ECONOMIC DEVELOPMENT COMMITTEE MEETING
WEDNESDAY, MAY 27, 2009
ROOM 2404-7:30 P.M.

AGENDA

I. CALL TO ORDER

II. INTRODUCTION OF NEW EDC MEMBERS

III. CONSIDERATION OF THE EDC MEETING MINUTES OF APRIL 22, 2009 (DOCUMENT ENCLOSED)

IV. NORTH SUBURBAN AUTOMOTIVE SUPPLY COMPANY REQUEST FOR FAÇADE IMPROVEMENT FUNDING (DOCUMENT ENCLOSED)

V. COMMUNICATIONS
   1.) APRIL 2009 RETT REPORT
   2.) DOWNTOWN IDEA EXCHANGE: "DOWNTOWN VACANCIES: LET'S GET REAL"

VI. ADJOURNMENT

NEXT SCHEDULED EDC MEETING: JUNE 24, 2009

The City of Evanston is committed to making all public meetings accessible to persons with disabilities. Any citizen needing mobility or communications access assistance should contact David Cook, Facilities Management Office at 847/866-2916 (Voice) or 847/448-8052 (TTY).
III. ENCLOSURE: Economic Development Committee Meeting Minutes of April 22, 2009
ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES
OF WEDNESDAY, APRIL 22, 2009
ROOM 2404-7:30 P.M.


MEMBERS ABSENT:  Ald. Moran, Daniel Mennemeyer

PRESIDING OFFICIAL:  Ald. Tisdahl, Chair

OTHERS PRESENT:  Ald. Holmes

STAFF PRESENT:  Martin Lyon-Asst City Manager, Dennis Marino-Interim CD Director, Morris Robinson-Econ. Dev. Planner

OTHERS PRESENT:  Dickelle Fonda, Julie Westbrook-Dempster/Dodge Neighborhood Association, Gina Speckman, Exec. Director-CNSC&VB, Board Members/Merchants/Advisers-CNSC&VB, Robert King-Pres., Carroll Properties et al, Jonathan Perman, Exec. Director-Evanston Chamber of Commerce, Carolyn Dellutri-Executive Director, EVMARK

SUMMARY OF THE MEETING:

I.  Chair Tisdahl called the EDC Meeting to order at approximately 7:34 P.M.

II.  Chair Tisdahl introduced new committee member Mr. Raymond Zenkich to the Economic Development Committee and audience.

III. APPROVAL OF THE EDC MEETING MINUTES OF MARCH 25, 2009

Chair Tisdahl asked for a motion to approve the March 25, 2009 EDC Minutes. Ald. Jean-Baptiste moved approval of the EDC Meeting Minutes of March 25, 2009 with a date correction suggested by staff member Morris Robinson. Ald. Wynne provided a second and the EDC voted unanimously to approve the minutes.

IV.  DEMPSTER/DODGE NEIGHBORHOOD ASSOCIATION REQUEST FOR NEIGHBORHOOD IMPROVEMENT PROJECTS FUNDING

Chair Tisdahl announced that the first business agenda item was a request for funding for neighborhood improvement projects by the Dempster/Dodge Neighborhood Association.
Staff member Dennis Marino quickly informed the EDC of the origin of the funds requested by the association. In 1999 the City entered into a Sales tax revenue Sharing Agreement with Joseph Freed & Associates to facilitate the redevelopment of the Evanston Plaza shopping center located at Dempster and Dodge. The agreement obligated the developer to contribute $20,000 a year, not to exceed the aggregate amount of $200,000 to a Neighborhood Improvement account (NIF). These funds are made available for the impacted neighborhood, with direct decision input from the neighbors in the community surrounding the Evanston Plaza shopping center, for improvement projects agreed on by the majority of the residents.

