

Downtown Revitalization

Introduction

This topic was selected by the City Council for the purpose of examining what more can be done to revitalize downtown Longmont. This report contains two major sections; the first provides background information identifying what has occurred and is occurring regarding the City's and Longmont Downtown Development Association's (LDDA) efforts over the years. The second section contains two articles from the featured speaker at the retreat, Brad Segal, President of Progressive Urban Management Associates (P.U.M.A.). After Mr. Segal's presentation, he will facilitate an initial visioning process with the LDDA Board, City Council and staff to begin the process of formulating a clear policy framework that will establish what City officials want for downtown Longmont. Mr. Segal specializes in market-based planning for downtowns that merge an understanding of the marketplace with organizational development to create community niche strategies and the tools to implement them. This should be particularly useful as the LDDA pursues its 2009 work program, which includes updating the Downtown Longmont Master Plan.

Background

Downtown Development Authority

The LDDA was created by the Longmont City Council and the electorate of the LDDA district in 1982 for the purpose of rehabilitating the City's downtown commercial core. The LDDA board is appointed by the City Council for four-year terms and reports to the Council annually regarding its activities.

Downtown Longmont Master Plan

The Downtown Longmont Master Plan was prepared by the LDDA and adopted by the City Council in 1995 as an amendment to the City's Longmont Area Comprehensive Plan (LACP). The following information is taken from the existing plan and includes details from the LDDA regarding its efforts to implement the Plan's downtown revitalization strategies.

Implementation Strategies¹

The strategies of the Downtown Master Plan are public and government policies and actions that, in conjunction with the private sector (e.g., property and business owners, developers, investors, etc.), define a framework for redevelopment of the downtown. No single strategy or recommendation will act as a panacea for downtown redevelopment. It has also been stated over the years, most recently by Marilee Utter, CEO of Citiventure Inc., that the public sector cannot create a market for goods, services or other retail activity. It can, however, promote, encourage, collaborate and provide incentives for the private sector in support of their activities.

¹ *Downtown Longmont Master Plan of Development, 1995, pg 66.*

1. An annual mission and goal statement should be prepared, adopted and implemented by the LDDA that addresses the priority problem areas that, if resolved over time, should provide a healthy, safe, secure, prosperous, and convenient downtown.
2. An annual update to the 5-year capital improvement program occurs with projects intended to carry out the goals, policies and strategies of this plan.
3. Tax Increment Financing (TIF) money is used since the LDDA has had two tax increment bond issues totaling \$4.15 million. The proceeds of the 1986 issue (\$1.55 million) have been used for projects including the rehabilitation, construction, and installation of certain streetscape improvements, pedestrian passageways, alleys, parking lots and the “original” street lights.

The proceeds of the 1998 (\$2.6 million) issue were used for traffic improvements, including landscaped bulb-outs at intersections, landscaped mid-block safety islands with crosswalks, downtown parking lot upgrades and improvements to sidewalks, lighting, landscaping, street furniture and walkway connections. The LDDA also used \$350,000 of TIF revenue for infrastructure at the 6th Avenue Plaza/Village Place development.

With the recent vote to authorize more tax increment debt from the LDDA there has been \$142,693 approved for use along with \$45,000 from the Downtown Parking Fund for the cost of the St. Stephen’s pocket park.

4. The Development Incentive Program (DIP) was initiated in 1986 whereby certain City permit fees, paid by any developer, are deposited to a fund specifically for upgrading public improvements within the district. Since its inception, over \$980,000 has been provided to the LDDA to be used to assist in financing revitalization efforts. In 1993, the LDDA established the “Façade Renovation Design and Cost Estimation Program”, which pays for the time of a downtown architect to work with a building owner/tenant to prepare design and cost estimates for renovation of the building façade. Fifty-two properties have benefited from this program, ranging from the OUR Center’s landscaping to the Park Hotel’s façade improvements and Roosevelt Place’s streetscape improvements.
5. About \$1,065,500 of Community Development Block Grant money has been used for commercial revitalization in the form of landscaping improvements to alleyways and loans to businesses to assist in eliminating specific areas of slum or blight as well as improving building façades in downtown Longmont. Over 30 buildings have been renovated, including both simple renovations and historic renovations. In addition, since the loan funds must be matched with private funding, over \$750,000 of private investment has been made in the LDDA area as a direct result of the CDBG funding.

