

ST. JOSEPH REVITALIZATION ANALYSIS:

DOWNTOWN FELIX STREET RETAIL & ENTERTAINMENT STRATEGY

Prepared for:
City of St. Joseph

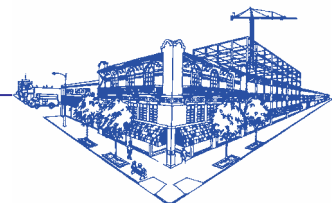
In Partnership with:
St. Joseph Area
Chamber of
Commerce

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Interim Reports)



E. D. Hovee & Company, LLC

Economic and Development Services



AT-A-GLANCE SUMMARY

This report is intended to outline a downtown Felix Street retail and entertainment revitalization strategy. What follows is a summary of major observations and recommendations.

Downtown Strengths & Weaknesses. Existing conditions affecting Felix Street potentials include:

Downtown Strengths

- A compact & well-defined downtown core area
- An even more clearly defined traditional retail corridor
- History as “jumping off” point to the American West
- A legacy of downtown retail anchors
- Character & authenticity of nearby industrial
- A proven “toolbox” of incentives potentially available for urban revitalization

Downtown Weaknesses

- A downtown that is no longer the geographic center of the St. Joseph area market
- Near absence of any critical mass of downtown retail
- Gaps in retail store frontage
- Lack of owner occupied housing
- Limited views from the downtown & lack of walkable connections to the Missouri River
- Dated image & weak draw of visitor attractions
- Use conflicts at the edges of downtown
- No clear evidence of private sector commitment & buy-in to downtown

Downtown Retail Core Inventory. Ground floor uses have been inventoried on Felix Street from 2nd to 8th Streets. This inventory indicates that Felix Street has two identifiable zones – the more *fine grained* traditional retail center from 5th to 8th and then the remainder of the corridor with more whole block uses.

Revitalization Experience Elsewhere. The experience of other potentially comparable retail and entertainment districts have been considered for lessons learned. Communities include Weston, Parkville and Kansas City (in Missouri), Santa Cruz (California), and Portland (Oregon). Despite varied sizes, each city offers compact retail and entertainment zones. All are engaged in major public-private revitalization.

Concept Strategy. A major conclusion of this assessment is that, to make a difference, there is no choice but to consider a *bold strategy* for Felix Street revitalization – with suggested guiding principles:

1. Sustainable revitalization begins within the 100% retail blocks of 5th to 8th Streets.
2. Retail requires other uses to generate pedestrian activity and investor confidence.
3. The public face of the street will become more shopper and pedestrian-friendly.
4. Revitalization requires active public-private participation, but on Felix Street the City will step up as the lead partner.

Implementation. Five program actions are recommended as the basis for strategic implementation:

A – Retail Storefront Improvement

B – Felix Streetscape

C – Public-Private Development Solicitation

D – Retail Tenant & Customer Marketing

E – Integrating Retail & Entertainment with Parking

Developer Solicitation. Integral to this strategy is a direct City role in partnering with private sector interests through a Request for Proposal (RFP) process to solicit building renovation or new construction proposal for mixed use development – with incentives made available for qualified developments.

From Plan To Action. Key suggestions are to adopt the plan, authorize immediate high priority projects to build momentum, recruit partners, measure results and regularly update the plan.

I. INTRODUCTION TO FELIX STREET REVITALIZATION

Starting in early 2006, the economic and development consulting firm E. D. Hovee & Company, LLC began the process of evaluating opportunities for core area revitalization in St. Joseph, Missouri. The first step in this economic development analysis process involved an *Adaptive Reuse & Market Feasibility Analysis of the Former Mead/Westvaco Manufacturing Facility*.

Since a private developer made an initial commitment to this renovation and the City of St. Joseph has approved rezoning to facilitate property reuse, attention has shifted to the downtown core. Working with the Downtown Team, a determination was made to focus second phase redevelopment analysis on downtown's historic Felix Street retail corridor. This report outlines a resulting downtown Felix Street retail and entertainment strategy.

DOWNTOWN STRENGTHS & WEAKNESSES

This retail and entertainment assessment begins with a brief review of downtown strengths and weaknesses for revitalization. The assessment is based on a review of background planning reports for the downtown area, market data for downtown and the region, and physical inventories focused on the Felix Street historic retail corridor.

Downtown Strengths. Current and potential advantages that the downtown offers for retail and supporting uses include:

- *A compact & well-defined downtown core area* – clearly defined by the scale of commercial and public buildings and generally bounded by the Missouri River and I-229 freeway to the west, Uptown (former hospital) hill area to the north, 9th/10th and Frederick Avenue with Museum Hill to the east, and industrial district to the south of Charles.
- *An even more clearly defined traditional retail corridor* – with the Felix Street retail area extending from about 2nd Street east to toward 9th Street.
- *History as “jumping off” point to the American west* – evidenced by an extraordinary collection of historic buildings in downtown, the surrounding neighborhoods, and in the area's museums.
- *A legacy of downtown retail anchors* – extending from the past traditions of onetime stores like Einbender's and the United Department Stores to more contemporary examples like Boudreaux's and the recently opened Foster's Fine Wines on Felix.
- *Success of loft conversions to housing* – involving an added 179 units of housing in five developments through early 2006.
- *Character and authenticity of nearby industrial* – with the on-going, near downtown presence of industries like Hillyard Industries and HPI Products, Inc.
- *A proven “toolbox” of incentives potentially available for urban revitalization* – including state/federal historic and low income tax credits, property tax abatement, and tax increment financing.

Downtown Weaknesses. Counterbalancing these strengths are issues and challenges that include:

- *A downtown that is no longer the geographic center of the St. Joseph area market* – as the community’s population and commercial development has moved east toward the Belt Highway and I-29 freeway corridors.
- *Near absence of any critical mass of downtown retail* – as Felix Street now has numerous empty storefronts and property rental rates that are below what is required to support adequate building upkeep and renovation.
- *Gaps in retail street frontage* – not only with vacant buildings but the introduction of uses lacking a street retail presence including public and institutional parking and civic facilities.
- *Lack of owner occupied housing* – as most of the loft conversions to date have been as rentals rather than condominiums or townhomes to promote greater sense of both individual and community ownership.
- *Limited views from the downtown and lack of walkable connections to the Missouri River* – with just one unclearly marked connection via Francis to Riverfront Park.
- *Dated image and weak draw of visitor attractions* – particularly affecting area museums in an era where history is no longer a strong sell to a less rooted society.
- *Use conflicts at the edges of downtown* – including the industrial/brownfield area to the south, hospital redevelopment north, and as yet considerable pockets of residential disinvestment to the east.
- *No clear evidence of private sector commitment and buy-in to downtown* – as the focus of retail, office employment, and development activity has shifted east leading to downtown disinvestment with the notable exception of recent loft housing conversions.

Strategic Options. Any strategy for core retail area or for the downtown more generally should expect to build on existing strengths and begin to address both real and perceived weaknesses. Potential strategic options that have been discussed in broad conceptual terms with the Downtown Team to date include ideas such as:

- *Retail first* – focusing initial attention on reinvigorating Felix as St. Joseph’s traditional retail street through actions that might include a storefront improvement program, public land assembly of underutilized property, public-private development site offerings, and targeted business recruitment including possible tenant incentives.
- *Art in the town* – as a proven catalyst throughout the U.S. for urban revitalization and the presence of considerable opportunities in St. Joseph such as linkage with Missouri Western State University and future development of low cost studios/galleries such as live/work space downtown.
- *Additional and more diversified housing development* – including ownership opportunities as with building conversion for condo/townhome development together with encouragement of new construction and surrounding neighborhood stabilization to increase both the number of homes and incomes of the near downtown residential base.

- *Corporate and back office recruitment* – what might be termed as a “wild card strategy” to attract major regional office employers into downtown including possible new construction of Class A space on underutilized or vacant properties near the retail core.
- *Public amenity enhancement* – including possible consideration of incorporating retail within the City owned parking garages, more intense use of the Felix Square event space for retail-related purposes, and streetscape enhancements including landscaping, lighting, and themed signage.
- *Civic Center and hotel upgrades and/or possible new convention center* – recommended to be deferred until after new critical mass can be introduced into downtown as a destination that attracts and holds both local residents and visitors.

In discussing these strategic options, the Downtown Team recommended that primary attention be given to the *first option* – focusing on revitalization of the Felix Street retail corridor. This is the focus of this retail and entertainment district strategy concept.

Other strategic options may also be important for consideration now and in the future. Within this strategy, they are considered primarily to the extent that added contributions can be made to reinforce the downtown retail opportunity.

TOWARD A RETAIL STRATEGIC CONCEPT

The next step in this strategic planning process has involved a more detailed inventory of current conditions in the downtown retail core. This is followed by a brief review of comparable experience from other cities in the Kansas City area and beyond, and then by the initial outline of a concept strategy.

An initial draft strategic concept was reviewed and refined in consultation with the Downtown Team. The final step has been to delineate an implementation plan – as a guide for both immediate and longer term action.

II. DOWNTOWN RETAIL CORE INVENTORY

A step integral to preparing a concept strategy has been to inventory ground floor uses in the downtown core area – centered on Felix Street from 2nd to 9th Streets. The focus was on ground floor activity. A related task was to conduct a block-by-block photo survey of existing conditions along Felix Street – as downtown’s traditional retail spine.

