

WHAT'S IMPORTANT?

South Enders Speak!

Good plans are rooted in the voices and aspirations of the community they serve. Over the course of planBTV South End, hundreds of community members shared their hopes and fears for the South End, their values and priorities, their sense of what about their neighborhood should be preserved, and their ideas about what could be changed for the better. At the core of these comments

were some common themes,

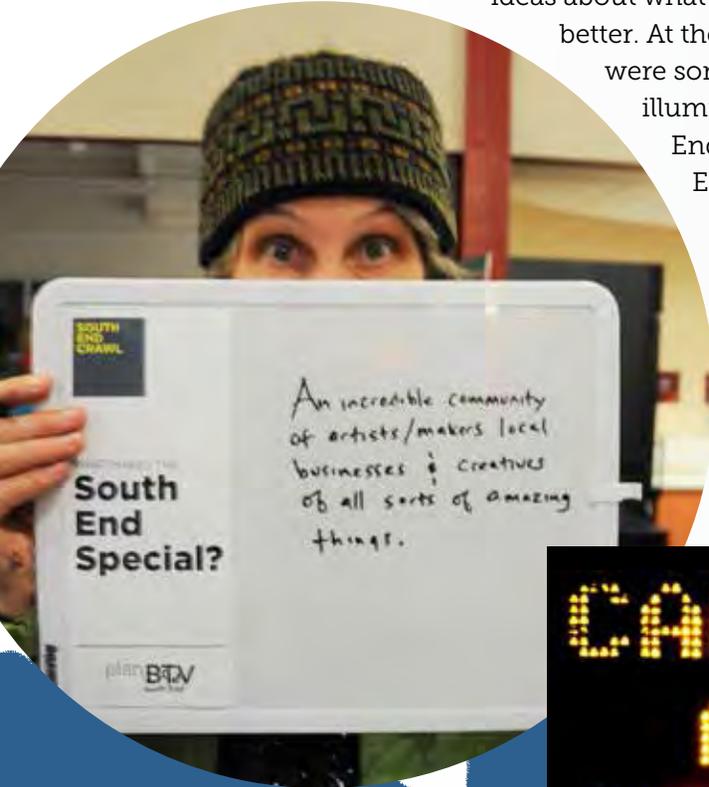
illuminating what South

Enders want planBTV South End to accomplish and providing a framework for development of this plan.

These themes became the guiding principles for planBTV South End.

Principles for PlanBTV South End

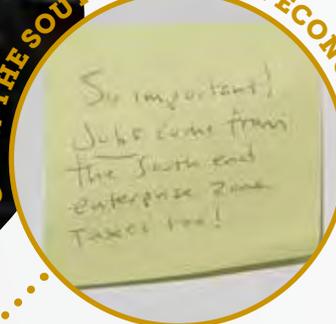
- **Preserve what's unique and authentic about the South End. Enable funky, fun, and creative places to flourish and grow within the South End.**
- **Reinforce and grow the South End as a center for innovative businesses and institutions, and as an important part of the Burlington economy.**
- **Improve access to the Lake, parks, and the bike path.**
- **Improve conditions related to traffic, bike safety, and the walking environment—especially along Pine Street.**
- **Preserve and expand affordable studio AND maker space within the South End.**
- **Enable underutilized places (e.g., the Barge Canal site) to be repurposed in ways that add to the uniqueness and vitality of the South End.**



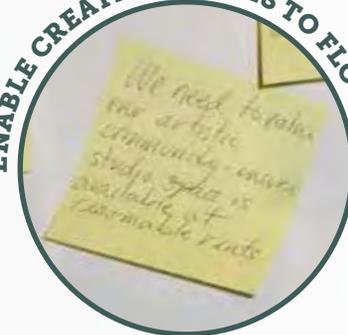
PRESERVE WHAT'S UNIQUE



GROW THE SOUTH END AS AN ECONOMIC HUB



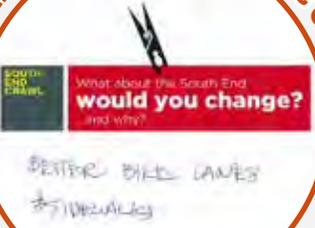
ENABLE CREATIVE PLACES TO FLOURISH



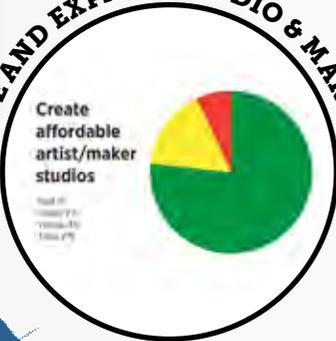
IMPROVE ACCESS TO THE LAKE, PARKS, AND BIKE PATH



