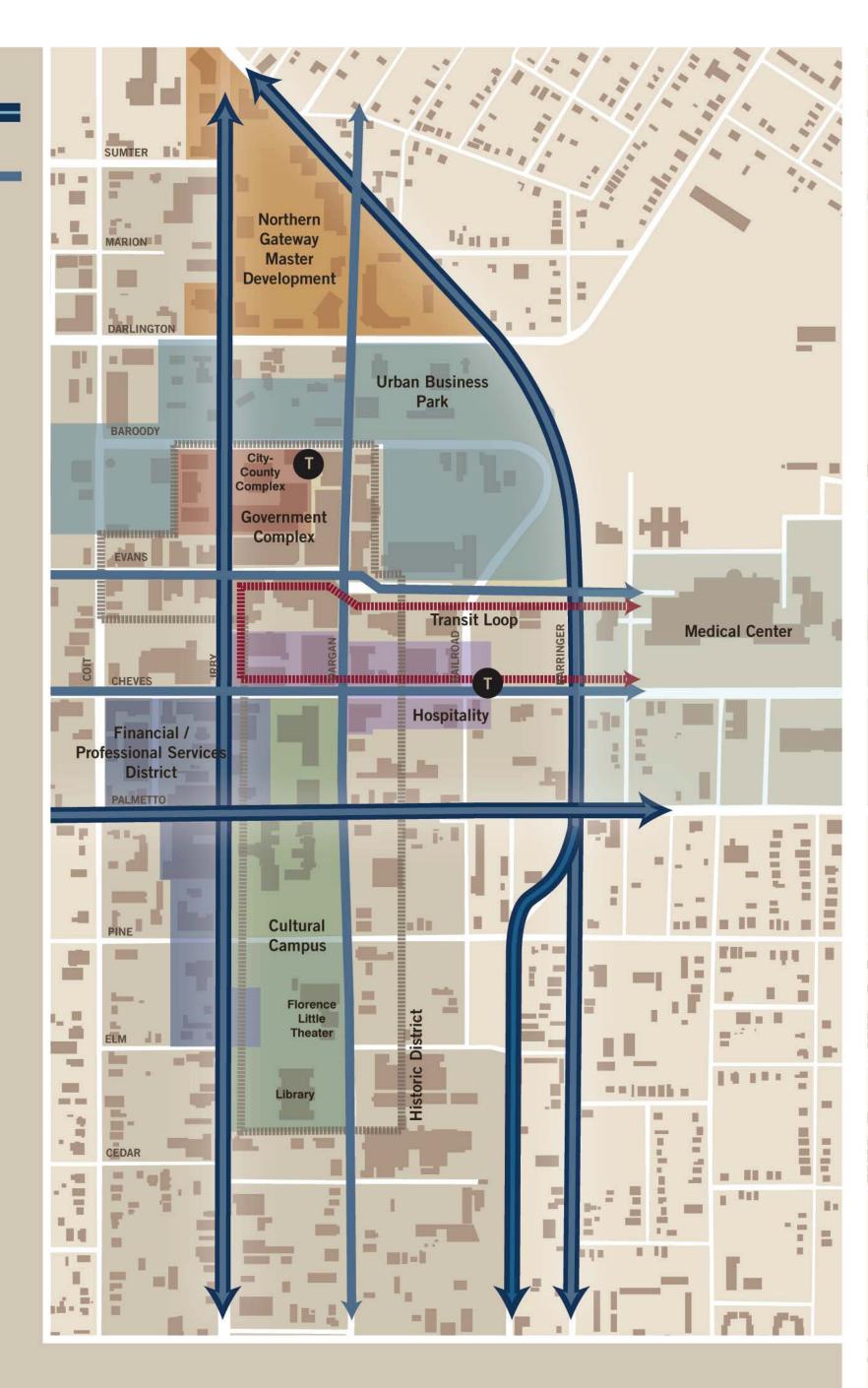
The impetus for this version of the Florence Downtown plan is due to several factors not least of which has been the generous investments in major cultural institutions by the Doctors Bruce and Lee Foundation. These landmark projects have radically transformed portions of Downtown and solidified its role as the civic and cultural hub of the region. They have also caused the City's previous plans, which focused mainly on the Dargan Street corridor to become quickly outdated. A number of other exciting projects currently in the pre-feasibility or discussion phases, have also warranted updating the plan to ensure that they are being thought through collectively and in context with the entire Downtown.

Finally, the deep economic downturn of 2007-09 will likely alter the paradigm for real estate development and economic development for some time to come. This new reality means that cities will have to work harder and more creatively to facilitate major new investments in property and in businesses. Although the City has already taken significant strides in this direction through the creation of the Florence Downtown Development Corporation and the Downtown TIF district, it will need to adopt an even more entrepreneurial, deal-making stance to both create investment opportunities Downtown and to mobilize the necessary financial and management resources to "land" private investment. Many of these deals will require some amount of direct financial support by the City typically in the form of "gap" financing.

# opportunity assessment



Secondary Roads





Services and retail corridor linking the Medical Center to Downtown

A highly visible, professional services node

A branded business environment with old and new buildings

Master-planned, mixed-use development

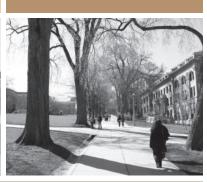
Grand civic space of the City Beautiful Era











cheves street hospitality corridor

irby street financial district

urban business park

north point a.k.a. "the triangle"

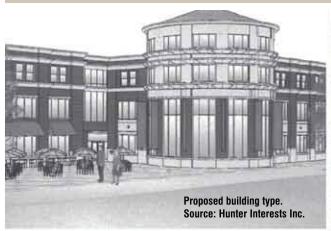
cultural campus

## downtown subdistricts

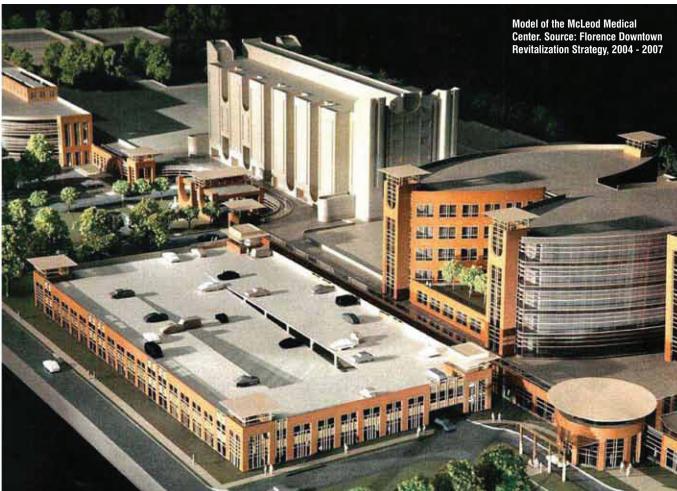
## cheves street hospitality corridor

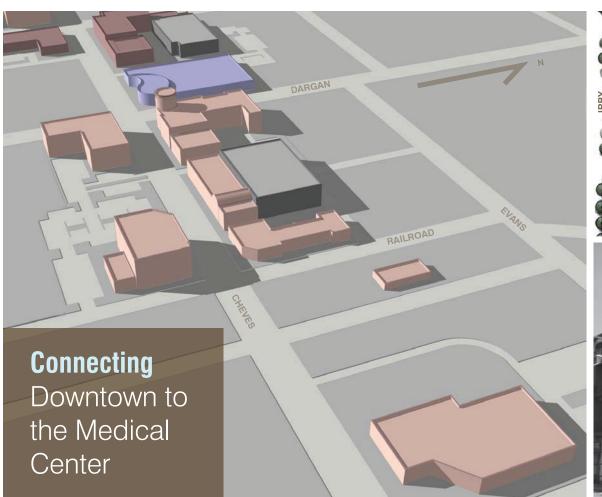
The Downtown area is strategically positioned with respect to the region's major transportation infrastructure, and its principal driver industry; namely healthcare. The McLeod campus is perhaps the largest single economic catalyst and traffic generator in the entire region. It is separated from the heart of Downtown by only a few hundred feet (and by a major transportation corridor) yet there is very little economic spillover between the two areas.