GROUND FLOOR USES

The inventory is focused on Felix, but with observations also noted for the next half-blocks out.

On Felix. As is illustrated by the mapped inventory on the following page, the following ground floor uses can be found along Felix Street from 2nd to 9th Streets:

- Retail (including restaurant) – with 12 identified businesses currently limited to portions of the three blocks between 5th and 8th Streets and largely dominated by food and beverage establishments (including 6 bars).
- Service uses (including institutional) – totaling 12 specific establishments including whole block uses such as the Holiday Inn, Commerce Bank, Civic Arena and News Press together with other businesses including financial and professional services, non-profits and a (partially used) ballroom.
- Residential – with reuse of the Corby high-rise building for senior living at 5th and Felix.
- Four parking facilities – including a parking lot and two parking garages owned by the City plus a quarter block lot associated with the Townsend & Wall Loft Apartments on Francis Street.
- Felix Square – occupying the westside street frontage between 7th and 8th Streets
- Vacant storefronts – nine counted, all in the three blocks between 5th and 8th Streets.

From this survey and the photo inventory, it is clear that Felix Street has two identifiable zones – the more *fine grained* traditional retail center from 5th to 8th and then the remainder of the Felix corridor with more whole block uses. With the exception of Felix Square, the traditional heart of St. Joseph’s retail district is also today the *most troubled* part of the Felix Street corridor.

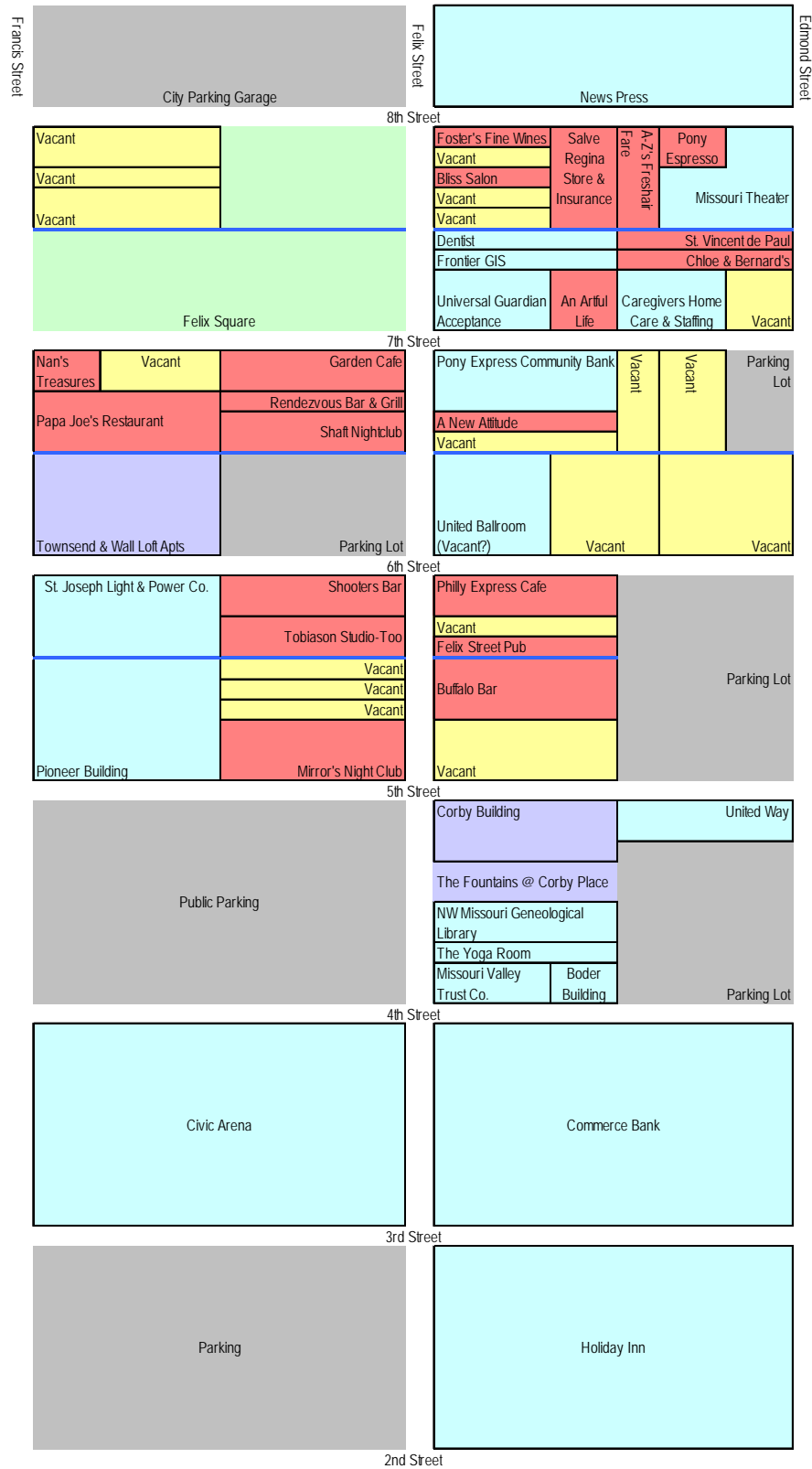
Remaining retail is dominated by bars and vacant storefronts – including the former Einbender’s and United Department Store spaces (the latter of which may be occasionally used as a ballroom). However, there are signs of more recent investment – including the Pony Express Community Bank, Universal Guardian Acceptance/Frontier GIS and Foster’s Fine Wines – all located in proximity to Felix Square.

Off Felix. While the focus of this inventory is on Felix Street, uses on the outside half-blocks (toward Edmond and Francis Streets) are also noted. Observations of interest include:

- Traditional office corridor on Francis from 5th to 8th – behind the key 100% retail blocks.
- Emerging side street retail activity, especially on 8th and Edmond anchored by the Missouri Theater at one end and Felix Square at the other.

Downtown Core Ground Level Use Mix

- Legend**
- = Building
 - = Vacant
 - = Retail
 - = Service
 - = Residential
 - = Parking
 - = Park
 - = Alley



Source: E. D. Hovee & Company, LLC. Map is illustrative and not to scale. As of August 2006.

CONDITION ASSESSMENT

The concurrent step in the inventory process was to conduct a block-by-block photo survey of existing conditions along Felix Street starting at the west end and moving east. *Note:* This photo inventory was conducted on a Thursday afternoon in August.

2nd to 3rd Streets

This block is dominated by the Holiday Inn (with Houlihan's Restaurant and conference center) – situated on the eastside of Felix. The hotel entrance is at the corner of 3rd and Felix.

To the west is a whole block parking lot that serves the Holiday Inn and downtown area.

West of 2nd is the access to the I-29 viaduct expressway, mainline rail track, and the Missouri River.

While located at the edge of downtown, the Holiday Inn seems somewhat removed from the rest of Felix Street and the downtown core – with the most direct connection to the Civic Arena made diagonally across 3rd and Felix.



3rd to 4th Streets

Moving east, the next block is anchored by the full block Civic Arena (left side of both photos) and Commerce Bank (to the right).

The Commerce Bank building occupies about one-quarter of a block at 4th and Felix. The remainder of the block is dedicated to a drive-up facility and surface parking.

While the front doors of the Civic Arena open to Felix Street, there is little sense of activity unless events are underway.



There is no street retail presence with either facility. And there is no landscaping, ornamental lighting, benches or other streetscape to soften the effect of these larger structures and invite pedestrian activity.



4th to 5th Streets

The right side of the block (looking east) boasts two of the most distinctive and historic buildings on Felix Street. At the corner of 6th is the Missouri Valley Trust Company Building, currently held in trust by the Albrecht-Kemper Museum of Art.



Anchoring the other corner at 5th is the downtown's tallest structure – the 12-story Corby Building converted to senior residential living as The Fountains at Corby Place

On the left side of the street is located a three-story, whole block, City-owned public parking structure.

While providing parking for the Civic Arena and downtown businesses, the lack of retail frontage on Felix represents a conspicuous gap and inhibits more active pedestrian use.



As with the Civic Arena block, the street also is noticeably void of any landscape or other streetscape to make the sidewalk and pedestrian experience more inviting.



5th to 6th Streets

This block marks the beginning of downtown St. Joseph's former 100% retail corridor.

The first building on other right was once Einbender's, a regionally known women's apparel (and fur) shop. Later, the building was home to Felix Street Antiques. Now it sits empty.

To the left side of the street (bottom photo) is a two-story brick building of much more modern design – currently home to a nightclub.

All-together, there are four bars/nightclubs on this block – and five vacant storefronts.

While there is some ornamental street lighting, narrow sidewalks on Felix limit options for more extensive streetscape.

Historic buildings have been inappropriately altered, and newer construction does not effectively complement the old.

This block and the next block going east perhaps best symbolize the loss of downtown St. Joseph retail and street activity compared to years past. It is unlikely that retail revitalization can be viewed as complete without the physical and economic renaissance of these two blocks.



6th to 7th Streets

Once integral to the retail core, this block has also lost its former vibrancy.

To the right side of the street looking east (bottom photo), the former United Department Store was converted to the United Ballroom – a place for events. Current utilization (from the exterior) appears uncertain. Further east, the Paris building sits partly vacant. The 7th Street corner is home to the block’s bright spot – the Pony Express Community bank – anchoring a 5-story historic building.

