

planBTV: South End-Revised Planning Staff Edits
Economic Development & Arts and Affordability elements

Prepared for LRPC review
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Staff Note: The following revised text is suggested to replace the text that was located on pages 38-39 of the draft document. See the attached pages from the draft planBTV: South End for corresponding notes regarding placement of this text and for other layout notes.

STRENGTHENING a CREATIVE & VIBRANT ECONOMY

Second only to Burlington’s downtown, the South End has long been an economic engine for the City and the region. It’s a place where businesses grow from fledgling start-ups to national success stories. A place where manufacturing and R&D operations produce and prototype well-renowned products that have become staples in their industries. A place where artists and creatives ‘make and break’ things, and where innovative companies are discovering solutions for the future. This is a place where hundreds of people, with a wide range of occupations, come to work. Despite its small geographic area—just 4% of the city’s land area—the South End’s Enterprise District is home to 20% of the city’s jobs and over 90% of its current industrial space.

The South End has evolved quite significantly over time, and today enterprise, innovation and the arts are the interconnected economic and social identities of the district. As the economy has changed, the types of work spaces within the South End have changed, too. A hundred years ago, South End buildings bustled with heavy-duty industrial activities—coal was transformed into gas, structural steel and iron castings were fabricated, and the Lumiere Brothers manufactured plates for development of color photographs. By the 1980s, many of these buildings, and a new generation of one-story industrial and commercial structures, stood vacant. In today’s economy, these spaces are being adapted to support a rich and eclectic mix of small-scale manufacturing, food processors, artists and entrepreneurs, and a variety of offices and services.

The *Burlington South End Market Study*, prepared during Phase One of this planning process, identified some of the important trends and issues that are shaping the South End today, and that will continue to drive this important economic district. These trends include:

- **Growth in the “New Economy” sector.** Industries focused on technology, traditional and industrial arts and design, research and development, and small-scale artisanal and food manufacturing have been fueling the economic evolution of Burlington’s South End. These creative industries are making their home among the industries that currently exist, and are likely to continue to be important sectors of the South End’s economy. Growth in this “New Economy” should be planned carefully, as the South End is already witnessing the impacts of its evolution, including:
 - **Demand for spaces that combine industrial AND retail operations** is strong and growing. These include businesses like breweries with tap rooms, prototype facilities

that welcome shoppers and offer tours, and artists' studios with retail space. As a result, industrial rents are \$2.20/SF higher in the South End than in Chittenden County as a whole, reflecting the appeal of the South End for blended industrial/retail operations.

- **Office rents that are comparable to downtown** are a result of the desirability of the South End to businesses in search of office space who want to be part of the emerging and eclectic vibe of the district, and want to take advantage of its resources, like availability of parking.
- **Increasing difficulty in finding affordable and available space** for businesses that are looking for traditional warehouse/manufacturing space, and for artist and small startups that are looking for inexpensive spaces in which to launch and grow.
- **An evolving economy and workforce that supports mixed uses.** The “New Economy” is no longer about large spaces with few workers. Many former manufacturing spaces have evolved into workspaces that look and function like offices, bringing with them far more workers and types of activities than the traditional uses. These redefined spaces are simultaneously driving the increased diversity of jobs in the South End, and contributing to its gentrification by creating a demand for:
 - **Opportunities for collaboration**, both within companies themselves and among businesses and industries. The adaptive reuse of some buildings has allowed for a variety of businesses to share resources, space and ideas and to work together on innovative solutions for their industries and the community.
 - **Retail, entertainment and service uses** which are being introduced into the South End in response to a demand from workers and nearby neighbors who are looking for places to eat, shop, exercise and socialize within walking distance.
- **A demand for housing in the South End to accommodate a growing workforce.** As there is throughout the City, there is a demand for housing in the South End to support the workforce’s ability to live near their jobs and in an area with a high quality of life.
 - **Housing scarcity and affordability issues, which are** confronting both the City and the region, are well-documented. But development economics and land use regulations present significant barriers to creating new, and a more diverse, housing supply near significant South End employers.
 - **Employees of South End businesses**, many of whom are commuting from housing outside of the City, are forced to drive and park, adding to traffic congestion and spill-over parking in residential neighborhoods.
 - However, the **demand for new housing** has the potential to further threaten the availability and affordability of space for new and growing South End businesses. As a result, for more than two decades, City policy and regulations have prevented any new housing from being created within the Enterprise District.