Staff member Robinson advised the EDC that the intent of the neighborhood association was to present two projects for consideration but had subsequently decided to remove the request for rain barrels from consideration. As such only one request for the landscaping of six cul-de-sacs was being presented for consideration at this time. Ms. Julie Westbrook, a representative for the association, explained to the EDC that although at the time the rain barrel idea was conceived it seemed like a good water conservation method. However, after conferring with other residents who had actual experience with using rain barrels it became apparent that the cons quickly surpassed the pros for using them. Some of the negatives included the limited capacity to actually capture significantly enough of the rain water during a heavy rainfall; the requirement for high maintenance to prevent a debris clogging, mosquito breeding habitat and the need to empty the barrels to prevent rupturing during the months when the temperature drops below freezing.

Ms. Dickelle Fonda, Also a representative for the neighborhood association, addressed the EDC for the cul-de-sac landscaping project proposal. Ms. Fonda explained that last year, when the association requested funds for was approved to landscape fifty corners in the impacted area the intent was to have six cul-de-sacs landscaped also. However, timing issue did not allow for the cul-de-sacs to be included in that proposal. Nature’s Perspective, located in the neighborhood provided the landscaping service for the fifty corners as well as a two year maintenance agreement. To date Nature’s Perspective has performed admirably well and the association chose them for the cul-de-sac landscaping restoration project proposed for this year (2009). Included in the EDC packet were an itemized quote and color photographs of the proposed plantings. Nature’s Perspective quote for the entire project to include a one year maintenance agreement was in the amount of $24,549.85, of which $4,800 represented the one year maintenance agreement.

Collectively the EDC expressed their support for the proposed landscape design although the cost appeared to be high for some members. Ald. Rainey raised the issue that as nice as the landscaping appeared to be, the association had failed to obtain three bids for the proposal.
Secondly, based on experience, advised the association representatives that the one year maintenance agreement was not adequate and a plan was needed to provide ongoing maintenance for the landscaped area. Ald. Wynne commented on how residents in other areas have voluntarily maintained common planted areas. Ms. Fonda explained that the neighbors routinely police the cul-de-sac for trash, but replacing dead trees, etc. was beyond the capacity of the neighbors. These observations led to a discussion regarding the role the City should take with regards to maintaining common planted areas throughout the city, an issue which needs to be resolved.

Ald. Rainey continued, reiterating that all projects over $20,000 required three bids. Staff member Marino stated that inasmuch as the funds request was a grant and since the fund balance were restricted to just this particular community, three bids were not essential in this case. Ald. Rainey disagreed and had assistant City manager/Director of Finance Martin Lyon confirm the city policy. Staff member Robinson informed the EDC that Evanston based businesses were also entitled to a 5% preference in their bid quotes. Other EDC members offered possible solutions with Ald. Jean-Baptiste suggesting the removal of the amount of $4,800, the cost for the one year maintenance agreement which would then reduce the project cost to $19,749.85, under the $20,000 threshold requirement for three bids. Additionally, because the planting season is now underway, delaying the proposed project could impair the success of the project. After continued discussion on the merit of the suggested compromise, chair Tisdahl asked for a motion.

**ACTION TAKEN:** Ald. Jean-Baptiste moved to recommend approval of the Dempster/Dodge Neighborhood Association’s request for a grant in the amount of $19,749.85 for the proposed landscaping project, to be performed by Nature’s Perspective for six specifically noted cul-de-sacs in the impacted neighborhood. Member Creamer provided a second for the motion. During the call for the question period, Ms. Fonda asserted that the association would acquire three bids for a multiple year maintenance agreement for the cul-de-sacs and present the agreement proposal to the EDC for consideration at a future EDC Meeting. Chair Tisdahl called for the vote and the motion was passed with six affirmative and one no vote cast by Ald. Rainey.