To the left, the corner at 6th is now a parking lot (nicely landscaped and maintained) for the Townsend & Wall Apartments (fronting on Francis Street). The 7th Street side of the block has two nightclub/bars and a Garden Café. As often happens with older downtown bars, limiting window visibility and use of inappropriate siding can detract from visual appearance, pedestrian interest, and a sense of on-the-street safety.



7th to 8th Streets

This final block of the traditional 100% retail corridor exhibits the greatest signs of resurgent business and investment activity.

The block face on the right side of Felix (bottom photo) is more *fine grained* – with more storefronts than any other block on Felix Street. The 3-story building at the corner of 7th Street has been nicely rehabilitated as the home of Universal Guardian Acceptance. While there are still three vacant storefronts further east, the block has a salon and the corner of 8th is the new home of Foster’s Fine Wines.

Of all the side streets, 8th east of Felix is also most active – with A-Z’s Freshair Fare and then Pony Espresso (in the Museum Theater Fronting on Edmond Street).

The left side of the block has been developed as the City-owned Felix Square – home to downtown events and the farmer’s market. These blocks appear to be coming back due, at least in part, to anchors of public open space and the arts (notably including the Missouri Theater around the corner at 8th and Edmond).



8th to 9th Streets

These two blocks essentially serve as the eastern *gateways* to the downtown retail core.

To the right (in the photo below) is the St. Joseph News Press newspaper publishing business.

To the left is a 2-level, City-owned public parking garage occupying the whole block. The upper deck has been closed due to structural safety issues.



While both the newspaper and city parking uses are supportive of core area activity, neither accommodates any direct retail use at present.

As the gateway into the City from 9th/10th and Frederick Avenue, more prominent monumentation or other design features may be important – signaling arrival into the downtown retail core.



III. REVITALIZATION EXPERIENCE ELSEWHERE

Before moving to outline a retail strategy concept, it is useful to also consider the experience of other cities that may have faced opportunities and issues similar to St. Joseph’s downtown. For illustrative purposes, we look to Weston, Parkville and Kansas City – all in the market area just to the south of St. Joseph. Also considered are two cities located well beyond local geographic environs – Santa Cruz, California and Portland, Oregon.

WESTON

Like St. Joseph, Weston is an historic Missouri River town – billed as just 30 minutes south of St. Joseph and 30 minutes north of Kansas City. While relatively small with just over 1,600 residents (as of 2006), Weston has established a reputation as a regional historic destination.

The downtown core fits in just 2-3 blocks – with restaurants, live music, and shops offering home décor, gifts, antiques, clothing, and American folk art. Despite its somewhat isolated location (off the beaten path), Weston draws well both weekdays and weekends. The historic district is compact and walkable – with no gaps along a continuous series of retail storefronts.



PARKVILLE

Situated further south on the Missouri River and closer to Kansas City is Parkville, with a population of just under 4,500.

Downtown Parkville’s Main Street retail district leads directly across the rail tracks to English Landing Park and the Missouri River.

Like Weston, the downtown retail core is extremely compact and walkable – just two blocks long. Storefronts have been remodeled to maintain historic authenticity.

Downtown Parkville benefits from its adjacency to Park University, an independent, four-year, residential institution. The community also benefits from location along the Platte County growth corridor – less than 11 miles (driving) to the Kansas City International Airport.



KANSAS CITY

With nearly 2 million residents in the metro area, Kansas City proper has a population of just over 450,000. Two areas are of particular interest for downtown St. Joseph – the emerging Power & Light District and the well-established Country Club Plaza retail district.

Power & Light District. A nine-block area is now under development as a mixed use retail, entertainment and residential district in the heart of downtown Kansas City. An estimated \$850 million in investment is being made. The district encompasses 425,000 square feet of retail and entertainment space, 1,500 urban loft residential units and approximately 1 million square feet of office space – including a new world headquarters for H&R Block. Also planned as part of a larger \$2 billion urban renaissance are major new attractions including a new performing arts venue, arena and convention center expansion.

A challenge with this development is to integrate new construction and historic preservation (illustrated by photos to the right). The ability to blend old and new may prove integral to bring new vitality back into a downtown now making its long-awaited comeback. What’s anticipated for Kansas City may be applied, in smaller doses, for St. Joseph as well.

Country Club Plaza. Billed as Kansas City’s “premier entertainment district,” the 14-block district today is home to more than 120 stores.

Built in the 1920s as the nation’s first suburban shopping district, the Plaza is distinctive for its old-world Spanish architecture and street-oriented shopping.

During warmer months, the Plaza can offer outdoor entertainment – often featuring Kansas City jazz.

Country Club Plaza serves the customer well – with substantial structured parking. Parking structures are nicely tucked away – unobtrusively situated behind retail storefronts – and pedestrian friendly.



SANTA CRUZ

As a city of 55,000 just *over the hill* from the San Francisco/San Jose metro area, Santa Cruz found it had to rebuild its downtown after the Loma Prieta earthquake of 1989. Retail redevelopment has been catalyzed by technology firms (software and Internet) drawn to new downtown office buildings.

Santa Cruz maintains a strong design aesthetic. New construction is limited in height and involves use of traditional materials. This evokes the sense of downtown as it was in years past.



PORTLAND'S PEARL DISTRICT

With 2.1 million residents in its metro area and 550,000 in the city proper, Portland is comparable in size to Kansas City and its metro area. Portland's Pearl District is at the heart of the city's urban renaissance.

Located just north of Portland's historic downtown, the Pearl District has witnessed the development of more than 3,600 housing units since 2004 plus an estimated 1.4 million square feet of added commercial retail and office space.

Additional development of 1,700+ housing units is anticipated as a former Burlington Northern rail yard transitions to join this new urban neighborhood.

The streets bustle with pedestrian, auto and streetcar activity. Sidewalks are often narrow – but still populated with attractive, functional landscaping.

Revitalization of the Pearl has involved both re-use of former manufacturing and warehousing buildings and new construction. Sales values for residential condos of 20+ stories now reach to the range of \$400+ per square foot.

Retail at heart of the district includes a strong mix of restaurants, home furnishings and apparel stores, and art galleries. The City's leading performing arts theater is moved into a fully renovated armory building in the fall of 2006 – adjacent to and fed by this area's diverse array restaurants and retail offerings.



IV. CONCEPT STRATEGY

This is the part of the report where *the rubber meets the road*. This retail and entertainment district strategy report began with a review of downtown strengths, weaknesses and strategic options. This has been followed by a retail core inventory and discussion of other potentially comparable cities and their experience.

The Felix Street retail and entertainment report now proceeds to outline a concept strategy for consideration and initial discussion with the Downtown Team. The concept starts with what is termed as *the big idea*, followed by what may be considered a bold strategy, then guiding principles, a geographically explicit concept plan, strategic implementation, and next steps to move from plan to action.

THE BIG IDEA

One overall conclusion emerges from this preliminary concept assessment. Left to follow the market driven course, Felix Street retail can be expected to languish indefinitely.

There is reason for cautious optimism about retail off Felix – on side streets such as 8th Street and in the vicinity of Boudreaux's at the corner of Francis and Jules. However, the central spine of Felix has not and should not be expected to come back to life on its own.

The *big idea* is essentially this. Felix doesn't need life support, *it needs resuscitation!* An incremental strategy of small steps, one at a time, will be overwhelmed by the negatives of the current street environment. To make a difference, there is no choice but to consider a *bold strategy* for more dramatic transformation.

A BOLD STRATEGY

A bold strategy assumes that success requires something other than “business as usual.” It means that all the stakeholders – private and public – get prepared to step outside their normal comfort zone.

A bold strategy requires investment of time, energy and dollars. It inevitably entails risk of failure or, at the very least, the understanding that the path to revitalization will involve twists and turns with some reversals along the way.

In the spirit of candid discussion, the remainder of this report is intended to frame the outline of what a bold strategy for Felix Street retail revitalization may entail. The ultimate choice as to whether and how to pursue this strategy is up to the property and business owners, the City of St. Joseph, non-profit business organizations, and the community at large.

GUIDING PRINCIPLES

We start this discussion by outlining *four principles* integral to conceiving and then executing a Felix Street retail and entertainment strategy:

1. *Sustainable revitalization begins within the 100% retail blocks of 5th to 8th Streets.* There are some communities where reinvestment can begin on the outside of the core and then work its way back in. This *outside-in* strategy, while generating some activity in St. Joseph, will ultimately be thwarted due to the seriousness of decay that has occurred at the core. So, an *inside-out* strategy is recommended as the first guiding principle for Felix Street revitalization.
2. *Retail requires other uses to generate pedestrian activity and investor confidence.* The days are gone when urban downtown retail can make it on its own. Residential use downtown represents the “best bet” for supportive development that can pencil “in the black” today. Office represents a “wild card” opportunity that should not be ignored. With every new retail tenant and storefront improvement project, the first question to be asked is – how can we bring *mixed use* to this site? This means paying more attention to reinvesting in the upper levels as well as the ground floor – with upper story development often providing the economics to make ground floor retail and entertainment business more feasible.
3. *The public face of the street will become more shopper and pedestrian-friendly.* In the seven blocks from 2nd to 9th Streets, the City of St. Joseph controls at least one side of Felix Street on at least five of those blocks – with public parking, the Civic Arena and Felix Square. With the exception of Felix Square, these uses can not reasonably be described as pedestrian friendly, nor as offering a shopper opportunity. The City is also in control of the sidewalks and the streetscape. While the narrow width of the sidewalks is more constraining than ideal, there is much more that can be done to create appeal and interest with landscaping, lighting, and coordinated signage.
4. *Revitalization requires active public-private participation, but on Felix Street the City will step up as the lead partner.* As in dancing, it takes two partners. But, at least until the ball gets rolling, the City will need to lead – both with guidance and dollars. Public initiative should be orchestrated to be matched by private response; otherwise the dance comes to halt – or a new partner is found.