Cities around the world have experienced similar trends, witnessing the transformation of former industrial districts into places where the “New Economy” is flourishing. These places have been defined

and carefully planned for as “Innovation Districts.” These districts are compact, mixed use, sociable places. They utilize an array of economic, physical and networking resources to drive more sustainable, collaborative economic development. And, they are living laboratories, building and testing solutions to help evolve businesses and strengthening communities.

The South End has evolved over time in a somewhat organic manner; today it is home to many of the resources and activities that are found in innovation districts. The trends, however, point to the reality that the demand for space across all industry sectors in the South End exceeds the current supply. The Enterprise District is at an important juncture, one at which we need to rethink land-use policy and economic development strategies to ensure that the arts, industry and creative enterprise can continue to coexist without putting one another at significant risk.

To this end, finding creative solutions to increase the supply of space for these activities must be a central focus of this plan in order for the district to thrive. There are a finite number of potentially developable parcels within the South End. In order to meet the needs of new and expanding businesses, policies are needed that unlock the potential of underutilized land through higher-density, more compact development. In addition to other economic development programs and policies, a key step to achieving this potential is to explore finer-grained land use policies that balance the preservation and continued evolution of the South End’s economic landscape.

As we look toward the future, we must be sure to **preserve what makes the South End** great- its character and authenticity- while also working to **enable and facilitate its continued evolution as the City’s arts, innovation and enterprise district**, in which a diversity of businesses and job opportunities are located. In order to do so, planBTV South End outlines a strategy to:

- preserve and support the character of the South End by redefining the one-size fits all approach to land use regulation;
- recruit additional investment, jobs, and people to ensure its sustained vitality by increasing space and rebuilding important infrastructure; and
- continue to provide a platform for innovation and enterprise to take root and grow through creativity and collaboration.

Strategies

Advance land use policy changes to preserve and expand the value of the South End to the City.

Land use policy and regulation must evolve from a one-size-fits-all approach, to one that recognizes the unique and varied character of the South End and prioritizes strategies that will preserve and enhance those characteristics. This strategy supports the protection and expansion of the Enterprise Zone’s creative enterprise, manufacturing, business and arts sectors, while also addressing potential conflicts with nearby residential areas and natural resources.

Evaluate possible changes to the Enterprise Zoning District that will reflect and enhance the experiences created by the built environment and types of activities within and around the district.

These changes should recognize the variation in character throughout the district, and consider the relationship of the Enterprise Zone to its neighboring residential areas.

A more fine-grain approach to land use policy within the Enterprise Zone will guide future growth, redevelopment and/or reinvestment in such a way that the arts, industry and creative enterprise can continue to coexist—alongside strong and desirable residential neighborhoods and important natural resources. Revised zoning regulations will address how and where to concentrate and support the arts and artists more directly; where the emerging creative and innovation economy can grow and flourish, and where more traditional manufacturing businesses can continue without direct competition from more sanitized development and land uses.

These changes should reflect the experiences illustrated in the “On the Ground Improvements” section of the plan on pages X-X. This section describes the various experiences throughout the Enterprise Zone, and provides guidance on the desired form of the built environment, types of land uses, integration of transportation facilities and other infrastructure that will preserve and enhance the district’s characteristics. Furthermore, any changes to the Enterprise Zone should be considered together with the Housing section’s recommendation to evaluate the appropriateness of the zoning of properties bordering on the district.

Utilizing this guidance to shape a more fine-grain land use policy within the Enterprise Zone will result in more predictable infill and development outcomes, clearly communicating what should be preserved, and where new things should happen. Furthermore, it will support the growth and expansion of existing businesses while accommodating creative enterprises and innovation, and help to mitigate potential impacts on nearby natural resources and residences.

- Consider a range of land use tools that could be used to guide the future growth and redevelopment of the Enterprise Zone; advance specific proposals for desired zoning changes.
- Department of Planning & Zoning, Community and Economic Development Office

Increase space and rebuild critical infrastructure in order to sustain and recruit investment, a diversity of jobs, and people to support the South End. Throughout the planning process, it has been clear that one of the major challenges impacting the South End is the ability to keep up with the demand for space across a broad range of business scales and types.

