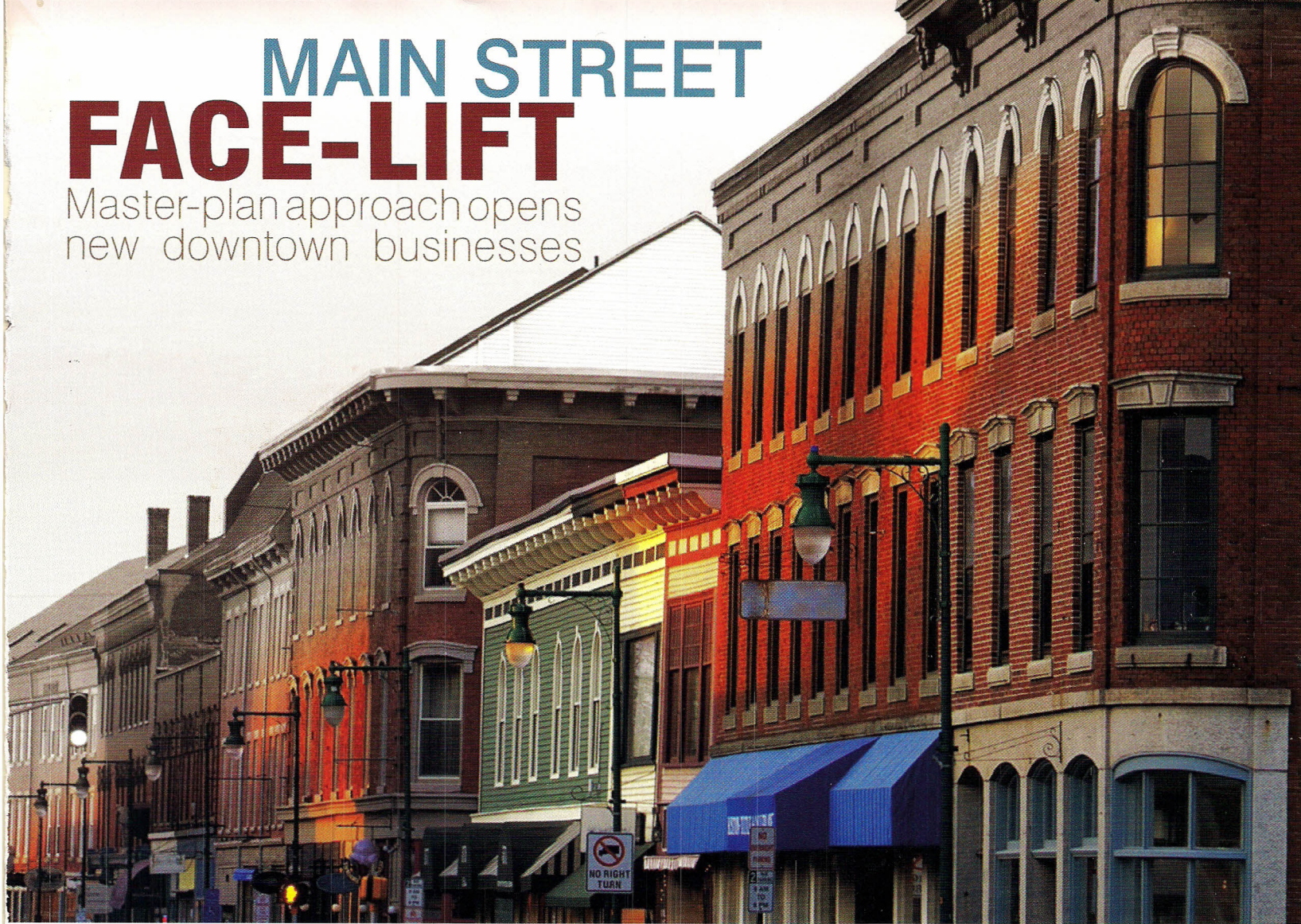


MAIN STREET FACE-LIFT

Master-plan approach opens new downtown businesses



by Tracy Brown and Scott Lazenby

Local governments often use matching grants to encourage renovation of the façades of older downtown buildings. These programs are often passive, with the results driven by the owner of the private property. Although the city or county exercises some control over the improvements—often by paying an architect directly—the building owner must still come up with matching funds and deal with the red tape the locality imposes.

In many cases, the results are spotty at best. Even with a low private match requirement of 50% or less, the building owner may be reluctant to put money into aesthetic improvements. This is especially true for absentee building owners who are satisfied with the rents they earn from their business tenants.

Even when property owners take advantage of the incentive, the improvements may be scattered throughout a downtown area, with attractive, renovated buildings surrounded by less attractive ones. The challenge a local government faces is to get a bigger bang for the public buck.

Case Study: Master-Plan Approach in the City of Sandy

Sandy, Oregon, is a city of 9,655 on the western foothills of Mt. Hood. The City is celebrating the Centennial of its incorporation, and its historic downtown is on the route of the Oregon Trail. U.S. Highway 26 is the downtown's main street, and businesses benefit from the 30,000 to 60,000 cars per day that pass through.