**V. CHICAGO’S NORTH SHORE CONVENTION & VISITORS BUREAU ANNUAL REPORT AND REQUEST FOR FUNDING SHARE**

Chair Tisdahl informed the EDC that the next agenda item was a presentation and request for financial assistance from the Chicago’s North Shore Convention & Visitors Bureau. Ms. Gina Speckman, Executive Director, introduced herself to the EDC.
Ms. Speckman thanked the EDC for the opportunity to report on the successful marketing efforts of the past year to promote the City of Evanston as a premier destination to leisure visitors and tour and business groups. Ms. Speckman informed the EDC how the original Evanston Convention & Visitors Bureau has grown from a local organization with a budget of $200,000 to a regional association with other north shore villages with a budget of $1,000,000. With Evanston’s close proximity to the city of Chicago, Evanston will continue to benefit from the CNSC&VB marketing efforts. Ms. Speckman informed the EDC that the CNC&VB packets previously distributed to the EDC members contained the budget information and various marketing collateral material. Also distributed at the meeting was advertising collateral material for the upcoming CMS Expo Learning & Business Conference to be held on April 30, 2009 thru May 1, 2009 at the Orrington Hotel.

Ms. Speckman emphasized how important the annual financial support from the City is to the CNSC&VB operating budget and explained how the funds together with the proportional contributions from the other supporting municipalities, Northwestern University and Hotels are used in the most beneficial way. The CNSC&VB also won a Best Sales Promotion award and more will be done in promoting the city during the coming year.

Ald. Rainey in particular and the other members of the EDC complimented Ms. Speckman on the excellent job she does with the bureau and encouraged her to continue in the same manner. Member Zenkich asked if there were any metrics used to determine how effective the marketing efforts were. Ms. Speckman’s response was affirmative and she directed Member Zenkich’s attention to the data in the packet which documents booked business resulting from a marketing contact. Staff member Robinson noted that although it is anecdotal, the number of satisfied Evanston merchants and hoteliers in the audience was evidence of the effectiveness of the CNSC&VB marketing efforts.

Ms. Speckman advised the EDC that she and her CNSC&VB board are acutely aware of the challenging economic conditions but stressed that it is even more important to support the hospitality industry to serve as engine to aid the economic recovery on the North Shore. Ms. Speckman advised the EDC that the request for funding in the Amount of $65,563 is flat from last year and asked for the amount to be favorably considered. After a brief discussion Chair Tisdahl asked for motion.

**ACTION TAKEN:** Ald. Jean-Baptiste moved to recommend approval to provide funding in the amount of $65,563 as the City of Evanston’s proportional share of the operating budget of the Chicago’s North Shore Convention & Visitors Bureau. Ald. Wynne provided a second and the EDC approved the measure with a unanimous vote.
VI. CARROLL PROPERTIE REQUEST FOR FINANCIAL ASSISTANCE FOR PROPOSED MIXED USE RENTAL RESIDENTIAL DEVELOPMENT PROJECT AT 1890 MAPLE

Chair Tisdahl informed the EDC that the next agenda item was a request from Carroll for financial assistance. Staff member Marino introduced Mr. Robert Rychlicki with the firm of Kane/McKenna, who serves as the consultant to the city. The EDC members had been provided with an Executive Summary and an extensive but Preliminary Public Assistance/Financial Review which was included in the meeting packets. Mr. Rychlicki informed the EDC that the developer originally requested assistance by way of the soon to be terminated (12/31/09) Downtown II TIF District fund balance but they were ineligible.

The developer has proposed a residential rental, mixed use project consisting of 176 rental units; 18,000 square feet of commercial space at a construction cost of $59,828,529. Mr. Rychlicki stated the developer has requested financial assistance contingent upon attracting an acceptable specialty grocery store for the proposed development project. Specifically, the developer is requesting:

a.) A non TIF related, pay as you go, **Real Estate Tax Sharing Agreement** with a 50%-50% split of the City’s portion of the incremental increase of the property tax assessment for the subject property, generated over a 20 year period and capped at $1.9 million to the developer. The year 2007 is proposed for the base year and incremental increases would be calculated annually by the City and the 50%-50% split applied.

b.) The developer also request a **Sales Tax Revenue Sharing Agreement** based on grocery sales (not Liquor) generated from the specialty grocery store tenant in an amount not to exceed $11.00 per square foot for a period of 15 years utilizing the City’s 1% local distributive share of tax receipts.