The more detailed *concept plan* that now follows is premised on these four guiding principles.

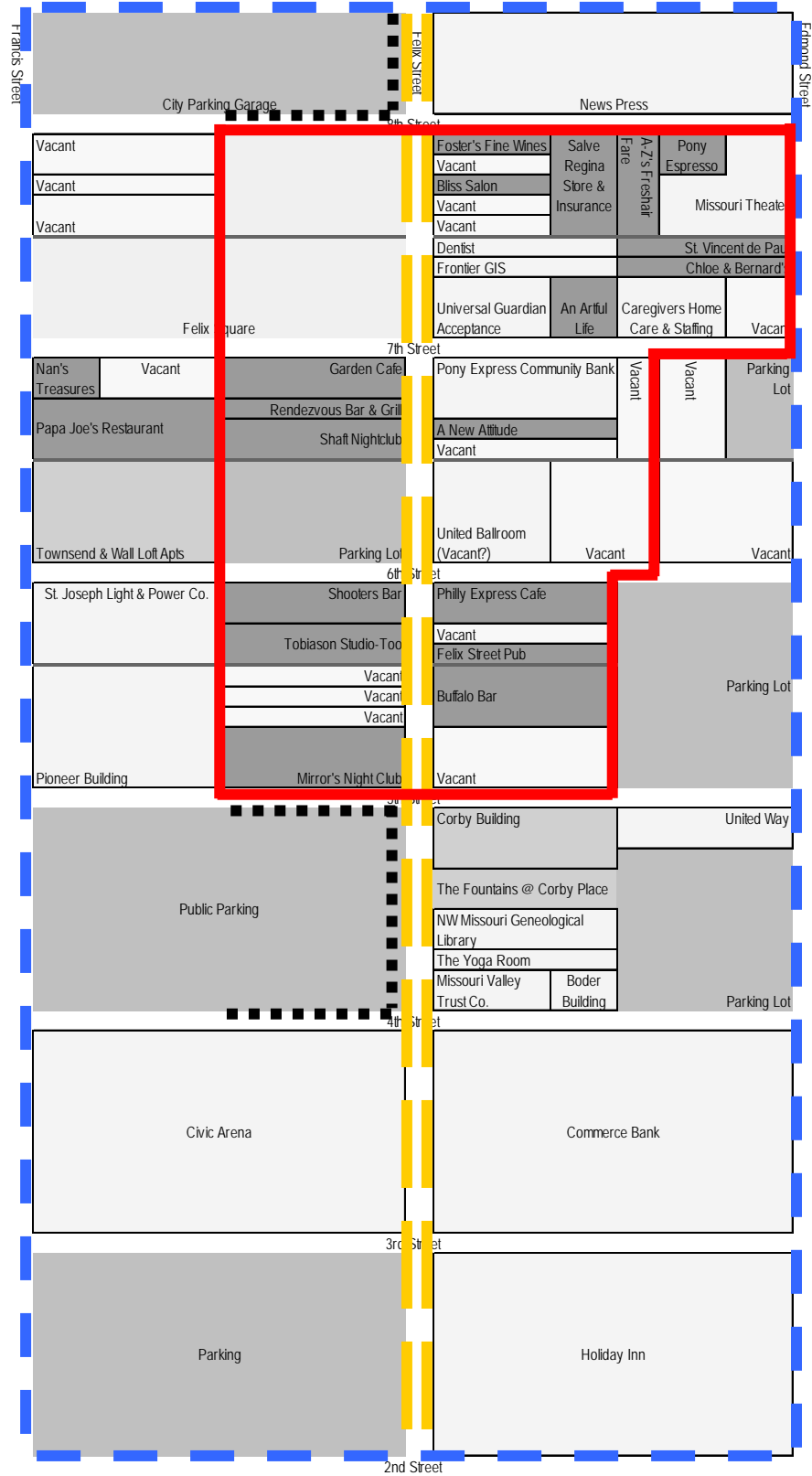
CONCEPT PLAN

The map on the following page illustrates what might be considered as key concepts and related actions critical for retail and entertainment revitalization along Felix Street. Concepts illustrated with the concept plan are:

- A priority area for retail storefront improvement
- Felix streetscape
- Public-private development solicitation
- Retail/entertainment tenant & customer marketing
- Integrating retail & entertainment with parking

Felix Street District Retail & Entertainment Corridor Opportunities & Issues

- Legend**
- = Building
 - = Vacant
 - = Retail
 - = Service
 - = Residential
 - = Parking
 - = Park
 - = Alley
 - = Core Area Retail Tenant Marketing (2nd to 9th, Francis to Edmond)
 - = Priority Area for Retail Storefront Improvement & Public-Private Development Solicitation
 - = Felix Streetscape
 - = Integrated Retail w/ Parking



Source: E. D. Hovee & Company, LLC. Map is illustrative and not to scale.

STRATEGIC ACTIONS

Putting these *concepts in motion* cannot be expected to happen on its own. Rather, reversing the pattern of Felix Street business disinvestment will occur only as the results of *strategic actions* – taken by the private and public sectors working together.

As noted, five focus areas are recommended for strategic action – for revitalization of Felix Street as St. Joseph’s specialty retail and entertainment district:

A - Retail Storefront Improvement. Recommended as a *starting point* is a program to encourage improvements to existing retail storefronts by Felix Street business and property owners. This program is envisioned as comprising up to five components:

- Technical assistance to interested business and property owners – providing design and cost estimating services for items including storefront repair and maintenance, major renovation compatible with original building design, and merchandise/window display.
- Initial focus on Felix Street properties between 5th and 8th Streets – with opportunity for subsequent broadening to the rest of the Felix Street retail corridor.
- Review of codes and code enforcement – to more actively discourage blank walls, small windows, use of exterior materials incompatible with original building design and construction, and clean-up of litter resulting from business or customer activities.
- Low interest loans and/or grants – for qualified storefront improvements that enhance business and street vitality.
- Offer of retail tenant rent “buy downs” – with low first year rental rates increasing on a graduated scale to market rates over a 3-5 year period.

B - Felix Streetscape. In tandem with retail storefront improvement, a parallel program to improve the public street realm is strongly encouraged. Key elements can be expected to include:

- Streetscape design – with a simple design suggested due to relatively narrow sidewalk widths and priority for on-street parking preservation, focused on elements of unobtrusive landscaping, period lighting standards, and coordinated street signage.
- Funding program for streetscape installation – preferably extending for the entire length along Felix Street from 2nd to 9th Streets, but possibly implemented on a phased basis *in synch* with adjoining property/block scale improvements.
- Preliminary design planning for streetscape enhancement – which is already underway. Suggested for consideration is a two-phase program: (a) *basic level* streetscape program implementing improvements for the entire corridor, followed by (b) availability of added funding for supplemental streetscape enhancements distinctive to the interests of individual business and property owners who demonstrate a clear commitment to corresponding private reinvestment. Examples of supplemental streetscape improvements might include such items as seasonal outdoor seating and dining areas, public/private courtyard and plaza areas, signage and awnings that match building design character, and landscape accents.

C - Public-Private Development Solicitation. City governments have long been involved in partnering with private businesses and property owners and/or developers for building rehabilitation and major new mixed use construction.

In some instances, municipal governments and/or redevelopment authorities *lead the way* by acquiring sites and then offering them for redevelopment to qualified developers that can meet minimum public redevelopment expectations. In other situations, the City will offer to provide incentives to private developers that submit proposals through a formal request for proposal (RFP) or solicitation process consistent with broad public sector objectives and guidelines.

For St. Joseph's Felix Street, a *hybrid approach* is suggested for consideration. With this approach the City could:

- Invite property owners to submit proposals for building renovation or new construction – whether on their own or in tandem with a qualified developer and financial institution.
- Make available specified incentives – such as tax increment, abatement, support for tax credits, public parking and/or streetscape amenity improvements for development proposals that meet minimum City expectations.
- Prioritize available incentives to properties on Felix between 5th and 8th Streets and for mixed use rehabilitation or new construction that includes ground floor retail and residential or office occupancy of available upper levels.

Issuance of a development solicitation (or RFP) should be preceded by contacts with all affected business and property owners in the proposed target area to ascertain investment interests and conditions for redevelopment – to better assure that an RFP will be met with qualified response.

Action to solicit public-private redevelopment partnerships is so critical to successful Felix Street revitalization that it warrants further elaboration. Additional ideas are provided in conjunction with a more detailed implementation plan (as a subsequent section to this report).

D - Retail /Entertainment Tenant & Customer Marketing. Any public-private development program risks failure if not accompanied by proactive and coordinated efforts to also attract new retail and entertainment-related business tenants into the downtown core. Existing sources of retail tenant marketing – including building owners, property owners and brokers – are necessary but not always sufficient to achieve results in a formerly prime shopping district that has since experienced underutilization and disinvestment.