Encourage the redevelopment of under-developed sites to create new opportunities for businesses. Infill and new development can expand the stock of available space, as well as provide more variety in the size and types of spaces available.

- Work with property owners to identify barriers to and discuss potential strategies for redevelopment of key sites.

- Department of Planning & Zoning, Community and Economic Development Office, property owners

Facilitate the adaptive reuse of existing buildings in ways that keep them available to existing and potential businesses, artists and fledgling entrepreneurs. Reuse of these facilities can help maintain the character of the South End while also allowing for its continued evolution.

- This will require ongoing collaboration among land owners and tenants to find opportunities for adaptive reuse of structures that will ensure long-term viability and affordability.
- Property owners, tenants

Re-build critical infrastructure to facilitate the continued evolution and expansion of businesses, set a high standard for environmental protection, and increase safety for all modes of transportation.

- Implement plans for expanded street connectivity, improved pedestrian and bicycle infrastructure, and stormwater management within the public right-of-way and in public parks.
- Department of Planning & Zoning, Community and Economic Development Office, Department of Public Works, Department of Parks, Recreation & Waterfront, Chittenden County Regional Planning Commission, property owners

Create new and diverse housing opportunities outside of the Enterprise District to address the demand from the South End's workforce, and create places where employees can live in close proximity to where they work.

- See housing recommendations

Consider the future role of the Shelburne Road corridor in accommodating the City's ongoing needs for transportation, housing, and employment opportunities.

- Advance a Shelburne Road corridor study and implement recommendations of the regional ECOS Plan and City Council Housing Action Plan; ensure the study is broad in its evaluation of transportation and land use needs and opportunities.
- Department of Public Works, Department of Planning & Zoning, Community and Economic Development Office

Preserve the South End as a place where innovation and enterprise can take root and grow. The South End has long been an economic driver for the City. Strategies should focus on preserving what makes the South End great, while allowing for its continued evolution.

Prepare an economic development plan/strategy for the South End. This strategy should include additional inventory of businesses/employees, the supporting resources/infrastructure in the South End today, and the needs of existing and prospective businesses in the future. If this is included within a city-

wide economic development strategy, the role of and opportunities for the South End should be clearly identified.

- Prepare an economic development strategy; identify specific opportunities for the South End.
- Community and Economic Development, Department of Planning & Zoning, elected officials

Expand the economic development toolbox available to support growth. There are many barriers, but relatively few tools available to assist the City, property owners, and businesses in advancing economic development objectives in the South End. Using the economic development strategy as a guide, the City can look for ways to expand upon its existing economic development tools. Some opportunities could include:

- **Expand the financial tools available from state and regional resources to support development of new facilities,** including grants, new economic development programs, or state designations that can enhance allocation of public resources. Work cooperatively with state government and regional development entities.
- **Continue to provide technical assistance to businesses,** including new enterprises and existing operations, who are seeking space in the South End. Help identify potential space, provide succession planning assistance to existing businesses and property owners, and assist businesses with navigating the city/state permitting processes.
- **Provide workforce training support** by working with local schools, colleges and universities and other regional institutions to ensure educational programs are preparing the workforce for the jobs of the future.

CEDO has a legacy of providing a range of support and assistance to businesses in Burlington, and in particular, those in the South End. This strategy is about expanding the resources available to support South End employers, which are critical to the economy and provide important jobs and services to our region. While funding and capacity to provide these services becomes more competitive, the City should be open to opportunities for creative partnerships to achieve its economic development goals.

- Work cooperatively with state government, regional development entities, and local businesses, foundations, and educational institutions to expand financial and strategic economic development tools; ensure sufficient resources are available to support these activities
- Community and Economic Development Office, elected leadership

Communicate the South End's unique character and advantages to potential future companies and enterprises that could locate in the district.

- Continue and expand marketing efforts, such as the "They Chose Burlington" campaign, as a tool to tell the story about the South End when working to recruit, retain and grow the diverse mix of businesses in the district
- Community and Economic Development Office, SEABA

Staff Note: The following revised text is suggested to replace the text that was located on pages 40-43 of the draft document. See the attached pages from the draft planBTV: South End for corresponding notes regarding placement of this text and for other layout notes.