Downtown buildings are a mix of historic wood and concrete structures; other historic buildings marred by 1960s and 1970s “improvements” using stucco, out-of-date mansard roofs, and cheap siding; unremarkable buildings built new in the 1960s and 1970s; and more modern buildings done in a variety of architectural styles.

In recent years, the City has adopted design standards for new commercial buildings in an attempt to tame the architectural chaos that was taking place. Rather than create an artificial theme, the design standards simply call for elements that are compatible with the “Cascadian” style that characterizes Mt. Hood’s Timberline Lodge, built by Portland-area craftsmen employed by the Works Progress Administration during the Great Depression. Exceptions to the standards in the downtown core preserve the historic character of existing clusters of buildings by encouraging infill development to complement the appearance of those buildings.

These standards have helped with new development, but the planning commission and city council wanted a mechanism to spruce up the existing, older downtown buildings. The City operates an urban renewal agency using tax increment financing, and it participates in the Main Street Program developed by the National Trust for Historic Preservation.

During the past decade, \$5 million has been invested in downtown public infrastructure including parking, sidewalks, streetlights,



COOL PRINTING Before and After

In cases where the property owner wanted more extensive structural improvements such as a new roof or additional square footage, the City provided matching grants on a sliding scale.

DOLLY'S Before and After

and burying utility wires. The time seemed right to direct some of the urban renewal funds to improving the storefronts of private buildings. City staff explored the matching grant programs offered by other communities and worked with the Main Street committee to tailor a program to meet local needs.

In the middle of this process, this article's coauthor, Tracy Brown, attended a national Main Street conference in Chicago. The recession had caused a sharp decrease in subdivision activity, so he had time to serve as Sandy's Main Street coordinator in addition to planning director. At the conference, Randy Wilson of Community Design Solutions described a program he had used in South Carolina to spruce up entire blocks of downtown buildings at the same time.

The innovation in this approach was to buy the cooperation of the building owners by paying 100% of the cost. At the same time, money was saved by having a single contractor do all the work, which reduced the overhead and mobilization cost of multiple individual contracts.

How the Program Works

This idea was shared with the city council and other main street leaders in Sandy. The consensus was: "Let's give this a try." Here are the elements of Sandy's Master Plan Facade Program:

A total of \$1.8 million in urban renewal funds was budgeted for the project over 6 years. This is a large investment in private buildings. But with only 1/3 of the funds spent so far, the impact on the appearance of the City has been more dramatic than the result of the \$5 million spent to date on sidewalks, street lamps, and other public improvements.

City staff worked closely with an architect in designing the program. The architect, Ralph Tahan, had also helped establish the design standards for new construction. He was masterful in evaluating buildings, sketching improvements, and working with building owners and the contractor.

The architect and Sandy staff members first "triaged" all existing buildings, with a goal of maximizing the visual impact of the city's investment.

The team then met with the owners of the targeted buildings. The final design was arrived at by mutual consent, but because the City was picking up the full cost consensus was easily reached in most cases. A picture is worth a thousand words, and the architect was skilled at sketching concepts on tracing paper and using a digital display board to dress up the digital images of the buildings.

The out-of-town owner of a typical, boxlike 7-Eleven store, when seeing the Cascadian embellishment proposed for his building, said, "Tell me again: you're paying for all this?"

In the end, the City did require a 1% match, but even for the most expensive project—a \$50,000 makeover of a concrete building at the gateway to the downtown—the owner quickly agreed to his \$500 contribution.

Each property owner signed an easement allowing the City to perform the work on the building and agreeing to maintain the improvements for at least seven years.

A single contract was bid for the first batch of building improvements. The resulting economy of scale, in combination with the depressed construction prices caused by the recession, allowed the City to stretch its dollars. In the first phase, 11 buildings were improved for a total cost of about \$310,000, not including architectural fees.

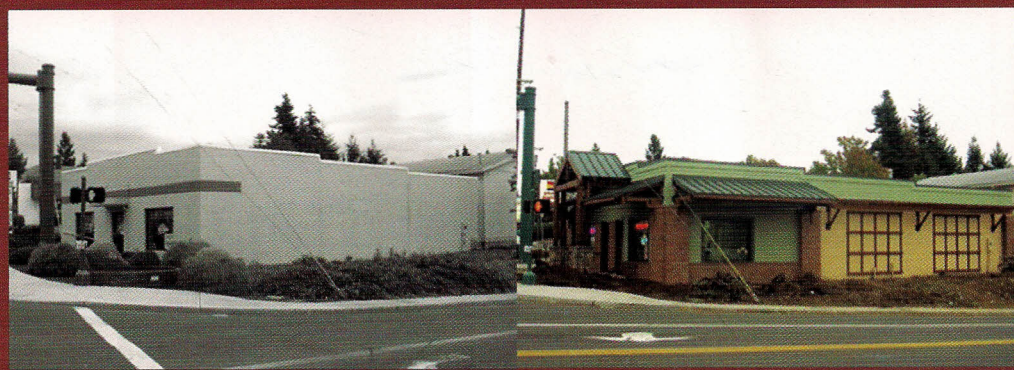
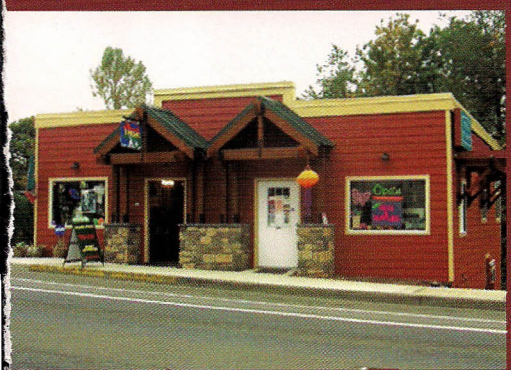
The program did not cover such major structural changes as new roofs or additional space, but it did cover—depending on the condition of the building—new windows, doors, awnings, siding, paint, stonework, and the heavy timbers characteristic of Cascadian architecture.