Proposed is a marketing program aimed at businesses and then customers, in ways that:

- Actively involves downtown building owners, property managers and brokers in a coordinated effort with the City, Chamber of Commerce and the Downtown Partnership – that includes a central point of contact, a continuously updated property inventory, and a business tenant marketing program.
- Focuses tenant recruitment on distinctive retail and entertainment businesses that can *make a difference* for downtown – including interested and qualified start-ups and businesses with an established presence elsewhere locally or regionally.

- Provides tenant marketing support to developer(s) selected through the public-private development solicitation (RFP) process (as outlined with item C above).
- Also initiates ramped-up marketing to the consumer – with downtown shopping guides, joint store promotions, special events, and downtown advertising.

E - Integrating Retail & Entertainment with Parking. The final priority recommended for consideration involves the potential reconfiguration of one or both of the City’s two parking structures between Felix and Francis Streets to again provide added retail frontage oriented to Felix Street. Key steps in the evaluation and investment process can be expected to include:

- Structural evaluation of both parking structures to determine whether and at what cost the one or both structures can be adapted to re-incorporate Felix Street retail frontage.
- Evaluation of parking structure demand versus utilization to assess whether parking demand can reasonably be accommodated with garage reconfiguration.
- Subsequent issuance of a development solicitation for retail and mixed use development and management of the new retail frontage created if the feasibility of parking garage reconfiguration can be established in advance.

V. IMPLEMENTATION PLAN

The initial draft of a retail and entertainment *concept strategy* was reviewed with the St. Joseph Downtown Team in September 2006. The Downtown Team included representation from the City, Chamber of Commerce and Downtown Partnership.

Framing the Plan. The next step in the revitalization planning process has been to outline the framework of a plan for implementation of the Felix Street revitalization strategy. What is meant by *implementation* is an action-specific listing of recommended projects and programs that can be put *on the ground* by clearly identified public, not-for-profit, and/or private sector organizations. Each implementation action requires some expenditure of resources – whether in dollars or volunteer time and energy.

There also needs to be a clear expectation of the timeline for accomplishment – against which progress can be measured. A goal of this implementation plan is to identify actions that can be taken immediately – to build momentum and a record of accomplishment. However, longer-term actions are also identified – recognizing that some revitalization objectives may not yet be ready for *prime time*.

The implementation plan for Felix Street revitalization is organized around the five key strategic actions of the *concept plan* namely:

- A. Retail Storefront Improvement
- B. Felix Streetscape
- C. Public-Private Development
- D. Retail/Entertainment Tenant & Customer Marketing
- E. Integrating Retail & Entertainment with Parking

As with any plan, successful implementation depends on finding the right tools for the job. These *resources for revitalization* are available consistent with experience elsewhere in the St. Joseph community.

A compendium of resources potentially available for revitalization is provided as an Appendix to this proposed Felix Street retail and entertainment strategy. Resources considered cover tools available for technical assistance and marketing, financing incentives, and redevelopment tools.

Plan Detail. With the potential resources in the St. Joseph (tool kit) in hand, it is possible to consider the more detailed plan for implementation. These are the projects and programs recommended to achieve visible results and momentum – for individual projects and the entire Felix Street district.

The following pages detail the key elements of an action-specific implementation plan. With each action (project or program), the following component elements are also identified:

- ***Lead Role*** – or organization recommended as carrying primary responsibility for implementation.

- *Potential Partners* – including public, non-profit and private organizations expected to be instrumental in supporting or having direct responsibility for at least a portion of the recommended action.
- *Public Resources* – identifying expenditures of funds, existing staff, volunteer or other in-kind resources from City, or other public and non-profit resources that may be anticipated.
- *Priority/Timeline* – indicating an urgent (★★★★), high (★★★), medium (★★), or low (★) priority, coupled with a recommended timeline for project start-up and completion.

It is intended that this plan serve as a *working guide* to defining and then refining project and program priorities. Additional discussion and input is suggested with key stakeholders in the revitalization process. Current and potential partners include Felix Street business and property owners, development and business interests, the City of St. Joseph, St. Joseph Area Chamber of Commerce, Downtown Partnership and the Missouri DREAM program. The resulting final implementation plan should reflect both stakeholder aspirations and capabilities – with a commitment to get started with near-term actions immediately upon adoption.

There is also an expectation that the plan reflect not a static but rather a *dynamic agenda* for action. Priority implementation actions should be periodically updated – recognizing accomplishments, work yet to be done, and new or emerging opportunities not previously foreseen.

Felix Street Retail & Entertainment District Revitalization – Implementation Action Plan (Draft)

Action	Lead Role	Potential Partners	Public Resources	Priority/Timeline
<i>A. Retail Storefront Improvement</i>				
Formally establish the Felix Street Retail District	City Council	Chamber of Commerce, Downtown Partnership	–	★★★★ (2007)
Contact all Felix Street business & property owners	Downtown Partnership	City, Chamber of Commerce	Staff time	★★★★ (2007)
Offer design & cost estimating services to businesses/property owners on a matching cost basis	Downtown Partnership	City, Chamber of Commerce, area architects, interested owners	\$25,000-\$50,000 pilot program (CDBG, MO-DREAM Initiative)	★★★ (2007-08)
Review codes & enforcement for downtown safety, health & related nuisances	City Planning	Downtown Partnership, Chamber of Commerce, Felix Street property owners	Staff time plus MO-DREAM technical assistance	★★★ (2007-08)
Create retail improvement financing program offering low interest loans & grants, & retail tenant buy-downs matched to business investment	City	Interested business & property owners, Downtown Partnership	\$200,000+ as minimum start-up fund for façades & related work (CDBG, MO-DREAM, TIF/MODESA)	★★★ (2008 start-up)
<i>B. Felix Streetscape</i>				
Fund & implement a first phase or <i>base level</i> streetscape improvement program – implementing design work <i>currently underway</i>	City	Downtown Partnership, interested business & property owners	Being determined (CIP tax fund)	★★★ (2008 on)
<i>C. Public-Private Development</i>				
Authorize a tax increment financing district encompassing at least the Felix Street area	City Council	Downtown Partnership, Chamber of Commerce, Felix Street business & property owners	City legal staff time	★★★★ (2007)
Prepare a public-private Felix Street development prospectus to review with interested owners & developers	City	Downtown Partnership, Chamber of Commerce, interested owners & developers (local & regional)	City staff time & possible contracted resources	★★★ (2007-08)
Issue requests for retail & mixed-use development proposals (RFP)	City	RFP Review Task Force (to be created)	City staff & possible contracted resources	★★★★ (2008)
Review & select one or more proposals for development funding based on threshold criteria for return on investment (ROI)	City	RFP Review Task Force	Amounts TBD based on negotiations (TIF/MODESA, 353 tax abatement, New Markets Tax Credits, CDBG)	★★★★ (2008-09)
<i>D. Retail/Entertainment Tenant & Customer Marketing</i>				

Action	Lead Role	Potential Partners	Public Resources	Priority/Timeline
Create Felix Street Business Council	Downtown Partnership	City, Chamber of Commerce, interested business & property owners	Existing staff time	★★★★ (2007)
Begin retail & entertainment tenant marketing in support of development RFP; prepare web-based marketing package	Downtown Partnership	City, Chamber of Commerce, area realtors & interested owners (possible ambassador program)	Staff time plus \$50,000 start-up expense (CDBG, MO-DREAM, TIF/MODESA, donations)	★★★ (2008)
Launch downtown shopper program, possibly including: <ul style="list-style-type: none"> • Walking/shopping guide • Joint retail/entertainment promotions • Felix Street advertising • Festival schedule • Website (“MOSJoe”) 	Downtown Partnership	Felix Street Business Council, City, Chamber of Commerce, interested realtors & owners, museums, Convention & Visitors Bureau	\$25,000-\$75,000 start-up budget recommended	★★★ (2008-2009)
Consider creation of Felix Street Business Improvement or Special Business District	Downtown Partnership	Felix Street Business Council, City, Chamber of Commerce	Staff time (for creation of long-term organization, event & promotion funding)	★★ (2010 or beyond based on interest generated)
<i>E. Integrating Retail & Entertainment with Parking</i>				
Assess structural & financial feasibility of converting parking area fronting Felix Street to retail space (on the 4 th /5 th or 8 th /9 th Street blocks between Felix & Francis)	City	Downtown Partnership, Civic Arena, adjoining property owners	\$50,000-\$100,000 for feasibility study (CIP, TIF/MODESA, CDBG, MO-DREAM)	★★★ (2007-08)
Issue developer RFP for joint development if retail conversion of Felix Street frontage proves feasible	City	Downtown Partnership, Chamber of Commerce, Civic Arena, RFP Review Task Force	Amounts TBD as negotiated (TIF/MODESA, CDBG, New Markets Tax Credits)	★★★ (2007-10)
Pursue discussions for conversion of Townsend & Wall parking on Felix to mixed use development (if replacement parking can be assured)	City/Owners	Downtown Partnership, Chamber of Commerce, RFP Review Task Force	Investment TBD (TIF/MODESA, CDBG, New Markets Tax Credits)	★★ (2007-10)

VI. DEVELOPER SOLICITATION

Integral to the Felix Street concept plan and implementation program is the recommendation to consider a process to invite developer interest in building rehabilitation, re-tenanting and, possibly, new construction. Preference for *mixed-use* development is also recommended – with retail and entertainment on the ground floor and residential or office on upper levels (as applicable). This mixed-use emphasis is critical as retail increasingly requires other on-site and adjoining activity to generate pedestrian traffic and investor confidence.