6. In 1992, the LDDA submitted petitions to the City Clerk requesting the formation of a Business Improvement District (BID) in the downtown area. The LDDA Board pursued a BID because, under state statute, such a legal entity has greater powers than a DDA. A BID can promote and market, and pursue business recruitment and event coordination as well as fund other operating costs for the downtown area. The BID and budget were dependant on the approval of a mill levy by the authorized voters of the LBID area. On December 9, 1992, the election to approve a mill levy to generate \$40,000 annually (almost 2 mills) failed by a vote of 129 to 84. The LBID still legally exists but, since it has no funding, is dormant.

Hyett-Palma Downtown Plan-Overview²

In 1997, the City Council retained the Hyett-Palma consulting group through the National League of Cities in order to assume a more aggressive role in enhancing downtown. Hyett-Palma worked with the LDDA, the Council, local business owners, property owners and concerned citizens to rethink ways to “rebuild” downtown.

Prior to 1997, the primary emphasis in the downtown Longmont enhancement effort was on infrastructure improvements, including streetscape, traffic calming, parking and pedestrianization. As a result, the private sector responded by investing more in Downtown Longmont’s businesses and buildings.

In 1997, lender confidence in downtown Longmont was very strong. Local lending institutions in the community generally believed that downtown Longmont was a good investment and were more than willing to lend funds for acquiring real estate and improving downtown properties.

The Hyett-Palma plan stated that “the time has come to redirect the emphasis of the LDDA by focusing on the areas of economic development and marketing, and stressing a stronger partnership to implement the recommended Action Agenda.”

The following projects were recommended in 1997 by Hyett-Palma -to be undertaken at the earliest possible date in order to enhance downtown Longmont. Without the implementation of these projects, Hyett-Palma felt the economic future of downtown Longmont would be severely impaired.

1. Proactive business retention, particularly one-on-one counseling

In 2005, the Board identified business retention as a high priority in its budget request for 2006 but has been unable to devote any significant resources to this program.

² *Downtown Longmont Market & Analysis & Action Agenda, 1997*, Hyett-Palma, National League of Cities.

The Longmont Economic Gardening Initiative (LEGI) serves as the entry point for many small business services provided through the City. Specifically, the LEGI program provides businesses with resources that may be too expensive or specialized for businesses to tap into on their own. They include:

- Targeted sales and marketing leads lists for direct marketing;
- Profile of current customers;
- Finding new prospects that “look like” your ideal customers;
- Expert advice on business growth strategies; and
- Specialized assistance and training.

LEGI uses key partners to provide assistance. The most prominent partner is the Small Business Development Center (SBDC), which focuses on three areas of support for small business: short- and long-term training, counseling, and access to valuable resources. The SBDC helps small businesses analyze marketing and growth issues, set reasonable short- and long-term goals, obtain financing, and prosper in competitive markets.

The key difference between LEGI and SBDC is that the SBDC does not provide market research, most notably from programs such as Business Analyst, Dun & Bradstreet, Dodge Construction Report, Info USA, Plunkett Research, and numerous other data resources. Due, in part, to the prohibitive costs of providing market research, SBDC will continue to focus on counseling and training as its primary objectives.

2. *Aggressive marketing of downtown and the overall enhancement effort*

Marketing efforts are limited by the LDDA operating budget. Requests to the DIP (Development Improvement Program) doubled since the streetscape project was undertaken. The LDDA has awarded over \$350,000 in mini-grants since 2000, and \$1,056,987 since 1986.

3. *Completion of physical streetscape improvements in the Downtown Core District*

The streetscape was completed in 2001 with traffic calming devices including bulb-outs, medians and mid-block crosswalks. It also included new lamps, benches, trash receptacles and flower pots. Downtown Longmont received a national award from the American Landscape Architectural Society for its streetscape design.

4. *Completion of traffic and parking improvements*

All recommended changes from the Ballofet traffic study were completed. The City also created a special Downtown Parking Task Force that recommended several improvements to the parking meter arrangement that has assisted in addressing a few parking problems. Currently, the City and the LDDA have partnered to pursue a private sector developer to construct a mixed-use project including several hundred parking stalls. The most recent proposal will be reviewed by the LDDA and the City Council at the Council’s January 20 meeting.