The size of the grocery store can range from 13,000 square feet to 18,000 square feet and the rebate is contingent upon the developer achieving a $38.00 per square foot rental rate. In the event the developer is unable to obtain the $38.00 rental rate, the sales tax rebate would equalize the difference with a floor of 427.00 per square foot. As an example, Mr. Rychlicki stated that if the grocer signs a lease for $30.00 per square foot the rebate would be $8.00 rather than $11.00. However, the target rental rate is required to achieve market project returns. Mr. Rychlicki informed the EDC that financial assistance is dependent on the developer agreeing on conditions contained in the Term Sheet attached as Exhibit A of the Review. Specifically the developer agrees that the project must be completed with an open and operating grocery store as well as a proven rental occupancy rate of 60%. Mr. Rychlicki informed the EDC that pro-formas indicate without assistance the project rate of return would be below market rates but with assistance the project market thresholds are obtainable which allows for lender and equity investments.
Mr. Rychlicki provided the EDC with two examples of projected tax revenue scenarios and explained that the annual property tax for the property for 2007 was $19,340 and $40,000 for 2004 and 2006 when the property was partially occupied. When developed as proposed the annual tax range will be $163,000 to over $260,000 over 20 years. In addition the school tax revenue projections dramatically increase with the higher range projection assumptions indicating District 65 receiving $7,513,100 and District 202 receiving $5,227,978. Similarly the sales tax projection assumptions indicate the developer would receive $2,145,000 over 15 years and the city would net $878,315 over the same period of time. The City would also receive 100% of the liquor tax in the projected amount of $2,176,787 over the same 15 year period.

Mr. Rychlicki concluded his review by explaining caveats of which the City should be cognizant. Ald. Wynne raised her hand to be recognized and was vehement in her objection to the financial assistant proposal describing it as a bailout and bad precedent setting. Ald. Wynne questions the purpose for the City to undertake such machinations to provide financial assistance for this particular project.

Ald. Jean-Baptiste intervened, stating that Ald. Wynne has been against this approved development project from the beginning and that the project was not a bail out. The city has engaged in sales tax sharing agreements several times in the past and although the real estate increment sharing is unique. Further stating that in downturn economic times such as these staff should be commended for exploring and presenting creative ideas for consideration. The circumstances concerning this development project is a good example of the “but for the assistance would this project be able to be completed and the answer is no.

Ald. Rainey recounted the early history and problems caused by the property and expressed her support for the assistance citing the significantly increased real estate taxes the school districts will receive; the comparatively revenues generated currently as opposed to the potential revenues generated from the project; the need for continued development revitalization in that section of the downtown, particularly since the Downtown TIF District is scheduled to terminate on December 31, 2009 and its pay as you go, the City has no exposure. Ald. Rainey also noted that the developer owns the property and could optionally raze it to the ground if he had to leaving an empty lot producing very little revenue.

Member Seth freeman asked for Chair Tisdahl’s thoughts. Chair Tisdahl wanted assurance that the City would retain its share of the liquor taxes regardless of the performance of the revenue sharing agreement and expressed her opinion that the two revenue sharing plans should be separated which the other EDC members agreed.
Member Creamer spoke next, expressing his reasons for not supporting the financial assistance proposal and shared the same concern as Ald. Wynne for the precedent setting nature of the aid requested by the developer. Ald. Wynne once again expressed her displeasure with the project and Ald. Jean-Baptiste reiterated the position that the issue is about governance; that the City Council has demonstrated that the City wants this project in that the Council majority voted to approve it many months ago.

Chair Tisdahl asked if there were more questions and if not called for a motion.