Previous plans coined the term "The Medical Mile" to define a potential westward path of development emanating from the McLeod campus into Downtown along Cheves Street. Possible uses along the corridor range from medical offices to medical supply companies, clinics, labs and the full complement of hospitality













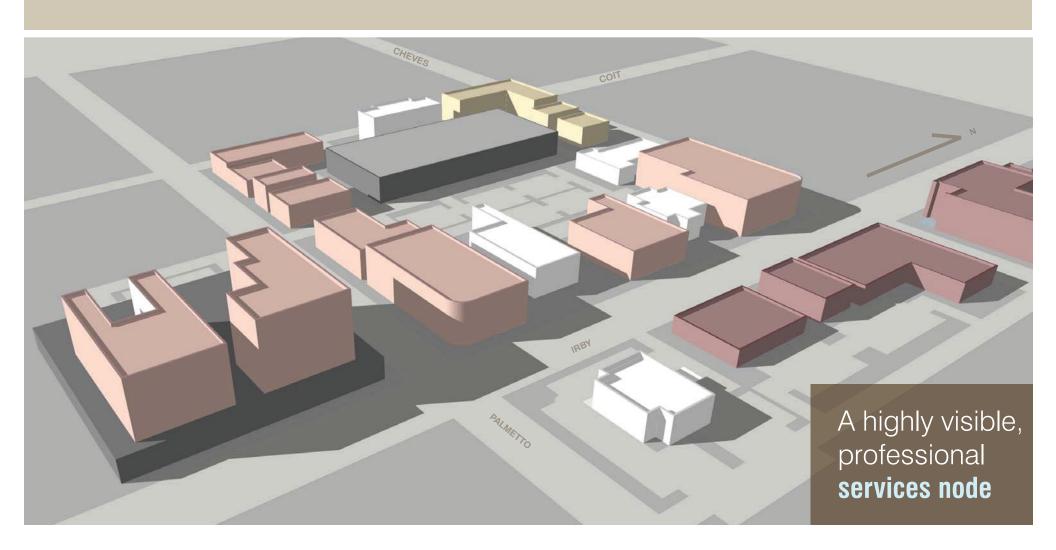
services such as hotels and restaurants to support a large and growing medical center. The McLeod campus has over 1,500 employees and generates well over 11,000 patient visits per week (575,000/yr).

Extending the greater hospital zone into Downtown with particular emphasis on hospitality services would help fuse together the two areas and help serve the City's growing culture economy. In addition to quality urban infill development along Cheves Street, stronger connections between the hospital and Downtown can also be encouraged in a number of other ways including: major pedestrian improvements along Cheves and Evans Streets; coordinated signs and wayfinding on either side of Church

Street; incentivized Downtown hospital-worker housing; and new corner-to-corner transit connections (potentially to include a dedicated transit loop between McLeod and Downtown). A new transit center near Cheves and Baroody Streets, including a new Amtrak station would also help join the two areas together and provide a centralized transit hub convenient to both Downtown and the hospital. There are also potential opportunities for Downtown Merchants to co-market themselves directly to the hospital and their client base through coordinated advertising special promotional events. Over time, the City should look into the feasibility of removing the viaduct separating the two areas. This would require placing the rail lines below grade level in a trench or tunnel.

## irby street financial district

The City of Florence is a regional banking center with a relatively high concentration of Downtown banks. Many of these banks are grouped along a short stretch of Irby Street from Pine to Cheves Streets with many of the bank buildings showing signs of age. The intersection of Irby and Palmetto is the most heavily traveled intersection in the City (approximately 40,000 vpd), and is an important gateway into Downtown, yet sections of this area are significantly underdeveloped. Here and elsewhere Downtown, there is a noticeable lack of modern Class A office space to serve the City's large medical and legal professional communities.





Redevelopment of the two-block section of the Irby corridor roughly between Pine and Cheves Streets presents an opportunity to create a new, highly visible, professional services node that is equally accessible to Downtown's major employment centers: the City/County complex and McLeod Hospital. Because of its visibility, access and current state of underdevelopment, it is a prime location for a new master-planned, mid-rise office center with Class A amenities including ground floor retail and structured parking. Taller, landmark-quality development at this intersection would also create an important western gateway to Downtown and, with structured parking, could potentially provide parking relief for nearby churches. The Coit Street side (between Palmetto and

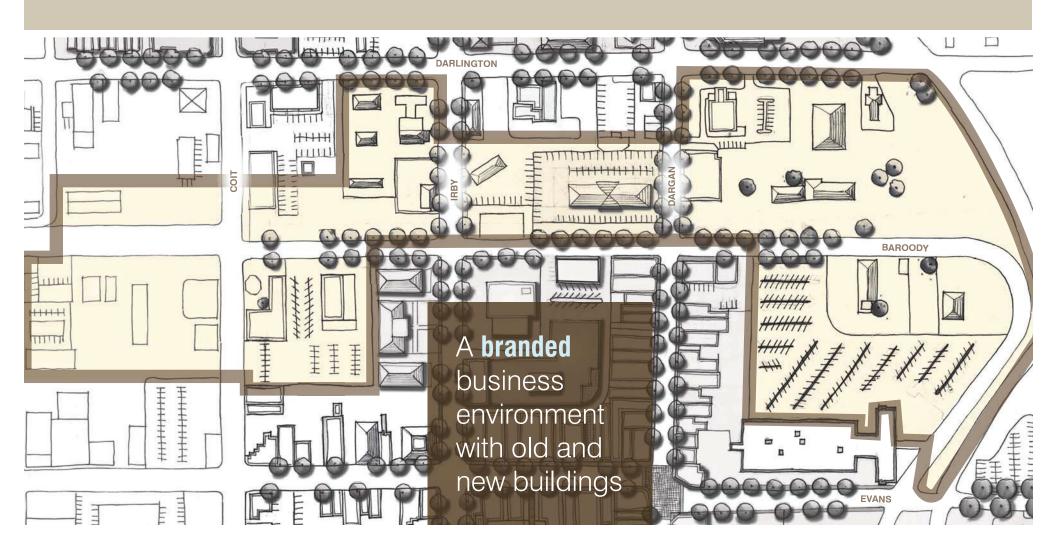
Cheves Streets) could accommodate a potential expansion of Florence-Darlington Tech's Downtown campus. More single-story strip development, no matter how well it is designed, would be a further underutilization of this important cross-roads.

At a macro level, the City's main highways leading into Downtown including Palmetto and Irby streets should be "red-carpeted" with streetscaping and more attractive development. This can be implemented, in part, through design overlay planning and the universal application of design standards.

## urban business park

Similar to housing, the expansion of employment opportunities in Downtown is critical to making a vibrant place. The Baroody Street corridor with its rail spur has long been a location for small-shop manufacturing in Downtown. Much of the current building stock however is either vacant or is being used only for storage. Much of it is also in poor repair.

Although completely reinventing this area isn't unimaginable over the long term, it probably shouldn't be near-term priority of the City. Environmental conditions are unknown, many of the buildings are still serviceable, and the market for quality replacement uses is uncertain. A more pragmatic approach would focus on











building maintenance, surgical redevelopment and infill, and basic aesthetics in order to establish an identifiable, attractive small business neighborhood in the heart of the City.

The concept for an "urban business park" involves several cosmetic, peripheral improvements and zoning changes to create a "branded" business environment encompassing both old and new buildings; a common sign and landscape motif; shared/joined parking lots; and potentially a common management structure.

Multitenant, flex-space buildings providing affordable space for clean" business startups, as well as live/work spaces, can be key to cultivating an entrepreneurial "scene" downtown. This would also be a prime location for a traditional business incubator.

Depending upon underlying environmental conditions and future market conditions, this area could transition over time to include more urban housing; particularly if the existing rail spur is abandoned and converted into a bike trail.

north point a.k.a. "the triangle"

As noted in previous plans, the large triangle-shaped area formed by Lucas, Darlington, and Irby Streets represents a rare opportunity for a large master planned development at the northern entry to downtown. The precise use-mix however is virtually impossible to know (and problematic to dictate) given current market, and possible environmental, conditions.

While standard-box commercial development would likely be attracted to this site, citizens have repeatedly stated that there is a "higher and better" use for it. Ideas put forth include everything from tourism, recreation, spectator sports, education and other kinds of "destination" development. However, unless the City is willing to take the necessary steps to control the site and keep it in-tact through public













ownership, it remains vulnerable to being "chopped up" for a potentially wide range of uses.

While the real estate market recovers, the City can help lay the groundwork for quality master-planned, "mixed-unit" development by working to assemble and control key pieces of land and applying certain regulatory tools. These tools include PUD-style overlay zoning, possible subdivision controls, access management controls, and firm application of the City's Downtown Design Guidelines.