Structured or Informal. Developer solicitation can occur in a highly structured manner, through a request for development proposals (RFP) process. Or the process can be much more informal, negotiated basis in response to property/business owner and investor proposals to the City. The more structured approach works best in a *strong market* environment, with clearly defined developer and business tenant willingness to reinvest in the downtown core.

City or Market-Driven. A structured RFP process typically also requires a clearly defined commitment of public resources available as incentives for redevelopment. Whether the process is formal or informal, a determination needs to be made as to the extent to which private proposals are *city-driven* in response to clearly articulated public sector objectives or *market-driven* reliant on private sector vision and initiatives.

As illustrated by the chart on the following page, at least two *optional paths* to a mixed-use development solicitation. Both approaches are intended to lead to the same result – but rely on somewhat different means to achieve this result:

- *Option 1 is based on a City driven process that focuses on the City offering a specific site that it owns (or otherwise controls) for development pursuant to a carefully detailed development or master plan and associated guidelines for development. In many instances, municipal governments and/or redevelopment authorities lead the way by acquiring sites and then offering them for redevelopment to qualified developers that can meet minimum public redevelopment expectations. This process is usually highly structured (as through a formal RFP) and is experience-tested in communities across the U.S.*

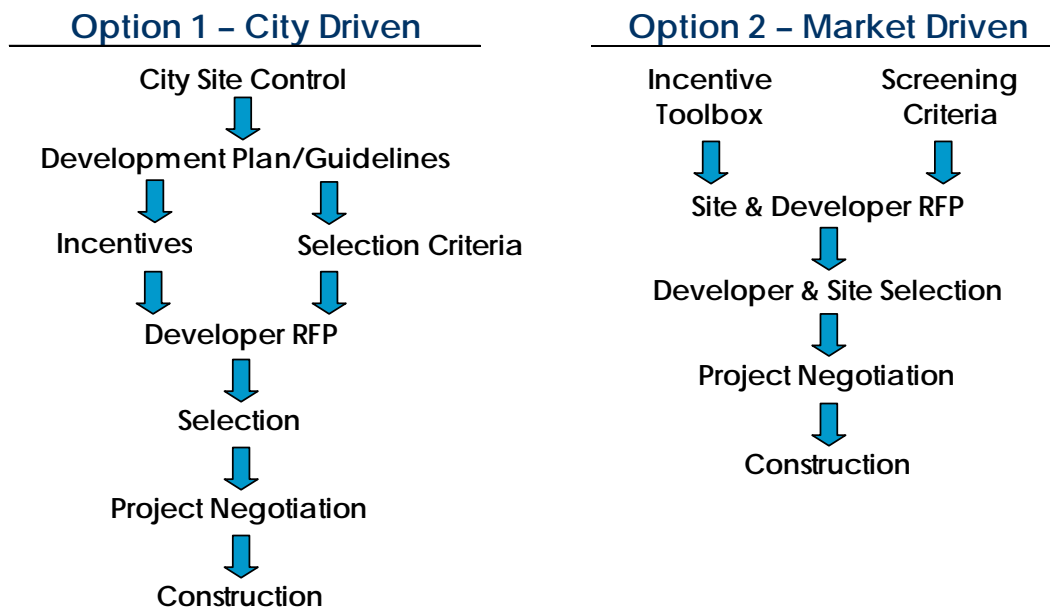
This process is also consistent with the prospect that the City of St. Joseph likely will be required to play a lead role – as in gaining site control for selected vacant or underutilized properties – as a means to attract qualified private developer and investor interest. This City–led role may be most important for the initial projects, until it is clear that the corner for Felix Street revitalization *has been turned*.

- *Option 2 reflects more of a market driven approach that encourages interested property owners to team with specific businesses and/or developers in submitting proposals for different sites and/or development concepts. With this approach, the City would offer to provide incentives to private developers that submit proposals through a formal request for proposal (RFP) or solicitation process consistent with broad public sector objectives and guidelines. A range of site and project submittals would be solicited. Project proposals could be solicited either by a date certain or on a rolling basis (i.e. “first come, first served” subject to meeting project guidelines and remaining incentive availability).*

This more entrepreneurial approach has also been taken by a number of cities throughout the U.S. – including Kansas City with the Power & Light district. With this market-driven approach, a developer would come to the City in tandem with a cooperating private owner – essentially with a *site in hand*. Sites considered might be limited to a target area – such as the three-block priority area suggested initially for storefront improvement.

Using this market-driven alternative, it is possible that more than one project could be selected (either concurrently or on a phased basis), subject to overall financial and project planning/negotiation resources identified as available from the City.

Mixed-Use Development Offering – Two Optional Paths



Option 1 allows the City more control over the outcome and is most effective when a *clear winner* development opportunity, meeting both public and private interests, can be readily identified. However, this approach typically takes longer and requires more up-front public investment to bring to market.

Option 2 can be effective when the market opportunity is less clear up-front but local property owners are clearly motivated and capable of participating. Owner/developer creativity is maximized and the timeline from inception to project negotiation can be more streamlined. However, there is the risk of more public controversy or dissatisfaction from private parties whose proposal is not selected – especially if the selection process is perceived as unclear or arbitrary.

There also may be the opportunity to construct a *hybrid approach*, for example, with the City taking a lead role in cultivating prospects for specific properties identified as available and priority candidates for redevelopment (whether City-owned or private). The City could coordinate contacts between developers and owners, offer expedited permitting and other incentives as appropriate.

The Incentive Toolbox. The market viability of both the City- and market-driven options is dependent on specification of city incentives that are available for Felix Street revitalization. To be seriously considered by private business and investor interests, the City of St. Joseph should be prepared to make an *up-front* commitment of the resources that it will make available for projects that meet city-stipulated investment guidelines.

Highly recommended is that draft guidelines be *pre-tested* with existing Felix Street owners and selected developer organizations before a developer RFP/solicitation process is finalized. This step is essential to better assure that qualified proposals will be forthcoming in response to a City solicitation process.

VII. FROM PLAN TO ACTION

In summary, the *big idea* behind this St. Joseph retail and entertainment revitalization plan is that a modest, incremental strategy of small steps – one at a time – will be overwhelmed by the negatives of the current Felix Street environment. To make a difference, there is little choice but to consider a *bold strategy* for more dramatic transformation.

As with any plan, there is always the risk that the plan ends up *on the shelf* – a good idea but without sufficient impetus for action. As concluding thoughts, five ideas are offered as suggestions to move from plan to action.

- *Adopt the plan.* City Council acceptance or adoption is integral to signaling that Felix Street is about to change for the better.
- *Authorize immediate, high priority implementation projects to build momentum.* Adoption of the plan need not mean that every future project action is immediately figured out and fully funded. However, the first few project actions should be “ready to go” and highly visible to the community. A good example would be proceeding with base level streetscape improvements.
- *Recruit partners.* Retail and entertainment revitalization requires attraction of private businesses and investors ready to take a chance on downtown – in exchange for short- and long-term benefits. Other public and private non-profit partners are also instrumental to moving the dream of a better downtown forward – especially in the early years. A key partner is expected to be the State of Missouri through St. Joseph’s selection and participation as a DREAM community.
- *Measure results.* Maintaining a database of accomplishments is critical to sustainable retail revitalization over a multi-year period. Tracking progress can occur by recording information on items such as new retail stores opened, expanded and closed, retail and other downtown investment, and jobs and sales tax revenue generated. Also track and annually document the status of the implementation plan. What project actions have been completed? Which are lagging? What needs to be modified? Use this information both to publicize successes and to quickly address issues or new opportunities as they arise.
- *Regularly update the plan.* Even the best of plans do not last forever. Circumstances change. New opportunities, previously unforeseen, will arise. Some actions will prove easier than others to carry out. Plan to update the implementation plan, at least every other year. Be prepared for a more fundamental overhaul in about five years time.

APPENDIX. RESOURCES FOR IMPLEMENTATION

As background information for the preparation of a Felix Street retail and entertainment strategy, it is useful to step back and consider resources available for revitalization. These resources might be viewed as an implementation *tool kit*.

The following pages provide a summary listing of resources important to the St. Joseph retail and entertainment district revitalization tool kit. The listing covers three types of tools – technical assistance and marketing, financing incentives, and redevelopment tools.

Provided with each specific tool resource is a:

- Description of the resource and typical uses.
- Advantages for retail revitalization.
- Potential disadvantages or issues to be considered.
- Recommended application to a retail and entertainment strategy for Felix Street district revitalization.

While intended to cover resources that offer a track record of successful utilization – whether in St. Joseph or elsewhere – this listing should not be considered as representing all of the tools potentially available for St. Joseph downtown revitalization. Other resources may be identified as redevelopment planning proceeds and as specific project opportunities emerge. In particular, it is noted that additional resources may be identified through St. Joseph’s participation in the Missouri DREAM initiative.

Because the listing focuses on retail revitalization, there may be other tools available to assist with other uses than can serve to further leverage retail and entertainment activity. These complementary uses may include owner and rental housing, office space, and civic and cultural facilities – which can include mixed use development above ground floor retail and entertainment.