**ACTION TAKEN:** Ald. Jean-Baptiste moved for the Economic Development Committee to recommend approval for:
1.) Financial assistance to the developer by way of a Property Tax Reimbursement Program, with funds provided by rebating 50% of the City’s share only, of the incremental real estate taxes generated from the new development project, with a maximum reimbursement not to exceed $1.9 million; the agreement is conditioned on 60% of the rental residential must be leased and the City reserves the right to recalibrate at the time of lender commitment to the project.

The EDC voted 5 yeas and 2 nays cast by Member Creamer and Ald. Wynne to recommend approval for the motion.

2.) Financial assistance for the developer of 1890 Maple by way of a Sales Tax Revenue Sharing Agreement not to exceed 15 years, which will reimburse the developer $811.00 per square foot, only and solely for a specialty grocery store of not less than 12,000 square feet. The agreement is conditioned on an executed lease with the grocery store and retail opening and operation of the store; the City reserves the right to recalibrate the level of rebate assistance based on the lender commitment and the rent rate stipulated in the executed lease with the grocery store and any other commercial uses; The ability for the City to recalibrate the level of diminution of liquor taxes projected will occur for the entire agreement period of 15 years.

The EDC voted 5 yeas and 2 nays cast by member Creamer and Ald. Wynne to recommend approval for the motion.

**VII. COMMUNICATIONS:** The articles and data reports contained in the EDC packets were acknowledged.
VIII. FAREWELL TO EDC MEMBERS ALD. MORAN AND ALD. TISDAHL

The members of the Economic Development Committee and City staff bid a fond farewell to Ald. Tisdahl and Ald. Moran in absentia; this was the last EDC Meeting as members for both.

IX. ADJOURNMENT: There being no further business, Chair Tisdahl adjourned the meeting at approximately 9:45 P.M.

The next scheduled Economic Development Committee Meeting will be held on Wednesday, May 27, 2009 at 7:30 P.M. at the Civic Center in Room 2404.

Respectfully submitted,

Morris E. Robinson
Economic Development Planner
IV. ENCLOSURE: North Suburban Auto Supply Request for Façade Improvement Funding
May 21, 2009

To: Chair and Members
   Economic Development Committee

From: Dennis Marino, Interim Director of Community Development
      Morris Robinson, Economic Development Planner
      Carlos Ruiz, Preservation Planner

Subject: Request for Matching Grant for Storefront Improvement for North Suburban Automotive Supply Company: 641-43 Howard Street

Since 1964, North Suburban Automotive has occupied a larger corner commercial building at the corner of Howard and Custer. The ownership has committed to a significant rehabilitation of its facility at a cost of $135,000 - $150,000, featuring a substantial improvement of the Howard Street storefronts to occur in 2009. The improvement program will potentially provide smaller retail spaces for new businesses on Howard Street, in addition to enhancing the appearance and functionality of North Suburban Automotive. The exterior renovation will include new storefront framing with insulated glass, double door entrance, colored aluminum panels above the windows, and a red brick finish façade at the lower portion of the building.

Staff recommends that the EDC recommend to City Council a maximum grant of $40,000, to be provided on a dollar per dollar matching basis in the form of a reimbursement once the owner has incurred an expense of $80,000 and completed the project. The owner projects investing three times the City grant which staff believes will lead to other private investment on this part of Howard Street. Custer and Howard is considered by staff to be the anchor corner for a revitalized retail corridor on Howard Street, as recommended by a Tracy Cross study in 2001 that contended that the Howard Street retail district should shrink and be concentrated at Howard and Custer.

The creation of attractive new storefronts in space currently used by North Suburban Automotive also would generate additional quality businesses on Howard Street under the control of a responsible business owner. The objective of concentrating a critical mass of retail businesses on this block could help move Howard Street towards the goal of incremental economic revitalization. This recommended grant is consistent with the City’s strategic goal of retaining existing businesses and helping them expand. It also addresses the strategic goal of attracting new businesses by creating three new storefronts.

The owner of North Suburban Auto, Larry Kaufman, will be available during the EDC meeting to make a presentation and respond to questions. Mr. Kaufman has witnessed many changes on Howard Street during his 45 year tenure and has been a stalwart in
difficult times and is playing a leadership role in stimulating revitalization with his investment and example. North Suburban currently employs eight people.