At a minimum, developers should be compelled to observe a handful of basic land planning guidelines as they "program" the site. These include the use of: nominally consistent building materials; internalized parking and circulation; a comprehensive

storm water management solution; and through-block street access connecting into the surrounding street system. Prominent corner sites should be reserved for landmark-quality buildings. In the event of its decommissioning, the lightly used rail right-of-way that parallels Lucas Street should be acquired for a bike path extension.

Finally, since the site will involve all new development, there is an opportunity for maximum creativity in site design and architecture including the application of sustainable development techniques and possibly even alternative sources of energy. A LEED-ND-rating for this high profile site would make a powerful statement for the city and help differentiate the development in the marketplace. Any City incentives for redeveloping the site (such as through TIF), should be conditioned on the highest quality design including sustainable design.

## cultural campus

Although each building in the City's growing Cultural District is impressive in its own right, they don't constitute a greater whole. That is, there aren't any unifying landscape features that tie the buildings together visually or spatially, and the open lawns between them are little more than leftover spaces. Although streetscaping would help to a certain extent, it won't by itself be enough to create the grand setting that these monumental buildings deserve.

The cultural "district" would make a more powerful statement if it was reconceived as a cultural campus where open space is increased and knitted together to create a parklike setting. With some creative landscape design and the attrition of many of the older office buildings on the west side of Dargan Street, today's



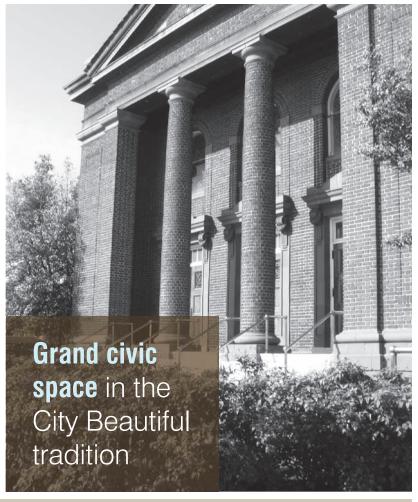










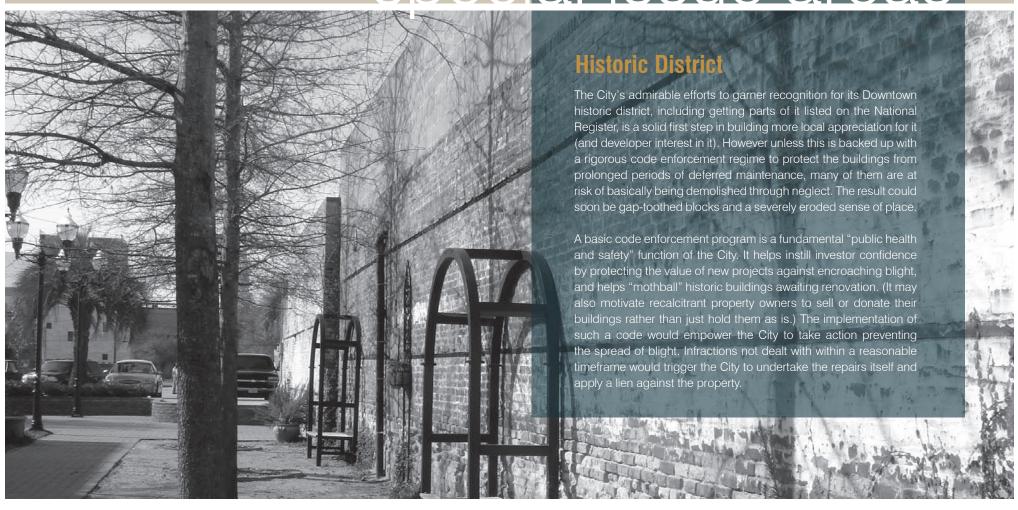


Cultural District could potentially be transformed into the type of grand civic space currently lacking in Downtown. Such a space could be reminiscent of the great City Beautiful Era parks (c.1893-1930) when iconic cultural institutions were placed in lushly landscaped urban parks providing a dramatic backdrop for the architecture. In Florence's own interpretation of this design model, the lawns in between the buildings along Dargan Street could be tied together with common landscaping elements. Other in-between spaces could be used for special gardens, public art, or special events. With some "urban surgery" (and reconfiguration of parking), the one-block section of Pine Street between Irby and Dargan Streets could be transformed into a "great lawn" that could tie the district together and be used as a public green or central park.

Abandoning this one-block section of Pine Street would allow the creation of a grand public space however it wouldn't be absolutely critical.

Florence's cultural commons (or public gardens) would be a major regional andmark that would provide a physical framework for the cultural district and put the city on par with other cities having major downtown amenities. It would provide a public space Downtown that is currently lacking, and help drive a stronger Downtown housing market. The lost tax base resulting from phasing-out the office buildings on Dargan would be replaced with denser infill along Irby Street.

## special issue areas







Historic renovation projects in smaller cities like Florence are often very difficult to make work financially. Even with various tax credits, the costs of renovation often exceed the building's revenue generating potential. Consequently, such projects either involve multiple layers of financing and a host of incentives to drive down development costs or they just don't get done.

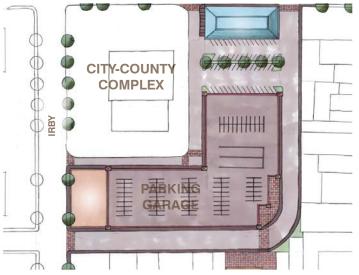
With this in mind, the City should be receptive to project ideas that require creative "deal structuring" to make work including those involving affordable housing tax credits, rehabilitation tax credits, New Markets Tax Credits, and potential TIF financing. In addition, a general appeal should be made to certain property owners to donate their property to the FDDC. (With today's depressed property values, some owners may

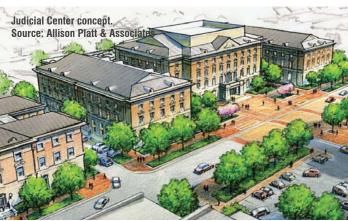
well realize a larger net financial benefit through tax deduction than through an outright sale.) The FDDC in turn could market the buildings to private developers at a very nominal purchase price. Steeply discounted 'bulk' property combined with different types of tax credits, will be key to making these projects financially feasible.

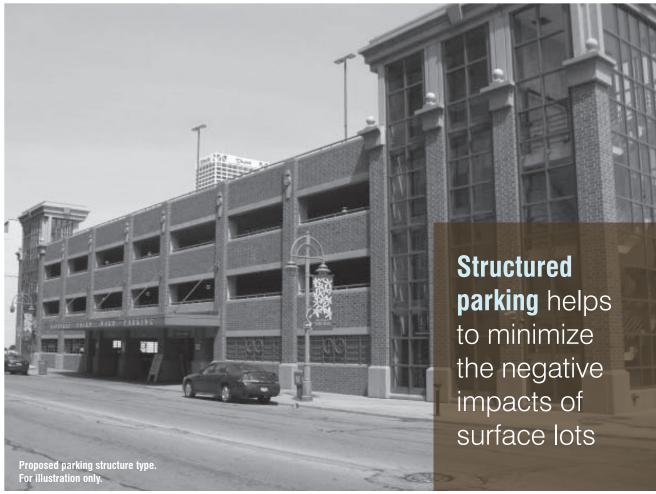
The window to act on this won't be open indefinitely. Some of the buildings already are in poor repair with structural and roof problems that will quickly worsen with continued lack of maintenance. At some point restoration may become completely infeasible for many of these structures and demolition may be the only course. Over time, the City could gradually lose the singular feature that grounds it in both time and place as the historical nexus of the region.

## parking

Downtowns must accommodate parking without becoming overwhelmed with parking. Large expanses of surface parking gives cities a barren feel and have a deadening effect on pedestrian life. They also lessen a city's potential tax base. As voiced in the public meetings for this plan, the city is in need of comprehensive, shared parking strategies in order to move away from the 'one building, one parking lot' development pattern that have left large holes in the City's urban fabric. In order to create the kind of "solid-block" environment that invites walking, Florence will need to start moving away from single-user parking in a fairly drastic way. In addition to maximizing on-street parking opportunities, this will mean strategically placed public lots and structured parking. Parking structures however are very expensive to build







(\$15,000 - \$20,000 per space) and generally don't make financial sense where land costs are low and land vacancy is high. (This is because it is far less expensive for private developers to provide surface parking, and because of the public's unwillingness to pay for parking when there is ample free surface parking nearby.) Greater development density or major public incentives will likely need to accompany the private development of structures. Public structures too, when they are financed with public revenue bonds, are also sensitive to the same market dynamics. That is, they must pay for themselves, in whole or in part, with lease revenue or hourly receipts. This has a major impact on the location decision. If funded through general obligation bonds however, public structures are accepted as more of a true ('dead weight') public good like parks and schools and are often placed close to other public facilities. Florence's decision to fund public structures in the future must weigh special user needs with those of the general public and fiscal reality. The selected funding mechanism may have a strong bearing on the location decision. In either case, public structures must be located where they will serve the greatest number of people on the greatest number of days, not where they will serve only occasional peak-time demands. If the City decides to move forward with a first public parking structure (and assuming it will be financed with general obligation bonds), the optimal location would be in the current City/County Building lot. This assumes that the proposed judicial center is constructed on Irby Street and/ or a new transit center is located directly nearby (the second best location). This area makes the most sense because it will become completely parking "impacted" with the introduction of the judicial center and because the public uses here are a solid "five days, 52 weeks per year". A structure here could also equally serve business in the historic district.