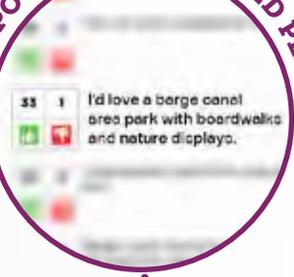
IMPROVE BIKING, WALKING & TRAFFIC CONDITIONS



PRESERVE AND EXPAND STUDIO & MAKER SPACE



REPURPOSE UNDERUTILIZED PLACES



Comment from South End Crawl

Comment from the Community Workshop

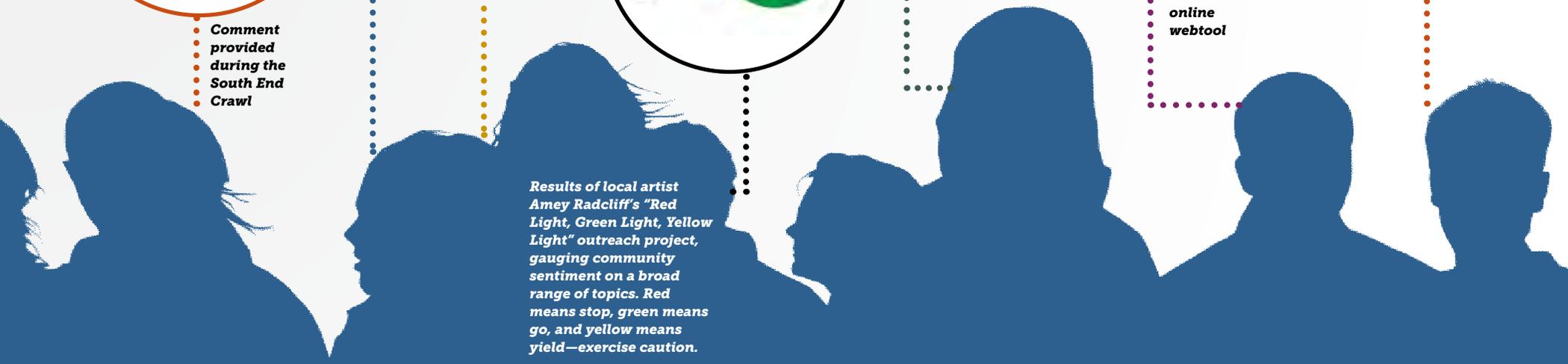
Comment from the Community Workshop

Community comment from ArtHop, as drawn by local artist Matt Heywood

Comment provided during the South End Crawl

Comment from the online webtool

Results of local artist Amey Radcliff's "Red Light, Green Light, Yellow Light" outreach project, gauging community sentiment on a broad range of topics. Red means stop, green means go, and yellow means yield—exercise caution.



Lessons learned from other places/ Key things for the South End

The *Burlington South End Market Study* prepared by HR&A during Phase 1 of planBTV South End included a series of case studies, highlighting experiences from cities and neighborhoods across the country facing challenges similar to the South End. Here you'll find a snapshot of key examples and lessons learned. For the full report, see www.planbtvsouthend.com



SIZE

880 acres

NUMBER OF SUBZONES

6

TYPES OF USES (EXISTING AND PLANNED)

Heavy manufacturing, light manufacturing, warehousing, office, residential, community/civic

Milwaukee's 30th Street Industrial Corridor: Balancing Uses Across a Former Industrial Corridor

The 30th Street Industrial Corridor is one of Milwaukee's primary industrial areas. However, in recent years many large-scale manufacturers and other companies have ceased operations in the corridor. The city used a comprehensive public planning process to create a plan for revitalization in the corridor. As a result of this exercise, the city is taking a "subzone approach" and allowing new residential, retail, and other commercial development at key location, while preserving some areas for industrial uses.