Enclosed is a letter from Larry Kaufman requesting economic development assistance and an elevation submitted as part of the permit set of plans for the project. The source of proposed funding for this matching grant is the Economic Development Fund.
NORTH SUBURBAN
AUTOMOTIVE SUPPLY COMPANY
641 - 43 HOWARD ST. • EVANSTON, IL. 60202
(847) 328-7400

May 15, 2009

Mr. Dennis Marino
Director of Community Development
City Of Evanston
2100 Ridge Avenue
Evanston, Illinois 60201-2798

Via Facsimile

RE: 637-41 Howard Street
Exterior Building Renovation

Dear Mr. Marino;

I am writing to inform you that we have started the exterior renovation of the above referenced building located at the Northeast corner of Howard and Custer.

North Suburban Auto Supply (established in 1961) moved into the Howard Street location as a tenant in April of 1964. At the time the building consisted of several store fronts and was occupied by other small business owners. In 1967, we had the opportunity to purchase the building. As time went on and after experiencing successful growth, North Suburban grew and eventually occupied the entire building space. This occurred at a time (late 1960’s and 70’s) when Howard Street was a beautiful and thriving business Street. To keep up with the times we modernized the exterior with a new facade and made some improvements to the interior.

Over the past twenty plus years Howard Street has experienced a downward trend due to the high crime rate in the area and as a result many small business owners have been hurt. Property owners, such as me, have been reluctant to invest in improvements to their buildings. Today, I feel there is a change for the better coming to Howard Street. A new generation of store owners, the positioning of the Evanston Police Outpost, and most importantly, the effort that the city and the Council is making to help make Howard Street the productive and safe place I once knew it to be.

I have begun a total exterior renovation that includes new store front framing with insulated glass, double door entrance, colored aluminum panels above the windows, and a red brick finish façade at the lower portion of the building. Interior work will also be done. I believe that what I am doing will help create much interest of other building owners along Howard Street. The costs ($135,000-$150,000) of the improvements are huge for me as a small business owner. Therefore, I am asking for your consideration for Economic Development Façade reimbursement in the amount for which I qualify.

If there are any questions, please contact me at (847) 542-8947.

Respectfully submitted,

Larry Kaufman

Cc: Alderman Ann Rainey
    Sarah K. Flax, CDBG Administrator
V. ENCLOSURE: Communications

1.) April 2009 RETT Report
2.) Downtown Idea Exchange: “Downtown Vacancies: Let’s Get Real”
MONTHLY RETT REPORT FOR APRIL 2009

DATE: May 12, 2009
TO: Mayor and Aldermen
FROM: Rodney Greene, City Clerk

SUBJECT: RETT Report--April 2009

Budget 2009-10 $3,000,000

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*April 09 revenues were reduced to reflect these expenditures: FedEx $43; Elaine Jacobson $260 <$303>

Monthly average needed to meet Budget $250,000
FY 2009-10 Monthly Average $93,655

32 exempts @ $100 ea = $3,200; CUMULATIVE $8,000

There was one $1 million sale in April 2009.

04-14-09--1410 Chicago Ave., $5,600,000; Tax $28,000; Seller-Evanston Building Partnership; Buyer-Chicago II
Perspectives

Downtown vacancies: Let’s get real

By N. David Milder

Far too often, concern about the number of empty storefronts in a downtown reaches distorted and needlessly injurious proportions. This was true before our current recession and now it threatens to become an even more serious problem. It’s critical for downtown leaders to view the vacancy rate issue from a realistic perspective.

For example, a few years ago, when I was managing a district, the mayor and I often would go around the block about our vacancies. My protestations that our vacancy rate of 2.6 percent was very low, and one that most other districts would love to have, were dismissed — the mayor wanted a zero vacancy rate. I tried to explain that a zero rate actually would be unhealthy for the district because it would keep out new business blood and thus make the district stale, perhaps even ossified. This argument, too, gained no traction. And this mayor is a very bright and likeable guy.