A secondary location would be somewhere along the north side of Cheves Street roughly between Coit and Baroody Streets provided that a significant amount of new

infill development would occur here as well (particularly west of Dargan Street). A structure here could also serve the historic district, the Performing Arts Center and Museum however it seems doubtful that the average traffic created by the latter two could come close to that of the City/County Complex. However, if a significant amount of additional development can be anticipated elsewhere on Cheves Street including a potential transit center, the priority could be reversed in which case the structure may be developed only partially with public funds under a public-private-public partnership involving state or Federal transportation grants, private dollars, and City revenue bonds (i.e. where eventgoers pay for parking and some of the space is leased to newly developed adjacent businesses for instance). A structure at this location (i.e. somewhere on the 100 block of East Cheves Street) could also potentially be organized as a private condominium development that sells or leases spaces to the City and other major users. Conversely, a stand-alone structure to primarily serve the peak uses of the Arts Center and Museum would not be an optimal use of public funds. To recap, if the structure is to be for pure public use and it is accepted that it will have to be funded out of general revenues, the City/County complex is probably where is ought to go. If the structure will need to be more self-supporting, other locations in/near Cheves Street may make more sense provided that parts of it can be leased to nearby entities or time sold by the hour.

A third priority location for a public structure would be along Irby Street in the vicinity of the Little Theater and Library. A structure here may eventually be warranted to consolidate some of the parking for these facilities and the Wachovia Bank building particularly if the vision for a cultural campus is to materialize. Privately developed structured parking should be built elsewhere in the Irby corridor especially near the proposed financial district at the intersection of Irby and Palmetto.

## housing

Downtowns need people living in them in order to thrive. Most successful Downtown rejuvenation efforts over the past 20 years have actually led with housing which has provided a market for Downtown businesses and provided consistent activity at various times of the day and week. And although most cities prefer "market rate" housing, the leading edge of the housing market usually consists of a significant percentage of affordable housing. The affordable projects can leverage tax credits making otherwise unfeasible projects viable, while helping spur market-rate housing. Any effort therefore to encourage Downtown reinvestment should focus on housing as one of the first courses of action.









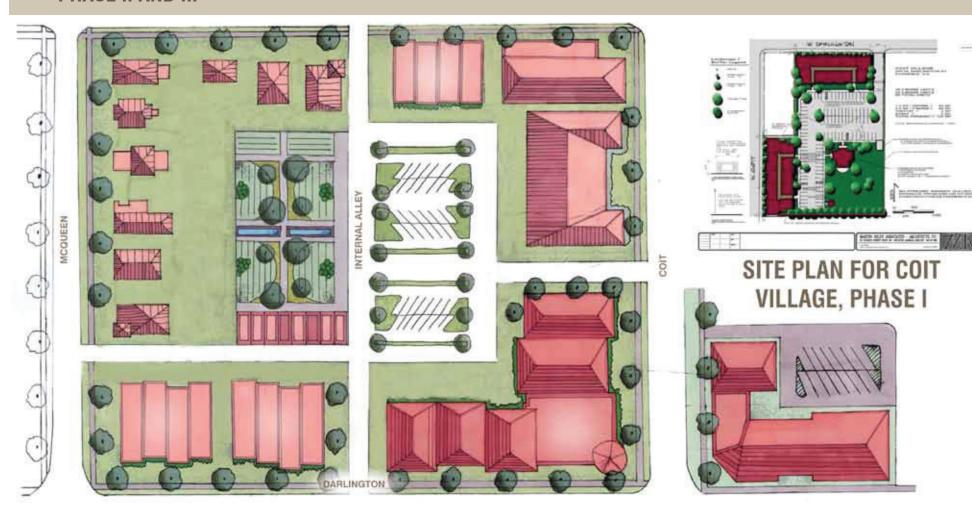


At present, there are far too few people living in the heart of Downtown to support local businesses and maintain consistent activity. Also, given current conditions Downtown, and the limited size of the local luxury urban housing market, the City shouldn't expect a flood of condo developers even once the market does recover. The City therefore would be wise to encourage more high-quality affordable housing developments Downtown particularly in some of the historic buildings that probably won't get restored without some type of major tax incentives (i.e. where the cost of rehab is likely to greatly exceed resale value or projected rental income). Affordable housing tax credits are also generally the least onerous credits to acquire or work with making these projects quicker to bring to market. As a good local example, Coit Village is a newly constructed project that has, by most accounts, been positively received in the market.

An obvious candidate for affordable housing tax credits is the multi-story Trust building at the southwest corner of Evans and Irby. The building is believed to be in a condition that would require a considerable infusion of money to repair and convert into apartments – probably far more than is supportable with current market rents alone. The most likely reuse scenario for the building would be a mixed-income residential building including a majority of affordable units combined with a smaller percentage of market-rate units on the prime top floors. Even though the market for tax credits is weak at this time, the credits can help raise scarce equity capital that probably wouldn't otherwise be attracted to the project. The most plausible near-term scenario for upper floor housing elsewhere in the historic district is merchant live/work units.

## SITE PLAN FOR COIT VILLAGE, PHASE II AND III

Other housing should include a combination of rental and condo units in mixed-use and single-use buildings distributed throughout Downtown. These units could be in smaller infill projects or larger master planned projects. Units should be provided at different price levels. In the commercial heart of Downtown, these should usually take the form of above-storefront units. Closer to the neighborhood fringe areas, urban townhouses and garden style, "walk-up" apartments are more appropriate. Two areas of particular focus should be the lower Dargan Street area and the area around Coit Village. Both areas can accommodate a significant amount of new housing with Dargan Street being perhaps the best location to support higher-end,









market-rate housing. This area was one of the city's original upscale neighborhoods, and with all the new cultural investment occurring there, can become this once again. The area should be downzoned for low-density multifamily residential (i.e. such as rowhouses) with small inns and other cultural uses also being permitted. New offices and retail, on the other hand, shouldn't be allowed. There are many better Downtown locations for office development whereas there are far fewer that will support higher-end housing.

Additional phases of Coit Village development at the corner of Coit and Darlington Streets provide an opportunity for more newly constructed affordable housing. This possibility is realistic in light of the apparent success of the first phase combined with

the relatively high amount of vacant and underutilized land in the immediate area. Additional phases could transform the current stand-alone buildings into the true urban village that currently exists in name only.

