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**To:** Chris Zimmerman, Smart Growth America  
**From:** Boris Borisov, City of Spokane  
**Subject:** Smart Growth America, Planning for Economic and Fiscal Health Workshop 12 month report  
**Date:** December 7, 2016  
**Cc:** Robert Benner

The City of Spokane participated in the Economic and Fiscal Health workshop facilitated by Smart Growth America in September of 2015. The workshop was attended by a diverse group of approximately 40 stakeholders. Below is our 12 month report to address specific recommendations provided in the Next Steps Memo dated December 7, 2015. It is important to note that while our 6 month report introduced bold steps in moving forward on the recommendations, this 12 month report is an update on the incremental steps taken in each of the categories already reported on. The City is making good progress towards revitalization efforts in partnership with community leaders.

### **Focus the effort**

*Focus within the focus area: the East Sprague TIP area is big*

- Since our last report, The City has continued to work with business and residential leaders from the East Sprague Corridor and surrounding area to focus attention, resources, and design decisions within the identified focus area of East Sprague Avenue. While streetscape features will be installed throughout the entire project, a four block focus area has been selected between Madelia Street and Crestline. The next public meeting with area stakeholders is scheduled for December 15, 2016. Stakeholders and city staff will review the current design to ensure that details and desired amenities have been included in the current project design. This project is expected to go out to bid on February 1, 2017.

*Start by getting a few really good blocks*

- In our last reported we provided details on decisions made by community leaders to include additional features in the four block focus area. These include additional pedestrian lights, flower baskets, full sidewalk rebuild (allow for up to 12 foot sidewalks). In addition, the project will feature pavement resurfacing, a higher density of streetscape amenities and stormwater solutions. The goal of these changes is to greatly improve the pedestrian environment in the focus area and positively impact retail activity in the district. These decisions were transferred to the City for design and engineering.
- Originally, the project was scheduled for construction in summer/fall of 2016 but had to be pushed to the spring of 2017 in order to avoid a two season construction project which would have resulted in street closures over the winter months. The postponement of the project afforded businesses, property owners, and the City to address individual needs of businesses including an opportunity to

upgrade water service in conjunction with the street project and more time to prepare for construction. To date 10 property owners have inquired about utility upgrades to over a dozen parcels within the project boundaries. Final decisions and payment for utility upgrades are required by the end of December, 2016 in order that the upgrades are included in the final project scope for construction in spring 2017.

*Make sure to fill the space in the small area, leaving no empty “missing teeth.”*

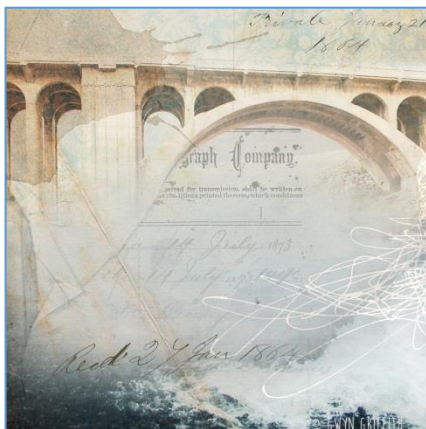
- Business recruitment efforts continue, focusing on filling vacant or underutilized parcels in the project core area. In our 6 month update we reported the opening of five new stores (4 Degrees , Graceful Gift Baskets, Street Fit, University District Mercantile, and the Rail Creek Furniture Store – Clearance Center). Since that time two stores opened including Tiger Tattoo and Deliberate Strength. Additionally, several more buildings have changed hands and work to renovate buildings inside and out are taking place. The most prominent of those buildings being the historic McKinley School which has been purchased and is being envisioned as a mixed-use community gathering spot, with a brewery/distillery, a restaurant, and office space among other potential uses. We expect recent property transactions to lead to more attractive building facades, upgraded and updated interior spaces and additional new establishments in the near-term.
- TIP Advisory Board and local business association members have turned their focus to issues around quality, affordable housing as well as education for businesses to thrive during construction. The first in what is hoped to be a series of peer-to-peer education sessions is being planned now. This first session will help businesses financially prepare for the construction season ahead.
- Staff and the local business association continue to connect willing property owners with potential buyers interested in district investment.
- District leadership and partners such as Window Dressing are continuing to work with property owners to decorate empty/underutilized storefronts with seasonal signage – since our last report, Window Dressing installed one display in time for viewing during the district’s 6<sup>th</sup> Annual Art on the Ave which was held the last Saturday in September (more details on this event below).
- Since our last report, Community Frameworks, a non-profit housing provider, completed the purchase of several lots on the corner of Madelia and Sprague and along 1<sup>st</sup> Ave. This project will replace the current car lot with 36 units of quality affordable housing. Community Frameworks has continued to work with the business association and district leaders to make changes to the design of the project to make it more compatible with the neighborhood. Construction has already begun and Community Frameworks is planning to have residents moving into these new units no more than one year after their groundbreaking.
- Frontier Behavioral Health has also decided to expand their facility within the project boundary. The groundbreaking on their expanded facility took place on December 6, 2016. In order expand their facilities a modest, but historically significant home was going to be demolished. Working together with the property owner and project staff an alternative was sought. Ultimately the home was moved a short distance and will be rehabilitated instead of demolished. This outcome is a win for everyone in the community.