Today, many downtown leaders and local politicians are seeing growing vacancies as omens of doom. In past recessions, DANTH Inc. had projects in downtowns where the vacancy rates were in the 18 to 20 percent range. Looking just at the vacancy numbers is deceiving. High numbers are not a death warrant.

Within a year, the downtown with the 20 percent rate recruited several trophy retailers and substantially reduced the number of vacancies. A few years later it was being cited as a veritable model of downtown revitalization.

Similarly, the other downtown reduced its vacancy rate to 12 percent in less than a year and to 6 percent after 18 months. Today it reports few vacancies.

A recent canvass of 14 downtowns showed four with vacancy rates of 10 percent or higher. But: Two of those downtowns had actually reduced their vacancy rates substantially during 2008 from 2007: one dropped to 11.2 percent from 14.1 percent and the other to 11 percent from 15 percent.

Another of the canvassed downtowns reported a 13.3 percent vacancy rate. On the other hand, it still had at least six new stores open, some of which promise to be strong. What’s more: A supermarket is doubling its size, a new nursing home with new ground floor retail space is about to be built, 14 residential units are being added to the floor above an existing 15,000 square feet of retail space, and McDonald’s will be renovating a 100-plus-foot facade on the main drag.

Most of the canvassed downtowns reported new shops were opening, even when the district managers felt the vacancy rates were much higher than they would like.

In the vast majority of downtowns a very significant proportion of the storefronts normally are occupied by marginal operations. Very often, marginal businesses are badly managed and do little to foster a positive image of the district. In a recession marginal firms have a high probability of failing. Some marginal firms are not small — many national retail chains are now out of business because mismanagement put them on the financial brink and the recession pushed them over.

The vacancies that result from
Considerations and challenges abound in rehabbing upper floors for residential use

— continued from page 1

having more people living downtown also bodes well for program funding and policies that favor downtown. “Because it puts voters in the district, and these residents will be supporting downtown’s interests,” says Thom Guzman, director of the Iowa Downtown Resource Center at the Iowa Department of Economic Development, which works with about 200 communities each year.

Some downtowns have had success with upper-floor housing development, but inherent obstacles still make it challenging.

Understand what your resources are

As with any good downtown revitalization strategy, begin addressing upstairs housing by evaluating what you have to work with. Walk-through building tours should give a good preliminary sense of what the conditions are. Each building should also be carefully assessed in the following areas:

- **Size**
  - Square footage per floor
  - Total square footage (exclude basement)
- **Structure**
  - Floor capacity (allowable load in pounds per sq. ft.)
  - Combustible or non-combustible systems and separations
- **Architecture**
  - Egress (number of stairs)
  - Natural light and ventilation
- **Environment**
  - Prior industrial use
  - Asbestos (professional survey required)
  - Lead paint.

Usually, older downtown buildings have a decent floor capacity for residential use, says Tim Reinders, a design consultant with Main Street Iowa, but asbestos and lead paint are huge issues to beware of. Every so often, the adverse conditions you’ll find through inspections are completely unexpected.

“Sometimes, the fact that we don’t build things like we used to is actually an improvement. Go through and analyze each building, because you can’t assume anything,” he says.

Work hand in hand with code officials to address concerns

“IT’s also very important, when you do this walk-through, to bring city code officials to get them to understand and discuss what some of their issues are with this renovation,” Reinders adds.

Remember, it is not the code official’s job to make any building project feasible. Nevertheless, they are invaluable partners to discuss building rehab options and opportunities with, as variances are often needed.

Converting the upper floors of two-story buildings to residential use is relatively straightforward in terms of meeting codes and accessibility requirements. But as buildings go to three stories and higher, things become more complicated, with special concerns being egress, ceiling construction, and fire separation between floors. Higher accessibility requirements are also placed on buildings with over 3,000 square feet per floor.