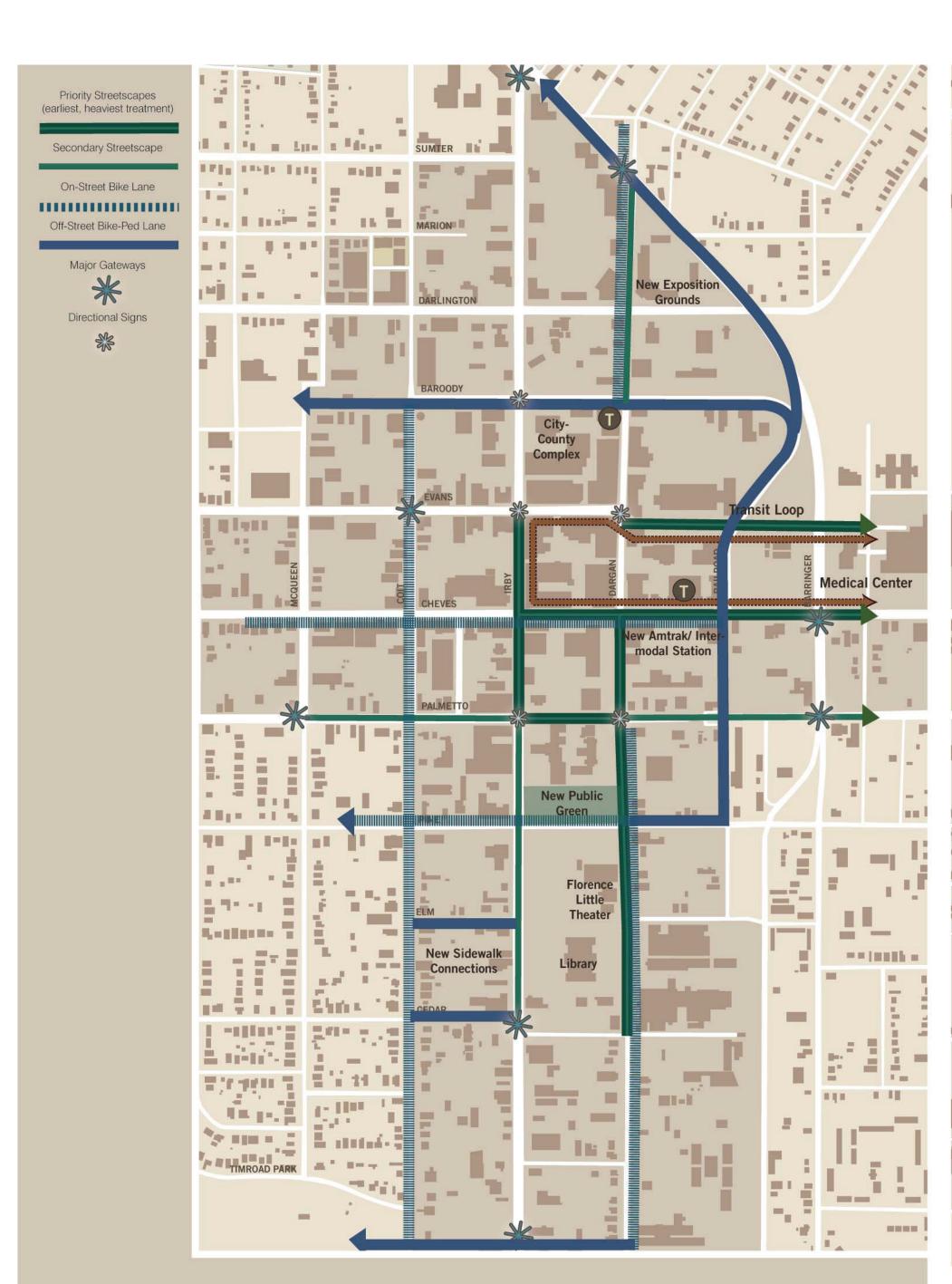
Pure market rate housing on the other hand, will probably occur mostly in new, largerscale mixed-use construction projects for the foreseeable future. The one major exception to this again is the lower Dargan street corridor where the cultural district should help drive quality urban infill housing on the eastern edge of the district. The market could be given greater impetus if the cultural district is wrapped into monumental space described earlier.

## mobility

Downtown Florence is a fairly easy place to get around by automobile. It isn't as convenient to navigate by other means, and walking is inhibited by the distance between major building groups and heavy traffic on through streets. The edges of Downtown and its major attractions are also not well marked giving it a pass-through quality. In all cases the city needs to place greater emphasis on the overall user experience, including visitors and pedestrians and accommodate alternative forms of transit such as bike and bus.

This plan doesn't put forth any new recommendations for major street improvements except for those that add to overall street functionality and appearance; particularly streetscaping, wayfinding signs, the burying of overhead utility lines, and maximizing opportunities for bike lanes and on-street parking. These are shown on the map below. One street in particular that





SPECIAL USE AREAS

**Beautification and Navigation** 









is of critical importance is the east end of Evans Street between Dargan and the back entrance to the hospital. Here, the combination of excessive street width, lack of building fronts, and rail and overpass divisions make this a barren, ('neither here nor there') stretch of road. Although little that can be done about the rail and overpass, major street beautification will help to better define the street as a vitally important "back door" connection between Downtown and the McLeod campus. It should be positioned the principal pedestrian/transit connection to Downtown by hospital employees and visitors, and accommodate walking, biking and transit shuttle service. The street should also (and can) support additional on-street parking to accommodate the needs of the Business Technology Center and any new development along Evans street particularly if the current transit staging area is relocated.

The prescription is an extension of the Downtown streetscape to the railroad tracks; effectively narrowing the right-of-way with angle parking on both sides of the street, and adding street trees and lighting to create a vertical "street wall" to frame the line-of-sight to the Dargan/ Evans intersection. New sidewalks should eventually be added to improve the walking experience. If and when any of the sites along the street get redeveloped, they should better define the street space by being oriented to the street and placed closer to it.

The City should update its capital improvements program (CIP) to reflect the right-of-way improvements noted above. The undergrounding of overhead utility lines should be coordinated in conjunction with all new roadway reconstruction projects and/or any scheduled water and sewer improvements.

### TRANSIT CENTER

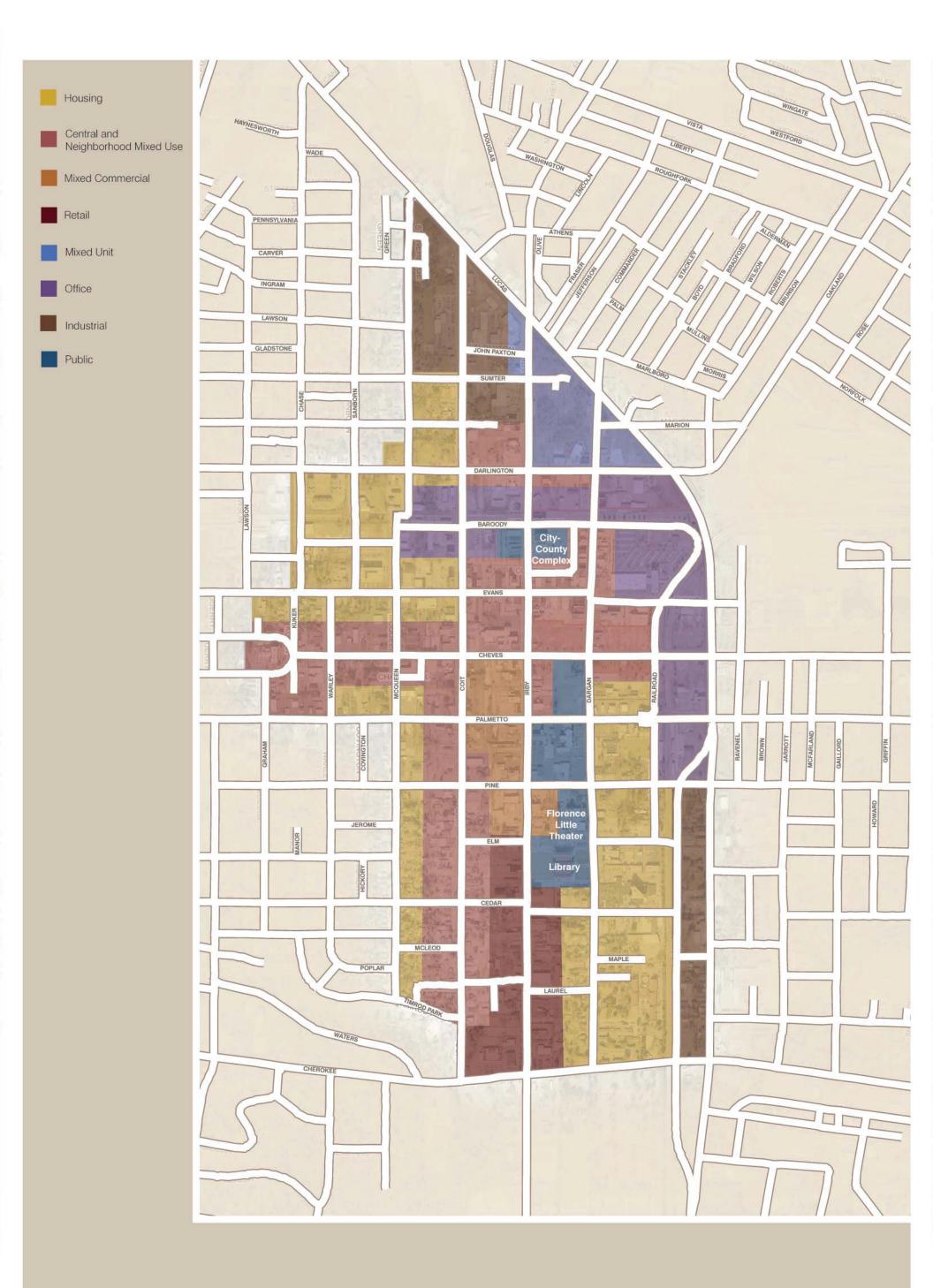
Exciting efforts are currently underway to build a new intermodal transit center Downtown. Such a facility promises to stimulate other investments and will help reinforce Downtown as the place where all things come together. Such a facility though has to be located near to where potential ridership generators are most concentrated, and where buses can be staged without conflicting with adjacent uses. Ideally, the project would be connected to Amtrak's Palmetto line service making it a true intermodal hub. This would require relocating the current Amtrak station to a more central Downtown location.