RESULTS

- A vision and plan for the corridor's future, with distinct "subzones" that will facilitate development of a variety of context-appropriate uses.
- Initial development of Century City, a 50 acre business park.

LESSONS LEARNED

- **Planning by subarea.** The City of Milwaukee has sought to balance residential with commercial uses along the length of its 30th Street Industrial Corridor. The city is treating the corridor as six distinct "subzones." Each subzone has a specific purpose and redevelopment goal. For example, a "Small Business Development Zone" will focus on adaptive reuse of structures for multitenant industrial or flex use; a "Community Facility / Residential Zone" will embrace proximity to existing residential neighborhoods, and will be rezoned from industrial to residential and community uses to mitigate land use conflicts; and an "Anchor Business Retention Zone" seeks to preserve a high-quality business center, home to successful large businesses, including Miller-Coors and Harley Davidson.

- **Leveraging publicly owned property.** Cities and nonprofits designated by cities can offer public land at low cost to owners willing to guarantee affordable rents to potential tenants. In June 2014, the City of Milwaukee sold two parcels in the 30th Street Industrial Corridor at a below-market price to a for-profit developer that plans to leverage the low cost basis of the land (along with low-cost financing from the city) to offer industrial space at affordable rents. The City also solicited development offers for the former Esser Point factory, located within a designated "Community Facility / Residential Zone," on which the city envisions new residential development.



Burlington could pursue a subarea approach in the South End, identifying which land uses are appropriate to which area based on local context. See page 60 of this document.



Department of Planning & Zoning; Community & Economic Development Office



Burlington could leverage public land in the South End, including the conversion or redevelopment of city-owned property, to support target sectors.



Department of Planning & Zoning; Community & Economic Development Office



SIZE
300 acres, 4 million square feet of industrial and office uses in 45 buildings

NUMBER OF BUSINESSES
330 business with 1,100 employees

TYPES OF BUSINESSES
Artisanal/niche manufacturing, traditional manufacturing, marine manufacturing, entertainment production, contractors, standard

Brooklyn Navy Yard: Non-profit Led Development Preserves Affordable Commercial Spaces

The Brooklyn Navy Yard has a long history as an employment center in New York. Following the decline of maritime industry, the area maintained its employment base through public and nonprofit investment in buildings and infrastructure, provision of spaces for a range of companies, and nonprofit leadership. The Navy Yard is administered by the Brooklyn Navy Yard Development Corporation (BNYDC), which is responsible for building development and improvement, tenant attraction and retention, and overall management of the Navy Yard. The City of New York supports BNYDC by investing in area infrastructure. The city also owns much of the property in the Navy Yard, which BNYDC manages.

RESULTS

- 1% vacancy across all properties
- In 2011, the Navy Yard was responsible for generating:
 - 10,350 jobs (direct and indirect)
 - Nearly \$2 billion in economic output (gross regional product)
- \$139 million in business and individual income taxes to New York City

LESSONS LEARNED

- **Public financing and incentives.** Cities, nonprofits, and development corporations have used an array of financial incentives to facilitate property development and business attraction/retention in otherwise challenging markets (or those beginning to face challenges). Brooklyn Navy Yard Development Corporation (BNYDC), in partnership with private developers, has

used historic tax credits, green job creation tax credits, federal grants from the US Economic Development Administration, and targeted financial assistance from city and state funding sources to invest in new buildings and renovate older ones. Burlington should assess the incentives and public financing mechanisms it and partner organizations and agencies have available for developers and to businesses.



The city should also continue to work with Greater Burlington Industrial Corporation (GBIC) and the Vermont Economic Development Authority to direct investments and incentives to the South End.



Department of Planning & Zoning; Community & Economic Development Office



SIZE
15 PMD's total; 3 Near North Side PMD's have 441 acres combined

NUMBER OF BUSINESSES
827 businesses with 7,408 employees

TYPES OF BUSINESSES
Heavy manufacturing, light manufacturing, warehousing, food production and research, digital and high tech manufacturing, retail, professional services.