Retail Revitalization – Implementation Tool Kit

<i>Tool Kit Resource</i>	<i>Description</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Retail Strategy Use</i>
<i>Technical Assistance & Marketing:</i>				
Building Owner Design Assistance	Provision of no- or low-cost architectural design & cost estimating services to encourage business & property owner reinvestment.	<ul style="list-style-type: none"> • Services could be provided in conjunction with follow-on building façade or other improvement incentives. 	<ul style="list-style-type: none"> • Most effective when services are from local or non-local professionals knowledgeable about retail design. 	<ul style="list-style-type: none"> • Recommended as high priority for inclusion with Felix Street district revitalization tool kit.
Façade Improvement Grants & Loans	Could involve a program within a specified geographic area offering low interest loan funds &/or grants for renovation of storefront façades. Might be accompanied by technical assistance to business & property owners focused on architectural design & cost estimating services.	<ul style="list-style-type: none"> • Identified as a program priority for the Missouri DREAM initiative. • Non-local funds may include CDBG & the state’s Neighborhood Assistance Program (NAP) of tax credits leveraging local dollars for community development. 	<ul style="list-style-type: none"> • For some buildings, renovation will require investment extending well beyond building façades. • In cases where demolition is the best option, the focus might shift to evaluation of options for façade preservation. 	<ul style="list-style-type: none"> • Recommended as high priority for inclusion with Felix Street district revitalization tool kit.
Felix Street Streetscape Improvement	Plans feature landscaping, new signs, new sidewalks lined with brick pavers, brick crosswalks, new benches & trash receptacles.	<ul style="list-style-type: none"> • Funded by city Capital Improvement Project tax. • Private owner participation encouraged. 	<ul style="list-style-type: none"> • Narrow sidewalk on Felix limits streetscape options. • Property owner improvements may require periodic streetscape modification to best serve changing storefront needs. 	<ul style="list-style-type: none"> • Plans underway by the engineering firm of Snyder & Associates working with City officials. • City obtaining outstanding easements from property owners to finalize plans & get the project to bid.
Retail Tenant Marketing	Active contacts of successful local & regional specialty retail/entertainment businesses with systematic follow-up in cooperation with property owners, & local & regional real estate brokerage firms.	<ul style="list-style-type: none"> • Greatest interest expected from the region & not from national chains. • Opportunity for public-private cooperation, with peer-to-peer contacts. 	<ul style="list-style-type: none"> • Requires on-going systematic effort, often over a multi-year period. • Closing early year deals will depend on availability of incentives. 	<ul style="list-style-type: none"> • Recommended as high priority for inclusion with Felix Street district revitalization tool kit.
Customer Marketing (including Special Events & Festivals)	Expansion of existing events focus to include direct customer marketing ranging from shopper guides to advertising & promotions.	<ul style="list-style-type: none"> • Builds on existing events calendar extending from Mardi Gras to City Lights Festival. 	<ul style="list-style-type: none"> • Will likely require added budget resources (in addition to free media publicity). 	<ul style="list-style-type: none"> • Significant retail & entertainment marketing likely required as new retail is attracted to Felix.

Financing Incentives:

Tool Kit Resource	Description	Advantages	Disadvantages	Retail Strategy Use
Capital Improvement Project (CIP) Tax Fund	Funding of infrastructure improvements from sources including voter approved financing. Projects city-wide are selected by a citizens' committee.	<ul style="list-style-type: none"> • St. Joseph voters have consistently funded city-wide infrastructure improvements. • Completed CIP-funded development projects include Mitchell Woods Business Park & Missouri Theater renovation – with most recent projects including a second business park & the historic Stockyards district. 	<ul style="list-style-type: none"> • Downtown & retail district enhancements compete with other project priorities city-wide 	<ul style="list-style-type: none"> • Downtown application includes the Felix Street 3rd to 8th streetscape program. • Future use for streetscape enhancements should be tailored to leverage adjoining private building renovation or redevelopment.
Local Tax Increment Financing (TIF) (RSMo 99.805-865)	<p>Uses <i>added local taxes</i> from new development to pay for public infrastructure, clearance & related project expenses. The annual increment is 50% of local economic activity taxes (EATS) or primarily sales tax + 100% of property tax (PILOTS) <i>less</i> current taxes generated by the property.</p> <p>TIF funding may address blight, conservation, &/or economic development.</p> <p>City of St. Joseph requires:</p> <ul style="list-style-type: none"> • 3:1 added revenue to value of incentives. • But for TIF, project would not happen. • Not over 15% of project costs. • 1.25 debt coverage. • Maximum 23 year repayment. • Favors projects for infrastructure & 15% developer equity. 	<ul style="list-style-type: none"> • Extensive TIF experience throughout the city with Shoppes at North Village, pork processing, medical, hotel & dining services, medical services, & market rate housing (including Uptown). • State law allows TIF for professional services, site acquisition, & resident/business relocation plus infrastructure. • Policies, bid/RFP & application requirements for TIF are already in place. • Allows eminent domain for elimination of blight, substandard or unsanitary conditions, or as a conservation area, but not solely for economic development purposes. 	<ul style="list-style-type: none"> • TIF favors wages above the community average, a limitation for local retail projects. • Cannot readily be used in conjunction with Chapter 353 property tax abatement. • Residential discouraged except for mixed use projects. • Minimum 10 acre project area preference suggests multi-block, multi-owner downtown district for retail. • Because expenses are to be borne by applicant, cost responsibility for a multi-owner approach appears unclear. 	<ul style="list-style-type: none"> • Recommend consideration of Felix Street TIF district. • Retail projects should demonstrate inflow of new customers to City or to reduction of sales leakage. • TIF for existing business areas to be preceded by market analysis.

Tool Kit Resource	Description	Advantages	Disadvantages	Retail Strategy Use
Missouri Downtown Preservation (RSMo 99.1080-1092)	<p>Funds public infrastructure for downtown redevelopment & job creation in redevelopment areas classified as blighted or a conservation area.</p> <p>For cities with median income of \$62,000 or less. At least 50% of buildings must be 35 years or older.</p> <p>A portion of new state & local taxes created from redevelopment diverted to fund costs up to 25 years. Requires match of 50% of locally generated sales taxes.</p>	<ul style="list-style-type: none"> •For cities of 50,000-99,999 population, will fund up to \$1 million for projects that promote tourism & cultural activities. 	<ul style="list-style-type: none"> •Development project cannot receive funds until increment is generated. •Requires project specific application to Missouri DED. •Must demonstrate need for infrastructure, subsidy is least amount for project to occur & positive state fiscal benefit. •Funding availability based on state appropriations. 	<ul style="list-style-type: none"> •Potential resource for a tourism &/or cultural project integral to Felix Street revitalization, e.g. Farmers' Market.
MODESA (RSMo 99.915-980)	<p>A form of <i>supercharged</i> TIF to capture up to ½ of increased amount of state sales tax &/or income tax <i>matched by</i> 50% of new local sales tax & 100% of new property tax created by a project each year (or other local funds).</p> <p>Funding aimed to facilitate downtown redevelopment that is either “blighted” or a “conservation area.” At least 50% of buildings must be 35 years or older.</p> <p>Municipalities must have median annual income of \$62,000 or less.</p>	<ul style="list-style-type: none"> •Being used in a small number of Missouri cities (notably Kansas City). •Applications can be submitted at any time of year, after approval of a local development plan & prior to beginning of construction. 	<ul style="list-style-type: none"> •Development project cannot receive funds until increment is generated. •Requires project specific application to Missouri Department of Economic Development (DED). •Must demonstrate need for infrastructure, subsidy is least amount for project to occur & positive state fiscal benefit. •Funding availability based on state appropriations. 	<ul style="list-style-type: none"> •Most applicable for larger public-private projects with substantial sales tax increment &/or on-site employment.
Community Development Block Grant	<p>St. Joseph is an entitlement city with an annual CDBG allocation. CDBG projects require that at least 51% of the new jobs created must be for persons of low or moderate income. Project priorities include expansion of economic opportunity, provision of decent housing & suitable living environment.</p>	<ul style="list-style-type: none"> •As an entitlement city, St. Joseph has broad discretion over fund utilization. •For fiscal year 2006-07, the City of St. Joseph received over \$1.8 million of CDBG funding (plus over \$450,000 from the HOME program). 	<ul style="list-style-type: none"> •A substantial portion of funding historically has been allocated to housing & neighborhood revitalization. •Any significant new funding could compete with existing local CDBG priorities. 	<ul style="list-style-type: none"> •Possible consideration as a source of pilot or start-up/early year funding, as for façade improvements. •Could also be used to incent residential reuse of upper floors above ground level retail space.