5. Aggressive recruitment of additional businesses

The LDDA Executive Director works closely with commercial realtors in assisting interested businesses to locate downtown. Again, an active marketing campaign would help in this area.

Focus on Longmont Strategic Plan

Completed in 2005 and identified downtown as one of the recommended policy directions. In the strategic planning process, Longmont's citizens placed a high priority on a healthy and vibrant downtown as being a key to a successful community. The policy directions and recommended actions to realize the community's vision for downtown are:

1. Promote the downtown area as the cornerstone of Longmont's identity, serving as a community wide destination and gathering place for civic, retail, and entertainment uses.
2. Encourage a mixed-use development pattern with emphasis on incorporating residential uses so that downtown can prosper in a safe environment.
3. Foster balanced economic development opportunities that encourage economically viable businesses to locate and prosper in the downtown area and the greater Central Business District.
4. Continue to strengthen downtown's role as the civic center of the community so that everyone in Longmont feels welcomed and included in civic activities.
5. Focus downtown physical improvements to achieve a greater degree of accessibility, pedestrian orientation, and historic awareness.

Potential Revitalization Projects and Efforts

The following is a list of projects or efforts that have been previously identified by the LDDA Board. While some of these efforts have been discussed more than others, they all are currently in an "unfunded" status at this time.

1. **Special District Study**--Would investigate the potential use of special districts and how they could assist in future revitalization efforts.
2. **Business Recruitment/Development**--This effort could include the development of recruitment materials, prospect development efforts, attendance at trade shows and advertising efforts.
3. **Business Retention**--This would include business retention efforts through business seminars, business roundtables, public relation efforts and the development of retention materials.
4. **Community Relations**--This effort would include special events, advertising efforts and commencement of Heart of Longmont merchant meetings.
5. **Communications and Outreach Specialist**--This effort would involve the addition of an FTE to coordinate a business retention program, Heart of

Longmont merchant meetings, event coordination, promotional activities, and to develop a “Keep Downtown Beautiful Program”.

6. **Create a Public Gathering Place**--This is a concept of creating some sort of plaza that would be used as a public gathering place. It has been included in the Downtown Mixed Use development project but does not preclude it from being used elsewhere in the downtown. An outdoor plaza could also be accomplished by closing off an avenue on either side of Main Street to begin more of an east west plaza away from Main Street, which has been a major practical barrier for years.
7. **Attract a downtown anchor**--This concept would use public funds to provide either the incentives or necessary public improvements to lure a major commercial “anchor” to the downtown. An anchor development could be a retail establishment, a retail center or even a hotel. Other cities have seen revitalization occur through the addition of an anchor to their downtowns.
8. **Gateways**--Create a gateway to the entrance of the downtown district. Gateways could include signage, monuments or landscaping.
9. **Develop 3rd Avenue and Main Street with the Historic buildings on the corners**--This effort would be to identify a look that would complement all four buildings on the corners.
10. **Develop an indoor mall or outdoor plaza**--A large building downtown could be acquired to develop into a small indoor shopping center with small boutiques and cafés. This could be viewed as a small retail business incubator.

Current City and LDDA Revitalization Efforts

In addition to the above items recommended from the previously referenced plans, City of Longmont and the LDDA have been more actively involved with the following downtown revitalization efforts.

1. **Flour Mill Redevelopment** – The City Council approved a redevelopment plan prepared by the Buchanan-Yonushewski Group in 2003 that called for a mixed-use, transportation-oriented development for the 3 acre site that is owned by three different individuals. The primary property owners have been very interested in pursuing a redevelopment plan for the area and have partnered with a developer who is finishing a proforma that will reveal the financial gap that would need to be filled by the public, the City and the LDDA to determine if a redevelopment project is viable.
2. **Southeast Longmont Urban Renewal Authority (URA)** – An Urban Renewal Plan was adopted in 2006, and provides several incentives for property owners to redevelop consistent with transportation-oriented development principles that would take advantage of the future RTD

FasTracks commuter rail station locations at the Flour Mill and the Sugar Factory respectively. Currently, only a small portion of the LDDA is in this URA, and it is understood that all tax increment revenue will continue to go to the LDDA until its TIF authority expires. The LDDA's TIF authority was to expire in 2012. Since it now is eligible to be extended for periods of 10 years, it is unlikely that the TIF will ever flow to the SEURA. As a result, it is recommended that the SEURA boundary be amended to remove that portion of the area now contained with the LDDA. The Council decided to delay implementing Tax Increment Financing for the SEURA until there is a viable redevelopment project that maximizes the 25-year TIF benefit.