Also factored into the decision-making is the fact that the project will be largely funded with Federal grant dollars. This presents an opportunity to wrap the costs of ancillary facilities, such as structured parking, into the total cost of the project. Although structured parking may provide additional benefits external to the project (it could potentially serve adjacent development), it still needs to be a place where it will be used on a fairly regular basis in order to make sense. In short, if the City wants to get a deal on a parking structure that will attract maximum use, the transit center will need to be convenient to one or more of Downtown's major activity centers. This is a further constraint on its location.

There are several sites in or near Downtown that could be potentially used for the proposed transit center. Which of them is ultimately selected will depend on a host of variables including: site availability/suitability, cost and any timing contraints on the start or completion of construction as stipulated by funders.







SPECIAL USE AREAS

Principal Land Use (Future)



SPECIAL USE AREAS

**Master Plan** 

### **Financial Technical Assistance Assistance Business Planning Revolving Loan Fund** Monitoring **Loan Guarantee** On-Call Consultation Tax Abatements / TIF - Legal **Private Activity Bonds Good Business Climate** - Financial **Tax Credits** - Marketing Affordable Land / Rent - Operations Incubator **Business** Idea **Good Business** Climate Regulations Taxes, Licenses **DYNAMICS Utilities Politics** OF BC **Permitting (One-Stop Shop)**

economic development

Downtown development means economic development. Especially in today's economic environment, a singular focus on real estate development (supply) without a complementary effort to develop or recruit businesses to occupy it (demand) will have limited success. Incentives and supports need to be created for businesses as well as buildings, and the City will sometimes need to coax difficult projects into existence using all resources at its disposal.

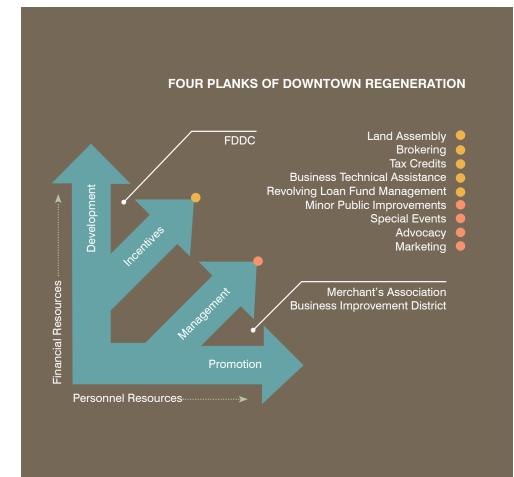
The City's main role in getting private real estate projects off the ground will typically involve three things: assembling and reselling land (possibly at a discount), providing low-cost subordinated 'gap' financing to businesses and developers, and ensuring fair and timely permitting. With regard to business creation, it also involves helping to line-

up no/low cost business technical assistance such as through a university or technical college and providing an overall environment conducive to business formation. A Downtown incubator such as has been proposed can do much to support this but it will need to be complemented with hard financial resources provided or procured by the City or entities working on the City's behalf. These resources must be specially targeted to Downtown.

Conventional economic development approaches emphasize aggressive City marketing and outside business recruitment. These are expensive to do with usually disappointing results in traditional urban markets. Most desired types of chain stores

won't locate in a traditional 'main street' downtown and when they do, will demand an inordinate amount of public subsidy. Increasingly, cities are realizing that a homegrown approach is a better strategy. Local businesses provide more local flavor and are more apt to patronize other local businesses. They also don't need to be "sold" on Florence because they already have a connection to it.

Targeting economic development resources on Downtown is part of a larger economic development strategy for the city as whole. It will involve building the capacity of FDDC staff and local entrepreneurs as well as building public investment capital to leverage private capital and vise-versa. It will also require creative use of TIF financing.











The fund could potentially be capitalized with CDBG and foundation grants, SBA funds, pooled bank loans, and TIF funds and can potentially be structured as a loan guarantee program in order to maximize leverage. Local banks should be recruited into a consortium to administer and manage the fund (potentially in the form of a bank CDC as way to meet their Community Reinvestment Act requirements) as well as being the main loan/loan guarantee providers. The fund would be used primarily to support business owner/operators; including those "birthed" in the incubator. Loan parameters should be such that they are big enough to help support high impact projects, but not so high that the fund is quickly tapped out or overexposed.

As for incenting real estate projects, the City's main focus should be on providing access to financing which is currently unavailable or insufficient at commercial banks, and helping to package land. Land assembly can take place through various means including: direct purchase, assignable options, tax foreclosure, syndication, donation and in extreme cases involving severe blight, condemnation. It will need to be matched with creative use of the City's TIF powers; specifically in packaging low interest financing that can be passed on to developers.

One way to provide scarce financing may be through the use of Private Activity Bonds (PABs). The entire City of Florence is a Federally designated Enterprise Community allowing it to issue PABs to raise debt capital for private development. PABs allow cities to issue tax-exempt bonds on behalf of private investors that are paid back directly by the investors. They work like Industrial Development Bonds where the bonds are not generally backed by the full faith and credit of the City and don't count against the City's debt caps. They are subject however to State caps. The two types of PABs that may be available to the City are: Qualified Redevelopment Bonds and Enterprise Zone bonds. Both types of bonds are designed to fight blight and can be used for commercial development and housing.

TIF-funded public improvements can be coordinated with (and potentially wrapped into the financing of) private development. General revenues as well as pledged revenues from outside the TIF district such as water and sewer fees are other possible ways to back the City's TIF and bring it to life by funding key public projects. The City's legal counsel will need to check state statutes to determine any applicable restrictions on how TIF-financing is used.

As a way to activate its current Downtown TIF district, the City should consider expanding its boundaries into areas where new development is anticipated. Extending it eastward along Cheves and Evans Streets for instance may allow it to passively capture revenues from the taxable portion of new hospital-related development.

Other incentives could include the City and/or County agreeing to extend the County's 5-year tax abatement program, and/or refunding business license fees exclusively for new Downtown businesses. An incentive to existing businesses may be a façade improvement program funded or working capital loans funded through grants, TIF or a revolving loan fund. In all cases, the City should use incentives only for projects that wouldn't occur in their absence, are for fundamentally viable enterprises, and only for projects that advance the vision set forth in the plan. Most often, they should be used to close any cost/revenue imbalances created by projects that may not be feasible on their own; specifically projects that include some "public good" such as restoring historic buildings, providing structured parking and removing blight.

# economic development

As a basic starter-program for Downtown development, the City should recapitalize its revolving loan fund specifically for downtown businesses and downtown developers. The fund would be used to provide "gap" financing for viable businesses where the owner/investor can demonstrate commitment, competency and capacity; and can bring a significant amount of their own equity to a project as well as some conventional bank financing. The fund should be specifically targeted to projects that help fill unmet market needs such as restaurants and specialty retail so as not to create additional competition for current Downtown businesses.

### **Management: FDDC 2.0**

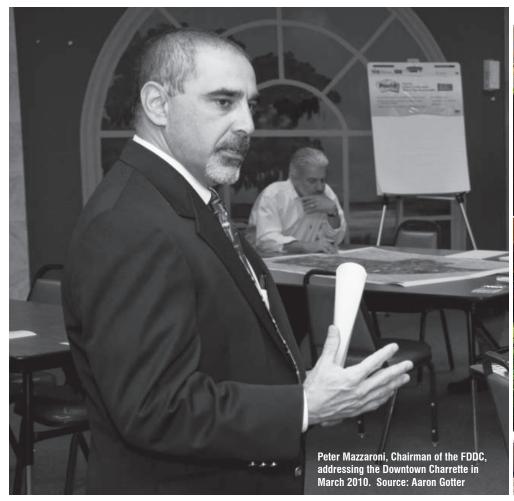
#### FLORENCE DOWNTOWN DEVELOPMENT FOCI

A concerted Downtown regeneration effort will need to be led by a fully empowered FDDC with dedicated, professional leadership. An executive director for the FDDC will need to be hired with solid deal-making credentials. This person will be responsible for both initiating and managing projects, conducting business outreach, and coordinating with City and County planning and economic development staff. The person will need to be highly entrepreneurial and be capable of handling business development services, as well as unconventional real estate development projects involving tax credits and other subsidies. They will need to have broad knowledge of how to access various economic development programs offered through the State, County and Federal governments as well as programs and resources available through local educational institutions. The person will need to form strong working relationships with these organizations along with the local business community at large.