Tool Kit Resource	Description	Advantages	Disadvantages	Retail Strategy Use
Downtown Revitalization & Economic Assistance for Missouri (DREAM Initiative)	St. Joseph is selected as one of 10 communities offering streamlined access to available state programs for technical assistance, planning, infrastructure, historic preservation, façade renovation, housing development, community services, business development & job creation. Participation is for three years.	<ul style="list-style-type: none"> •Community selection based on a comprehensive approach to downtown revitalization rather than single projects. •DREAM is designed to assist in more efficiently & effectively engaging in downtown revitalization. •Appears to prioritize access to the Public Infrastructure Bond Tax Credit program for downtown infrastructure & streetscape improvements. 	<ul style="list-style-type: none"> •Potential uncertainty about the form & timing of state assistance, especially as the program takes shape. •Need for added coordination to mesh local initiatives & priorities with available state resources. 	<ul style="list-style-type: none"> •Recommendation of Felix Street retail/entertainment district revitalization as top priority for DREAM technical assistance & comprehensive public-private re-investment initiative. •DREAM work program recommended to utilize & complement Felix Street district implementation.
Community Improvement District (RSMo 67.1401-67.1571)	Allows property and/or business owners within a specified area to form a CID as a not-for-profit corporation or political subdivision. The CID may raise funds through special assessments & taxes for public infrastructure as well as services including security, cleaning, promotion & planning. CID formation requires petition from more than 50% each of assessed value & 50% per capita of all owners.	<ul style="list-style-type: none"> •CID funding can be from fees & rents <i>plus</i> real property taxation, special assessments, business license & sales taxes (with different rates for varied classes of properties). •Municipal funds can be used for planning & up-front costs. •The governance board may be appointed by the CEO of the municipality or elected by CID participants. 	<ul style="list-style-type: none"> •Requires strong support from affected business & property owners for implementation. •Neither “public” nor “public improvement” are defined by the CID act, creating potential ambiguity regarding targeting of beneficiaries. 	<ul style="list-style-type: none"> •Potential substantial future resource for downtown public improvements & promotion, as private owner interest is generated. •May offer more long-term funding potential & flexibility than the Special Business District option (described below).
Special Business District (RSMo 71.790-808)	State statute provides for a city to create a sub-city district in which special taxes can be levied for <i>physical</i> improvements such as pedestrian or shopping malls, landscaping & on-going services such as police, streetscape maintenance, parking lot management & business promotion.	<ul style="list-style-type: none"> •Extremely flexible funding tool based on the premise that benefiting property owners share the cost of installing or maintaining district improvements. •St. Joseph has an in-place SPD since 1990 involved in downtown planters, maintenance & trash pick-up. 	<ul style="list-style-type: none"> •At the legal limit of \$0.8500 per \$100 assessed valuation, the existing SBD is generating less than \$50,000 as of 2006. •Much of existing resources are already committed, including funding to the Downtown Partnership. 	<ul style="list-style-type: none"> •Potential future resource for downtown promotion & streetscape maintenance, but further utility is likely predicated on added funding capacity. •Could require change in current policy if there was interest to use SBD for business promotion.

Tool Kit Resource	Description	Advantages	Disadvantages	Retail Strategy Use
Property Tax Abatement (RsMo Chapter 353)	Authorizes abatement of property taxes on building improvements to stimulate private investment & redevelopment of blighted areas. Requires creation of private for-profit Urban Redevelopment Corporations. Allowed for properties in areas declared to be blighted by City.	<ul style="list-style-type: none"> •Allows 100% abatement for first 10 years & up to 50% for an added 15 years. •Can be combined with other state & federal tax credits. •City can negotiate PILOTS. •City may authorize use with eminent domain if necessary to the redevelopment plan. 	<ul style="list-style-type: none"> •More suited as incentive for residential than commercial development. •Cannot readily be used in conjunction with TIF. •Requires <i>but for</i> findings for development to occur. 	<ul style="list-style-type: none"> •Not recommended for retail revitalization <i>except as</i> component of mixed use development with upper level residential use
Missouri Historic Tax Credits (RsMO Chapters 143 & 148)	Provides state tax credits for 25% of eligible costs for renovation of eligible commercial & residential historic structures. Tax credits can be used to offset Missouri income tax liability.	<ul style="list-style-type: none"> •Tax credits may be carried back 3 years &/or forward 10 years. •Credits are sellable & transferable. •May be combined with other financing incentives (including federal 20% ITC). 	<ul style="list-style-type: none"> •Not applicable to properties owned by not-for-profit & government entities. 	<ul style="list-style-type: none"> •Useful as incentive for renovation of existing historic commercial structures.
Low Income Housing Tax Credits (LIHTC)	Provides access to both federal & state tax credits for affordable housing. The minimum number of affordable units is 40% of total units to persons @ 60% of median income <i>or</i> 20% affordable to persons @ 50% of median. Program is administered by the Missouri Housing Development Commission.	<ul style="list-style-type: none"> •Major source of financing for low income housing •Federal & state tax credits can be combined for qualified projects in Missouri. •St. Joseph has extensive experience with LIHTC funded building renovation for downtown loft housing. 	<ul style="list-style-type: none"> •Compliance period extends for initial 15 years plus extended use period of an added 15 years to assure affordability requirements are met. •Not available for homeownership (including downtown condo or townhome financing). 	<ul style="list-style-type: none"> •May be suitable as possible component of funding for affordable housing component of a mixed use project. •Not recommended as a dominant source of downtown housing finance, as other tools are needed to achieve a broader mix of household incomes.
Community Development Financial Institution (CDFI)	A community-based lending institution with the focus of community development in a targeted investment area thru loans or development investments with local resident accountability.	<ul style="list-style-type: none"> •May include community development, microenterprise loan & venture capital funds. •CDFIs offer greater flexibility in use of Community Development Block Grant (CDBG) funds. 	<ul style="list-style-type: none"> •Most appropriate for programs serving low income & minority residents or businesses. •Of 8 certified CDFIs in Missouri, all are in St. Louis & Kansas City. 	<ul style="list-style-type: none"> •Most appropriate as a supplemental source of funding for downtown revitalization, as for targeted resident & small business loan programs.

Tool Kit Resource	Description	Advantages	Disadvantages	Retail Strategy Use
New Markets Tax Credits	Permits taxpayers to receive tax credits over seven years for up to 39%, or typically for about 20% of the cost of qualified equity investments through a Certified Development Entity (CDE). Investments must be made in low income communities or for low income persons. To date, the Fund has made 233 awards totaling \$12.1 billion nationally.	<ul style="list-style-type: none"> •Most commercial & mixed use real estate projects located in low income communities qualify. •Can also be used with community & cultural facilities. •May be combined with historic tax credits. 	<ul style="list-style-type: none"> •Residential rental projects without a commercial component do not qualify. •Missouri experience appears limited to date primarily in the St. Louis area. •Expires at end of 2007 unless reauthorized by Congress. 	<ul style="list-style-type: none"> •Recommended for consideration with major mixed use redevelopment projects if linked to a CDE with existing regional or national track record.
Redevelopment Tools:				
Site Assembly	Purchase of selected properties within a target revitalization area by the City or its designee with the intent of public-private redevelopment pursuant to a development offering.	<ul style="list-style-type: none"> •May be critical to correct blight or assemble multiple properties for redevelopment to be financially feasible. •Can be accompanied by selective use of eminent domain for properties meeting statutory requirements. •City may negotiate for <i>less than fee</i> purchase with interested owners, as for an option or joint venture arrangements. 	<ul style="list-style-type: none"> •Purchase negotiations can be protracted if the seller is not motivated or does not see advantages of participating in district revitalization. •Eminent domain can require extensive public discussion & should be considered as a last resort. 	<ul style="list-style-type: none"> •Expected to be an important element of Felix Street retail, entertainment & mixed use revitalization. •An option to be considered based on results of initial discussions with Felix Street business & property owners. •Flexible approach with varied arrangements tailored to specific owner interests is recommended.
Development Offering (RFP/RFQ)	Request for Proposal (RFP) or Request for Qualifications (RFQ) could be issued for single properties or assemblages. Each RFP/RFQ would identify desired ground & upper floor reuses together with listing of available financial incentives & specification of process for developer selection/ negotiations.	<ul style="list-style-type: none"> •An effective means of securing investor interest, especially for major or challenging redevelopment projects. •RFP/RFQ process can be used with properties selected as redevelopment priorities, whether publicly or privately owned. 	<ul style="list-style-type: none"> •Requires up-front willingness of public sector participants to deliver on commitments stated in development offering (RFP/RFQ) documentation. 	<ul style="list-style-type: none"> •Recommended for Felix Street revitalization with mixed use projects, after pre-testing with property owners & developers. •RFQ more appropriate than detailed RFP in soft markets, allowing greater negotiating flexibility for public & private parties.

<i>Tool Kit Resource</i>	Description	Advantages	Disadvantages	Retail Strategy Use
Public / Private Redevelopment	An overall approach to urban revitalization predicated on active involvement by both private & public entities to investing in specific real estate & supporting public improvement projects.	<ul style="list-style-type: none"> •A wide range of development models are available, based on previous experience in St. Joseph, Missouri & elsewhere in the U.S. 	<ul style="list-style-type: none"> •Potential for public funding abuse, best limited by requirements (as in St. Joseph) for public dollars to be the <i>last in</i> & generate return on investment. 	<ul style="list-style-type: none"> •Recommended as an overall approach for Felix Street district revitalization – until market activity is sufficient to generate private investment on its own.

Notes: Programs generally not applicable to retail development include Enterprise Zones, Industrial Revenue Bonds, and Foreign Trade Zones. Other programs including workforce training may be suitable but should be viewed as business specific rather than retail district-wide in application. Information provided with this listing is in summary form and should not be construed as representing all resource-related requirements.

Source: E. D. Hovee & Company, LLC, as of February 2007. Information is subject to change without notice.