PRESERVING ARTS + AFFORDABILITY

While the South End is home to an evolving landscape of businesses and jobs, it is gaining notoriety as one of the City's arts districts. Thriving arts and maker districts contain a variety of uses and are in a constant state of motion—and the South End is no different.

As “urban pioneers,” artists benefit from setting up shop in areas with low rents or high vacancy. Over time, as neighborhoods gentrify, rising rents leave artists reacting to the forces around them instead of having the ability to control where they work and what they pay. The Arts & Affordability Toolkit is an important resource and companion to this plan. The Toolkit, (Appendix X) outlines a number of potential strategies that could be explored to help artists take the reins in determining the future of arts space in the South End. Many of the strategies in the Toolkit discuss models for artists' ownership of, or a partnership in the management of, space. While it's certainly not the only strategy for preserving arts and affordability in the South End, it is an important one.

Ownership can be one of the most successful ways to ensure affordability, but being in control requires much more than simply owning space. The capacity to lead and manage the acquisition, development, programming, maintenance, and operations of a building is a must for any organization or individual interested in providing space. In a city of Burlington's size, the capacity to provide these spaces will depend on pooling a variety of resources and actors within and outside of the South End. And it's good business to pull in a variety of people and organizations—many of the skills and resources needed to acquire and manage affordable space go well beyond what most artists have the capacity to provide. Taking on responsibilities of real estate development or property management can be a big distraction from the making. On the flip side, owners and managers of commercial space may not have a thorough understanding the current and future space and programming needs of an arts district.

The City of Burlington is out in front and is committed to ensuring affordable artist and maker spaces are sustained and grown as the city and South End change. What can be done to keep things moving forward? planBTV South End outlines strategies to support and grow:

- collaboration and continued support for organizations that can strengthen the arts district
- models of ownership/property development to address the affordability and availability of artist's space in the South End
- visibility and density of the district that brings customers and vibrancy

Strategies

Enhance collaboration and set up for success. There are opportunities to strengthen the South End as an arts district through partnerships that combine a variety of arts, business and property management expertise.

Prepare an assessment of the economic impact of the arts and identify space/resource needs. This assessment should include an inventory of the current arts-related economic activity, supporting resources/infrastructure in the City today, and needs for the future. The role of and opportunities for the South End as an arts district should be clearly identified—what types of arts spaces and resources will be successful in an arts/maker/enterprise district.

- Prepare an assessment of the economic impact of the arts; identify specific opportunities for the South End.
- Community and Economic Development, Department of Planning & Zoning, elected officials

Form a Collaborative Working Group representing a broad array of skills and perspectives to support each other. Think of it as the “South End Maker Space Water Cooler”—a melting pot of ideas and relationships where conversations happen, ideas are born, and people are connected. What should it do? The Arts & Affordability Toolkit outlines some of the key players that should be involved in this working group and some of the critical first steps this group could pursue in order to expand space available for an arts district. A quick snapshot includes:

- **Gather South End artists & makers** in a discussion about their goals and needs for an arts district.
- **Gather South End property owners** to discuss their goals, worries, needs.
- **Create a Technical Assistance team of experts** in brownfields, finance, and property management and arts district programming to advise developers and arts entrepreneurs.
- **Engage landlords of artist space in honest (and difficult) conversations** about generational transitions and future plans.
- **Get the Burlington City Arts (BCA) market studies out there!** Developers and property owners need solid numbers to help them provide appropriate spaces.
- **Maintain a data base of artists/makers with space needs** as a supplement to the market studies.
- **Publish the Arts & Affordability Toolkit (an appendix to this plan) online and educate!**
- **Think about capacity and leadership.** What needs to happen? Who can lead?
- **Don't get overwhelmed! Pick one project, even if small, and focus on getting the system and capacity in place to succeed!** Word on the street indicates a cooperative arts/maker retail space would be a great first goal.
- Create a South End Working Group, write a mission, and set goals and a timeline for results.
- South End Arts and Business Association (SEABA), with support from Burlington City Arts, Community and Economic Development Office, state-wide agencies and organizations, developers, and property owners.

Continue to support Burlington City Arts (BCA), South End Arts and Business Association (SEABA), and other arts organizations. BCA can play an instrumental role in ensuring South End artists continue to thrive and grow by offering mentorship and technical assistance. SEABA can lead the way locally, by

engaging in collaborative relationships and participating in the recommended South End Working Group. BCA and SEABA will need to work closely together to achieve goals.