A significant amount of the ED's time will also be spent on business retention, expansion, advocacy and recruitment activities. The latter will require professional marketing materials including a special Downtown website featuring information on City programs, processes, market characteristics and ideally, available real estate. It will be important that the person not be expected to spend an excessive amount of time performing ancillary functions such as event planning and other purely promotional (chamber-type) activities. Until support staff can be brought on, the person will need to rely on city staff (specifically the City's Downtown Development Coordinator) and board members to help out with core functions as well as extra projects. The ED should be responsible for helping coalesce a self-managing downtown merchant's association, but shouldn't be seen as the organization's leader or principal staff person. Program management should remain a primary responsibility of the City's Downtown Development Coordinator. This person should continue to manage Main Street-type functions such as organizing, educating, and promotions as well as serve in a support capacity to the FDDC Executive Director.



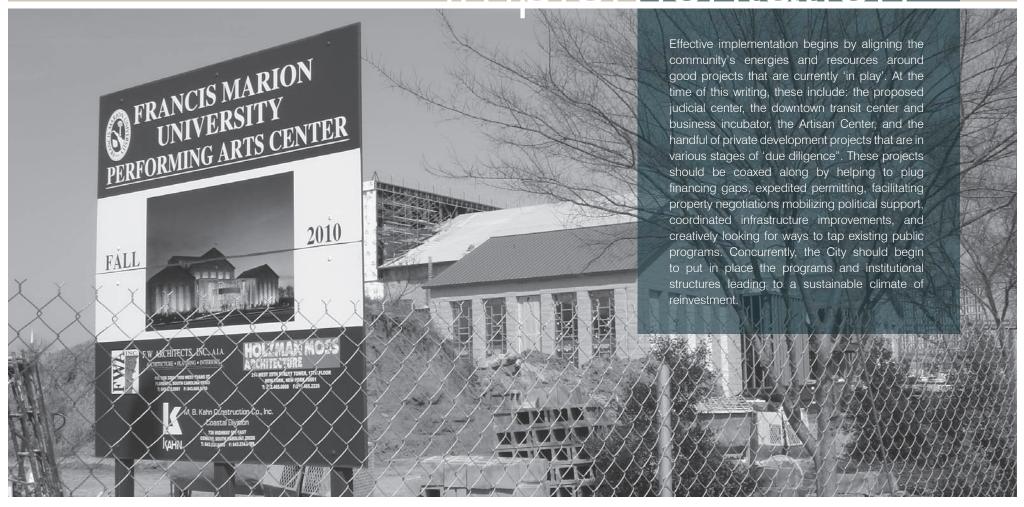
The Executive Director will often need to rely on the special expertise brought by individual board members and mobilize the board to help implement certain tasks. The FDDC Board therefore needs to be active, involved and help round out the abilities of the Executive Director. For this reason, it may be advantageous for the FDDC to move toward a smaller, working board made up of contributing members with applicable expertise in real estate, banking, fund raising, and business management than the current 'representative' board structure. Alternatively, the board could be organized into special subcommittees around specific functions or action items such as organizing and managing a revolving loan fund. The Executive Director will need to be adept at organizing and managing these committees; putting to good use all of the talents currently on the board and maintaining these relationships; and recruiting outside expertise as needed. Board members should understand that their role is to meaningfully contribute by working, not just by attending meetings.





Finally, the FDDC needs to follow a strategic plan that continually sharpens the organization's programmatic focus and begins to move it toward some degree of financial self-sufficiency. Potential revenue streams could come from rents, loan administration fees, special events, and earned developer fees where the organization has been instrumental in assembling land or procuring tax credits. A rewriting of its strategic plan to address some of these issues is being done concurrently with this plan.

# implementation



### Immediate Priorities

# (0 - 1 Years)

### **Programmatic**

#### Hire an Executive Director for the FDDC

Recommended Steps:

- Carefully craft the job description to match the needed skills (as determined by the below-listed activities)
- Recruit nationally
- Clearly delineate job responsibilities vis-à-vis the City, County

#### Implement Façade Improvement Program

Recommended steps:

- Determine program protocols, matching requirements, and permanent funding sources
- Organize design review committee
- Promote program to property owners, brokers, realtors, contractors

# Begin talks with McLeod Hospital on their direct participation in Downtown's revival

Recommended steps:

- Collect, draft language on possible walk-to-work (forgivable loan) programs
- Poll their employees on their potential interest in the program
- Determine McLeod's interest in taking an equity position or pre-leases in Downtown resident housing
- Solicit foundation contribution to revolving loan fund or FDDC

- Solicit vendor contract commitments on behalf of current and future Downtown businesses
- Seek their continued/additional participation on the FDDC Board
- Seek their agreement in including the entire hospital campus in the Downtown TIF district
- Enlist them to encourage FMU to locate the proposed Health Sciences Facility in the core Downtown (D-1 District)
- Determine their interest in assembling more land Downtown

#### Create/recapitalize a Downtown-specific revolving loan fund (RLF)

Recommended steps:

- Convene area banks to establish a loan pool or bank CDC to capitalize and administer the fund
- Develop underwriting and project eligibility criteria
- Explore various grants through USDA, SBA, CBDG, EDA, others as additional capitalization sources
- Contribute city funds to new RLF or create separate fund to guarantee bank fund
- Distribute information about fund among business groups, educational institutions, the public
- Hold banker, broker, developer roundtables to promote and explain the program

#### **Draft Downtown property maintenance code**

- Draft a basic starter code that can be amended later as needed
- Conduct public informational meetings to facilitate understanding and solicit feedback
- Forward code and facade grant program as a package for Council approval
- Plan and budget for enforcement regime
- Allocate staff and budget

### **Targeted Reinvestment Areas**

## Initiate future development of the proposed (Irby/Palmetto) professional services district

Recommended Steps:

- Begin initial discussions will key property owners on site availability, cost, option, syndication possibilities
- Enlist the help of a proxy ("straw-man") buyer
- Determine property-owners preferred position in any new development (i.e. tenant, equity partner, sell-out)
- Seek permission to conduct cursory environmental analysis
- Amend TIF project plan as needed to include property acquisition and developer financing as TIF-eligible costs
- Inquire with state as to availability of qualified redevelopment zone and Enterprise Community (private activity) bonds that could be applied
- Conduct appraisals on 'in play' properties
- Prepare a generic development agreement

# Explore opportunities to control or convey ownership of key properties in the Historic District

Recommended steps:

- Solicit donations of properties to the FDDC
- Look for opportunities to control contiguous properties
- Focus initial efforts on key at-risk or pivotal properties: Kreske, Cosmos, Trust buildings
- Consider developing a marketing strategy/ RFQ for the Kimbrells Building
- Develop lists of possible investors, developers, and area holders of New Markets Tax Credits (NMTC) for future solicitation

#### Prepare a working business plan for the Artisan Center/Art Trail Gallery

Recommended steps:

- Define the business model. Develop operating budget and funding/management strategy (i.e. artist co-op)
- Consider spinning off separate subsidiary non-profit corporation
- Recruit board membership
- Identify and solicit foundation, philanthropic support
- Recruit tenants
- Begin to "business-manage" and program the space

#### Prepare detailed design plan for lower Dargan Street corridor

Recommended steps:

- Prepare detailed streetscape plan that also includes the -00 and -00 blocks of Cheves and Palmetto Street with cost estimates and design specifications
- Schedule improvements in CIP starting with lower Dargan Street
- Explore alternative funding mechanisms including TIF, developer concessions and special assessments (seek PILOT contributions from tax exempt entities in the corridor)

### Facilitate discussions with PDRTA and FMU on the proposed Downtown transit center/incubator

- Initiate discussions with Amtrak on relocating train station to Cheves/ Baroody Street intersection
- Assist PDRTA in seeking state and Federal transportation grants (i.e. TIGER, FTA New Starts)

- Work with FMU to solidify location parameters and building 'program' for incubator
- Identify alternative incubator locations and consider decoupling the projects if necessary

#### **Expedite the development of the Judicial Center**

Recommended steps:

- Expedite permitting and development review
- Assist the relocation/retention of any active businesses in Downtown
- Begin preliminary feasibility study of public parking structure in the City/County lot

# Near Term Priorities

(1 - 3 Years)

### **Programmatic**

#### Solidify working organizational structure for Downtown Merchants Association

Recommended steps:

- Work to develop DMA membership
- Establish by-laws and charter
- Establish a basic strategic plan, management and funding structure
- Recruit, mentor DMA leadership

#### **Rezone special Downtown sub-districts**

- Rezone Lower Dargan Street exclusively for residential and institutional uses (i.e. prohibit new offices)
- Create a special commercial office district for the proposed Irby/ Palmetto professional services district that establishes minimum densities and building heights
- Change zoning along lower Coit Street to allow more neighborhood retail uses such as coffee shops, specialty retail and inns
- Create a mixed-unit overlay district for the 'triangle' area that restricts single-site development

#### Launch a Downtown marketing campaign

Recommended steps:

- Enlist local creatives to identify themes and create a branding message
- Enlist local media to run a slogan contest
- Develop a Downtown Florence website and print materials
- Distribute materials to area realtors and brokers
- Consider regional broadcast PSAs promoting Downtown cultural amenities and special events
- Request local media to run a regular series on Downtown happenings, programs, ground-breakings, and history

#### Begin implementation of Artisan Center business plan

- Recruit tenants/vendors
- Make facilities improvements if needed
- Program special events
- Solicit funders
- Develop working relationship with FMU Center for Entrepreneurship

#### Work to modify FDDC board structure

Recommended Steps

- Recruit special expertise in: real estate, banking, fund-raising, marketing and construction management
- Create sub-committee structure to implement special projects

#### Work to extend National Register Historic District westward to Irby Street

Recommended steps:

- Work with owner of Cosmos Building to excavate, restore building façade
- Petition National Park Service to extend district

# Update design guidelines to include dimensional metrics, materials palette, and façade grant procedures

Recommended steps:

- Attach appendix that includes rehabilitation tax credits and façade grant procedures and requirements
- Conduct information workshops for interested property owners, developers/ contractors, and design review committee members

#### Begin enforcement of building maintenance code

Recommended steps

- Conduct outreach/ awareness campaign (couple with façade improvement and/ or revolving loan programs)
- Develop systematic review and appeals procedures

 Issue citations with stipulated compliance deadlines and penalties for noncompliance

#### **Targeted Reinvestment Areas**

#### Begin developer recruitment campaign

Recommended steps:

- Amend TIF project plan as needed to include property acquisition and developer financing as TIF-eligible costs
- Focus initially on quality affordable housing in/near historic district
- Prepare appraisals and preliminary project feasibility (pro-forma) on Trust, Kreske and Cosmos buildings to determine funding gap
- Prepare a housing market study
- Discuss possible option/ sales terms with building owners
- Prepare multi-site RFQ/P
- Target reputable tax-credit developers
- Pre-identify potential tax credit sources
- Prepare general developer template agreement with stipulations on maximum amount of affordable housing, minimum capital investment and equity requirements, adherence to design guidelines etc.

#### Begin advanced planning for cultural campus

- Prepare detailed design plan for Pine Street area and project concept paper
- Engage Dr's Bruce and Lee Foundation as main project benefactors (emphasizing the enhancement and protection of their existing investments)
- Begin discussions with school district on vacating old administration building

- Identify other funding sources city/county, grants
- Outreach to other 'in-the-path' property owners
- Schedule project into CIP
- Prepare to use eminent domain powers (surgically) down the road if absolutely necessary

#### Continue land assembly/ redevelopment activities in Irby/Palmetto area

#### Recommended steps:

- Conduct commercial market study
- Continue property-owner discussions using proxy-buyer
- Identify possible future office tenants
- Talk to nearby banks and Florence-Darlington Tech about their potential interest
- Conduct environmental review
- Perform preliminary pro-forma
- Begin site clearance on acquired, blighted buildings
- Prepare RFQ/P if site control of key properties looks positive

#### Initiate consolidation and redevelopment of Triangle site

#### Recommended steps:

- Implement zone change and access control measures on Irby, Dargan
- Explore potential purchase of rail spur
- Complete detailed site inventory and environmental history
- Begin discussions with key property owners
- Apply property maintenance code
- Perform environmental analysis (seek grants for this)
- Attempt to reach terms on key parcels and control with renewable options
- Complete detailed site/plat plan
- Issue RFQ/P if a significant portion of the site is controllable

### Mid-Long Term Priorities

### (3 - 5 Years)

### **Programmatic**

#### Maximize capitalization of revolving loan fund

#### Recommended steps:

- Seek additional grants and TIF funds
- Solicit additional bank participation

#### **Establish Downtown Business Improvement District (BID)**

#### Recommended steps:

- Begin education campaign
- Prepare draft by-laws and board structure
- Use established Downtown Merchant's Association as a platform
- Identify funding formula and management structure
- Develop operating plan

## Select exploratory committees for new spectator expo grounds and Downtown farmers market

- Enlist motivated advisors to explore facility options, identify project comparables and funding strategies
- Develop project whitepapers
- Seek financial participation of State and County, prospective tenants

- Solicit sponsorship of FMU, McLeod, Carolinas, foundations (including naming rights)
- Determine funding structures

### **Targeted Reinvestment Areas**

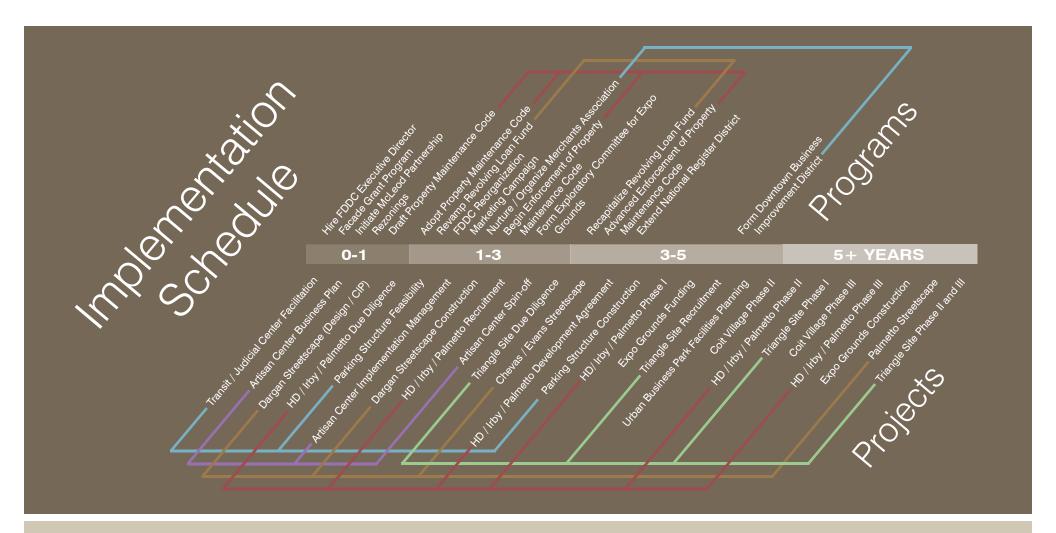
#### **Identify facilities improvements for Urban Business Park**

#### Recommended steps:

- Solicit support of Business Technology Center (BTC)
- Enlist FDDC or other non-profit as possible management fiduciary
- Conduct brownfields analysis on suspect properties
- Create comprehensive property database
- Contact absentee owners
- Clear blighted properties
- Seek to acquire, control available properties
- Build support for separate Neighborhood/Business Improvement District
- Create comprehensive sign and parking plan
- Create permanent management/board structure
- Create a marketing profile and platform including a 'space available' website
- Schedule streets and infrastructure improvements into CIP

#### Promote 2nd/3rd phases of Coit Village

- Solicit interest of original developer, other developers
- Inquire as to possible availability of surrounding property
- City to assist with possible land assembly/ clearance and coordinated infrastructure, streetscape improvements



Implementation will include both policy and project-specific measures. These are presented below in 3-5 year intervals under the headings: "programmatic" and "targeted reinvestment areas". It should be noted that specific real estate development projects are subject to external influences that may be beyond the City's ability to control. (i.e. land and credit availability, site control, developer interest etc.). Therefore it will be important that the City remain both flexible and opportunistic in how it engages the private sector while at the same time maintaining a strategic focus. Public resources need to leverage private resources and vise-versa. All resources need to be applied in a concentrated way to achieve the greatest impact.



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