Chicago Near North Side PMD's: Protecting Industrial Uses from Residential Encroachment

Declining manufacturing and increasing demand for housing led Chicago to create the first Planned Manufacturing District's (PMD's) in the late 1980s and early 1990s, protecting industrial corridors from residential encroachment through zoning restrictions. Accompanying Tax Increment Financing districts provide financial support to businesses and developers.

RESULTS

- Growth from 1991-2014:
 - Businesses: 169% gain, increasing from 308 to 827
 - Employees: 23% gain, increasing from 6,014 to 7,408

- Growth in retail & service sectors; decline in manufacturing.
- "New economy" businesses at Wrigley Innovation Center

LESSONS LEARNED

- **Flexible zoning regulations.** Chicago's planned manufacturing districts (PMD's) on the Near North Side demonstrate that while zoning may hold off residential development, it cannot change underlying market dynamics. Since inception of the PMD's in the late 1980s and early 1990s, manufacturing has declined as a share of all industries located within these districts.



Burlington should ensure that future land use planning accounts for the changes in market conditions, at the risk of industrial users decamping for more competitive sites elsewhere and leaving behind vacant land due to restrictions on market-viable land uses.



Department of Planning & Zoning; Community & Economic Development Office



10 Storehouse Row

North Charleston, SC

Low-cost development and an anchor tenant support affordable space for artists and result in a financial success

GOALS

- Convert an industrial warehouse into a building arts and design center.

ACCOMPLISHMENTS

- Half of the project was pre-leased to the American College of the Building Arts, leaving only 20,000 SF to lease up to other tenants.
- The combined low cost and fast lease-up of building has rendered the project a financial success.

LESSONS LEARNED

- **Subsidizing affordable space with high value development.** Market-feasible development can support uses which may not be otherwise feasible. Uses that generate higher levels of income can support affordable space, as can incorporation into projects with low development costs. The low cost of renovating 10 Storehouse Row in North Charleston, SC enabled the developers to offer 3,000 SF (out of a total 36,000 SF) of affordable "work-sell" space to local artists.



Burlington could explore regulatory or incentive mechanisms to require or inspire developers to provide affordable work space within developments, similar to inclusionary zoning requirements for new housing.



Department of Planning & Zoning; Community & Economic Development Office

OPENED

2007

DEVELOPMENT COST

\$3.9 million

PROGRAM

3,000 SF Artist work/sell studios
8,250 SF Office
3,000 SF Retail
5,000 SF Event Space
17,000 Institutional (American College of the Building Arts)

ZONING

"Planned Development District": Planned development districts are reviewed on a case-by-case basis to determine compatibility and appropriateness of land uses

DEVELOPER

The Noisette Company

FINANCING

First Citizens Bank (traditional debt financing)
Federal historic tax credits
Typical Lease Terms
Artist Studios: \$350-\$675 per month, one-year lease
Loft Offices: \$14-\$15 psf full service gross, three-year leases



Artspace Buffalo Lofts

Buffalo, NY

Nonprofit development and complex financing support an adaptive reuse and new construction live/work project

GOALS

- Provide affordable housing for artists and their families.
- Provide community art space as well as commercial uses to serve residents and the surrounding neighborhood.

ACCOMPLISHMENTS

- Residential live/work units are fully leased.

CHALLENGES

- Environmental remediation of the site was greater than anticipated, and a more thorough review would have enabled ArtSpace to seek out additional funding.

LESSONS LEARNED

- **Nonprofit stewardship.** Nonprofits often have relatively low return thresholds, allowing for lower rents. Nonprofits are also well positioned to utilize a wide array of creative and below-market financing to fund projects. For example, ArtSpace, a nonprofit developer of affordable live/work space, uses a combination of its nonprofit business model, creative and below-market financing, and foundation and grant support to provide affordable live-work space to artists nationwide. For its recent Buffalo Lofts Project, ArtSpace used low-income housing tax credits, HOME grants, philanthropic contributions, below-market loans, and deferred developer fees to deliver 60 affordable live-work units at 90%, 60%, and 50% area median income.