- Form South End Working Group, set goals and craft a work plan.
- South End Arts and Business Association (SEABA), with assistance from Burlington City Arts

Explore potential strategies, through development or regulation, for preserving and creating affordable artist space. There are opportunities to proactively preserve/create affordable artist space in the South End through partnerships that combine financial, technical and management expertise.

Evaluate models for preserving/creating affordable artist space. The Arts & Affordability Toolkit outlines a range of models that could be utilized to provide space. Each of these models presents its own benefits and challenges. These models, which are discussed in greater detail in the Toolkit, include:

- **artists/maker owned models:** common artists-as-owners structures include: an individual mission-driven artist as a developer; artist-owned spaces through a cooperative or an LLC; artist or non-profit organization joint venture with a developer; and arts organizations who own/lease space
- **non-profit and for-profit developers models:** artist space projects are complicated, and much needed expertise and resources can be gained by working with non-profit developers, for-profit mission-driven developers, or other for-profit developers
- **artist space through City actions models:** this could include a policy for affordable arts components of new development on City-owned land, or as a component of disposition and/or redevelopment of City-owned property

The South End Working Group should play a major role in helping to evaluate sites in the South End for opportunities to utilize these models. The Arts & Affordability Toolkit identifies properties that may be good candidates for exploring each of these models.

- Use the Arts & Affordability Toolkit to evaluate underutilized sites and buildings, both privately and publicly-owned, which may be good candidates for new artist space. Use BCA's market data and results of the economic assessment to create a viable arts/maker space business plan, approach developers about incorporating affordable space into current projects, and/or consider a City policy regarding affordability in development RFP's or disposition.
- South End Working Group, South End Arts and Business Association (SEABA), Community & Economic Development Office, Burlington City Arts, property owners, developers

Create zoning and development regulations to help expand the supply of artist space. Zoning strategies can be used to encourage, or even require, new affordable spaces for production and display. However, a balanced, feasibility-based approach is important. Make the regulations too weak, the South End has lost an opportunity to expand its inventory of artist and maker space. But require projects to provide too much subsidy—either in the amount of artist/maker space or in the limits on rent or sales

price—and a project could become financially infeasible. Regulatory strategies to consider are spelled out in more detail in the Arts & Affordability Toolkit, and include:

- **Require new development projects to incorporate a portion of arts space** to ensure that the inventory of arts/maker space grows along with other uses. A typical range is 5-10% of the project square footage. This requirement could identify work space, performance/exhibit space, or space for public art on the ground floor/exterior of buildings. This requirement must be carefully informed by the City's development economics and the results of BCA's market study for new spaces.
- **Establish a process for verifying tenants/occupants**, when space is provided that is meant to be preserved as affordable or used exclusively by artists. This will help ensure the proper use of subsidized spaces and prevent gentrification/displacement of artists by non-artists within arts-specific projects.
- **Provide incentives for creation/preservation of arts space in existing commercial buildings.** Incentives could include: a code/regulations advocate that helps landlords understand what and how to improve spaces while retaining affordability; providing tax breaks or grants to offset costs of code compliance and upgrades without passing the costs of improvements to artist tenants; or, allowing increased density/infill on sites to help retain affordability.
 - South End Working Group, South End Arts and Business Association (SEABA), Burlington City Arts, Community & Economic Development Office, Dept. of Planning & Zoning

Expand the visibility of the arts district to preserve and enhance its vibrancy.

Continue to incorporate the arts into the physical fabric of the South End. Strengthen visibility of the arts by prioritizing the retention (and expansion where possible) of existing buildings to support small artists and makers, and encourage creative use of building facades, public space and signage.

- Implement the Parks Element recommendation to incorporate a Pine Street Arts Corridor and Linear Arts Park (see the second part of this plan) into the South End
- Parks, Recreation & Waterfront Department, Department of Planning & Zoning, South End Arts and Business Association (SEABA), Burlington City Arts.

Communicate the South End's unique character and advantages to potential future arts and maker opportunities and visitors.

- Continue and expand upon existing marketing, events and infrastructure like South End Arts Hop, to increase visibility and create a critical mass of resources and enthusiasts to support the district.
- South End Arts and Business Association, Burlington City Arts, Community & Economic Development Office