- 3. Mixed Use Development** – This project was initiated at the 2005 Council Retreat and has gone through two formal RFP processes (for a mixed-use project of about 40 residential units, 10,000 sq. ft. of commercial space, about 400 structured parking stalls and a public plaza to serve as an economic catalyst project), with two separate private developers who have had to deal with difficult economic times and market conditions. As a result, they were not able to enter into any formal agreements with the City and the LDDA for the project. Currently, the City's Technical Advisory Group has interviewed a project team led by Thistle Community Housing for a scaled-down version of the original project scope and it will be presented to a joint Council/LDDA meeting January 20.
- 4. Mixed Use Development/Transit Oriented Regulations** – These were presented to Council in December of 2008 and Council asked that they be sent back to the Planning and Zoning Commission for review and public comment. That has now been accomplished and they are scheduled for Council in January 2009. These were initially prepared so that Longmont would have appropriate regulations to guide mixed use development by the private sector when viable projects are submitted for city approval.
- 5. FasTracks Station Area Development Plan** - In November 2004, Denver metro area voters approved the FasTracks initiative to increase sales tax in the Regional Transportation District (RTD) to fund rail transit corridors throughout the region. Part of FasTracks includes the US-36/SH-119 corridor from Denver, through Boulder, to Longmont with an end-of-line station initially located at Hover Road and Ken Pratt Boulevard. As a result of concerns over that location, the RTD and the City of Longmont agreed to fund a feasibility study for commuter rail within the Diagonal Corridor (SH-119) from Boulder to Longmont. As part of the study, the City of Longmont requested that Transit Oriented Development (TOD) be considered with the selection of station locations.

Part of the purpose for the Longmont Diagonal Rail Feasibility Study was to analyze candidate station locations and their Transit Oriented Development potential. This analysis was conducted as part of the RTD's Longmont Diagonal Rail Feasibility Study (final report completed in May 2005). The City

of Longmont contributed financially to that report to allow more detailed analysis to be conducted of station locations and their TOD possibilities.

In early March 2005, a presentation regarding station location and TOD potential was given to City Council. Although the Council supported the findings that would extend the end-of-line station to the Flour Mill Area at 1st and Main, RTD has yet to take formal action.

The Council authorized the preparation of a Station Area Transit Oriented Development Plan in 2008, and staff had almost completed the consultant selection process when RTD indicated that the cost of the project could extend the completion date. Council suspended the SAP process until March 2009 when more will be known about the FasTracks time frame. After RTD determines its schedule for completing all of the FasTracks system, the City can move forward with the most appropriate Station Area Planning schedule.

- 6. Commercial development incentives**—The City of Longmont and the LDDA have several financial incentives for the private sector to pursue to encourage redevelopment in the downtown:
- a) Building permit rebate – provides a 30% rebate of specific building permit fees after meeting certain criteria and the owner may request a larger rebate directly from the City Council;
 - b) Façade improvement program—City-administered program for the LDDA that provides TIF revenue to eligible development for infrastructure and other related public improvements;
 - c) Developer incentive program—City transfers building permit revenue to an LDDA fund for improvements to downtown structures.
 - d) Free Energy Audits – the recently awarded Department of Local Affairs (DOLA) energy conservation grant provides downtown businesses with energy audits at no cost beginning in 2009.

Discussion

In reviewing the history of actions and strategies taken by the LDDA and the City Council and the current potential actions and projects that have been identified, one key conclusion can be drawn - there is a need for a consistent and clear vision for how the downtown should evolve. While all of the prior plans and studies contain numerous recommendations and programs thought to be essential for a successful downtown, there is no real clear statement that coalesces these into one cohesive policy that guides the LDDA and City. This vision will be increasingly essential to policy makers when they are asked to determine how to spend limited resources for competing projects and programs.

Brad Segal's information about the importance of such a vision gives even more credence to the desire to update the LDDA's master plan. Hopefully, the

visioning exercise at the retreat will serve as the launching pad for a more comprehensive effort in 2009.

The following information from Brad Segal should be reviewed prior to his presentation and visioning exercise.

Attachment

Attachment from Brad Segal