Results

The contractor worked from one end of the downtown to the other during the summer of 2010, and the results of this first phase of the project were dramatic. With the proximity of the Mt. Hood and central Oregon recreation areas, traffic through town peaks in the summer, and many visitors stopped to comment on how good the place was looking.

Other property owners then wanted to jump on the bandwagon. The owners of two buildings—a historic log structure and a former grocery store—decided to make major structural improvements, including new pitched roofs and expanded space. The city provided matching funds on a sliding scale (80% up to \$5,000, 50% for the next \$45,000, and 30% for more than \$50,000), but the owners made investments in their buildings that exceeded the city's requirements.

One concern expressed by business members of the Main Street committee was that the building owners would have relatively little skin in the game. As it turned out, though, many of the owners or their tenants made concurrent investments in sprucing up the interiors of the building or redoing the outside landscaping.



Sandy, Oregon, paid 99% of the cost of improvements to the façades of selected buildings, allowing the City to exercise a high degree of control over the timing and design of improvements.

SANDY GLASS Before and After

The City's dollars leveraged building owners' investments in interior tenant improvements and exterior landscaping improvements, which are still in progress in the "after" photo.

Even in the midst of the recession, new businesses began opening in the downtown. One older building with several tenant spaces went from 100% vacancy to 100% occupancy, and the owner of the building, who was still on the waiting list for the facade program, immediately invested in upgrading the lighting and HVAC systems.

With the excitement generated by the program, the Main Street committee launched an event series, First Fridays, that included wine tasting, music, art displays, and sidewalk sales throughout the downtown. In spite of rainy spring weather—not a big surprise in Oregon—the series of Fridays was a huge success, and the participation rate by businesses has skyrocketed. Other activities and events have followed.

Lessons Learned

The city approached this as a pilot program and an experiment and kept careful note of what was working and what wasn't. A few of the lessons learned so far:

As a practical matter, it might be necessary to place a cap on the owner's cost. Given the reality of older buildings, the city's contractor sometimes uncovered such structural problems as dry rot. Ideally, this would remain the building owner's financial responsibility. Without a cap, owners of old buildings might be reluctant to participate if they are afraid of what they'll find when the building skin is removed.

In one case, the building owner, who was the landlord, enthusiastically supported the proposed improvements but didn't communicate with the owner of the tenant business (a restaurant) who had other ideas about such improvements as paint color and deck material. Legally, the city could have proceeded without the business owner's buy-in, but in the interest of peace and harmony the project was put on hold for a year until a compromise could be reached.

Different circumstances may require different approaches. Working with a single contractor made it easier for the staff to manage the project. But, especially because many small, local contractors are out of work, we are considering a general contractor–construction manager approach for the next phase, when small local firms can bid for parts of the subcontract work.

The program needs to have built-in flexibility to deal with the unknowns inherent in working with old buildings. A new awning was a key component for one of the building makeovers, but the contractor soon discovered that the 80-year-old building couldn't hold the awning as originally designed. The project was set aside for the next phase to give the architect a chance to rethink the design.


Be prepared for problem negotiation along the way. The contractor wasn't given detailed engineering and architectural designs for each building but was instead given drawings and descriptions of the expected outcomes. The architect worked closely with the contractor when problems came up, and the city had to negotiate when the contractor asked for more money to address the unexpected problems. This is simply the reality of remodel work.

Community Support

A 99% grant program for private storefront improvements with no fixed limits is certainly more expensive than, say, 50% grants limited to \$5,000 each. But Sandy's concept of much larger grants was the key to moving the city from its role as a passive spectator to an active participant in upgrading the appearance of an older downtown.

The city was in the driver's seat as it selected which buildings would be treated, and how. And sprucing up many buildings in a brief period of time suddenly created a critical mass that spurred other investments and downtown activities.

The business owners were enthusiastic about the project in spite of the temporary mess during construction, and the community has supported the program strongly. Even though public, tax increment funds were used, residents are proud of the way their city is looking.

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