Either a new or existing nonprofit—such as SEABA, GBIC, Champlain Housing Trust (CHT), or others—could potentially own, manage, and develop individual properties to keep rents low. BYNCD (see Brooklyn Navy Yard case study above) advises that onsite (in neighborhood) management is most effective.



Department of Planning & Zoning; Community & Economic Development Office

OPENED

2008

DEVELOPMENT COST

\$17.9 million

PROGRAM

60 affordable live/work units (90%, 60%, and 50% AMI)
9,750 SF of retail/office space
30,000 common area and art gallery

ZONING

"Transportation Station Area District": allows for dense, mixed-use residential and commercial development

DEVELOPERS

Artspace (nonprofit developer), Belmont Shelter Corporation (nonprofit developer)

FINANCING

Tax credit sales (RBC-Apollo Equity): \$11,771,415
New York Housing Trust Fund: \$1,800,000
City of Buffalo (HOME): \$1,600,000
Philanthropic contributions: \$990,080
Deferred developer fee: \$903,032
Permanent loan (Community Preservation Corporation): \$575,000
Federal Economic Development Initiative funds: \$250,000

INNOVATION DISTRICTS + ARTS DISTRICTS + THE SOUTH END

The South End is an **innovation district**—a mixed-use urban place where companies and institutions cluster and connect. Innovation districts are places of start-ups, business incubators, and established anchor businesses or institutions. They tend to be compact and transit-accessible. Many include mixed-use housing, office and retail space. “Our most creative institutions, firms and workers crave proximity so that ideas and knowledge can be transferred more quickly and seamlessly,” notes the Brookings Institution in a recent report called *The Rise of Innovation Districts: A New Geography of Innovation in America*.¹ South End entrepreneurs say it’s just this proximity between businesses—from design firms, to engineering firms, to coffee roasters, to breweries—that makes the South End a great neighborhood in which to grow their company.

The South End is also an **arts district**, home to a critical mass of places where artistic and creative production, consumption, and collaboration thrive. Arts districts feature cultural facilities, arts organizations, individual artists, art-based business, and ancillary merchants. They tend to be unique, with their own character, community, and local resources. They also can have significant impact on their local economy, sparking improved livability, and attracting businesses and residents. South Enders care passionately about the arts community that’s grown within the South End.

The South End’s role as both an arts and innovation district is a distinctive strength—a powerful economic and creative foundation for the South End moving forward.

¹ For more information on innovation districts, see: <http://www.brookings.edu/about/programs/metro/innovation-districts>

What makes great innovation districts and arts districts tick?

Turns out they have a lot of characteristics in common:

- Creativity/innovation
- Collaboration
- Connectivity
- Diversity
- Anchors and multiple small players
- Non-profits and for-profits
- Places that offer serendipity/delight
- Intensity and density of uses
- Kick-start investment
- Coordinated efforts/programming/management

What kinds of spaces do these districts need?

Innovation Districts	Arts/Cultural Districts
Proximity to other innovators and places to interact	Proximity to other artists and places to interact
Knowledge spillover opportunities	Knowledge spillover opportunities
Collaborative/shared spaces	Collaborative/shared spaces
Production spaces	Production, consumption, interactive spaces
Flexible spaces with range of affordability	Affordable spaces
Ancillary and support uses and services	Ancillary and support uses and services
Experience-rich	Experience-rich
Density and intensity of uses	Density and intensity of uses
Walkability	Walkability
Diversity	Diversity
Space for anchors and multiple small players	Space for organizations, consumption (galleries, theatres, ancillary AND individual artists)
Non-profit and for-profit	Non-profit and for-profit
Start-up public investment (infrastructure, programming, management, marketing)	Start-up public investment (infrastructure, programming, management, marketing)

What are the common elements in success stories?

- Strategic action by cross-sector partners (not us vs. them, nor working in silos)
- Place-based orientation that is human-scale
- Core of creative and innovative businesses, activities and programming
- Diverse coalition of private, general public, developers, policy makers, and government officials
- Public/private participation and communication
- Artists engaged in their community—communities much larger than just arts and cultural uses and users
- Variety of spaces