*Go all out on the streetscape*

- While the focus area will have a higher density of features, the rest of the streetscape project will include:
  - Bump-outs and pedestrian islands
  - Stormwater separation
  - Street resurfacing
  - Repaired/replaced damaged sidewalks
  - Sewer and water connections
  - New signals at Helena and Napa for 3 lane configuration
  - Street and pedestrian lights (less dense than core area)
  - Trees near intersections
  - Upgraded bus stops
- These elements are now part of the final design. Construction was delayed and is expected to start in spring of 2017.
- The East Sprague Business Improvement District (created in April 18, 2016) is also working to obtain new district garbage cans that will match the appearance and quality of amenities installed as part of the streetscape project.

*Incorporate public art, trailblazing and wayfinding*

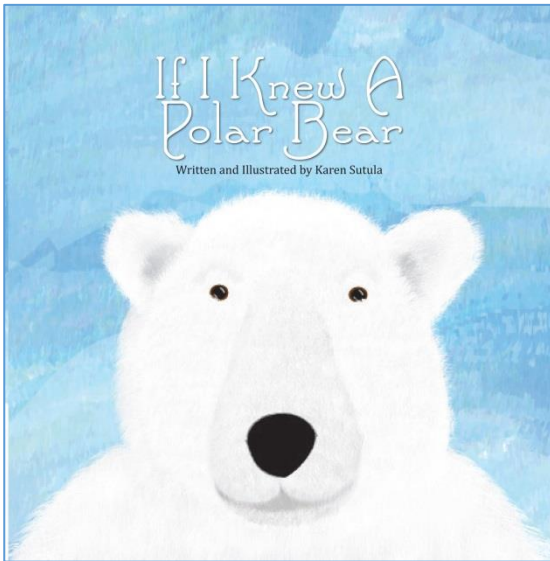
- The City and local stakeholders are continuing to seek opportunities for the use of public art in streetscape projects - particularly in the gateway areas (which are part of future phases of the streetscape work). The East Spokane Business association and newly formed BID are also working with a district-based set designer and the City to incorporate large temporary art installations at both ends of the project construction boundaries to entice people to continue to visit the district during construction.
- Members of the local business association continue to work with Window Dressing, a non-profit organization as well as owners of storefronts to place signage and public art installations in the area.
- The district held its 6<sup>th</sup> Annual “Art of the Ave” event on September 24, 2016. The event featured over 40 artists and musicians at a dozen host businesses. This event has been the focal point of community and culture in the district. As the new streetscape is implemented it will greatly improve the environment for this and other events. Examples of artwork displayed this year:



Artist: Gwyn Griffith



Artist: Michael Dinning



Artist: Karen Sutula



Artist: Melanie Cambell

*Bring every tool to bear to achieve near term success*

- Staff began actively implementing the city’s incentive program as well as those incentives specifically offered to the East Sprague area as one of the city’s six Target Incentive Areas. Aimed at spurring investment and redevelopment, incentives include impact fees due at occupancy, brownfield remediation, blight remediation, and waivers for general facility connections (water & sewer). Staff continues to market the program to developers, real estate firms, and individual business owners.

## East Sprague

Spokane’s Legacy Business Corridor

City Partnership Incentives Available	
\$	Historic Preservation Tax Exemption
	ROW improvement requirements waived prior to public investment
	Home Improvement Tax Exemption
	Multi-Family Tax Exemption
	General Facilities Connection (water & sewer) Waiver

*Incentives Handout for E. Sprague Target Area. For full document visit:*  
<https://my.spokanecity.org/business/incentives/> (click on East Sprague at the bottom of the screen).

- The City is reviewing and plans to remove self-imposed limits on housing rehabilitation dollars from HUD within the target area (allowing owner-occupied and rental rehab as well as facade/exterior work when done in combination with other health and safety work).
- Staff is continuing to work with the TIP Advisory Board on grant opportunities for commercial/residential facade improvements as well as grants for other TIP priorities such as additional open space and greening of the neighborhood, murals, and public art.

### Improve connections to the surrounding neighborhoods

- The East Spokane Business Association (ESBA) has continued its work with Spokane Regional Health District's (SRHD) Neighborhood Matters Program to incorporate the residents into the dialogue and activities of the district. In our last reported we highlighted a project to install lighting in the alleys. The Spokane Police Department in partnership with Neighborhood Matters, Avista Utilities, and the City of Spokane continued the progress on installation. We reported the installation of 150 lights in the alleys in the 6 month update. Since that time, an additional 45 lights have been installed in the project area. Spokane Police reports that since the installation of lights, quality of life type incident calls have decreased 28% in the first three quarters of 2016 when compared to 2015. Implementation of the alley lighting program will continue into 2018.



- The construction of the Ben Burr Trail connection is underway. Once complete, the trail will connect residents in this area to the Centennial Trail and to the extended neighborhood to the south on the opposite side of I-90.

### Establish place management

- East Sprague leadership worked with the City and Council to successfully create the East Sprague Business and Parking Improvement Area (passed April 18, 2016). This creates sustainable funding for district management. Over the last six months the district, in partnership with the City has accomplished the following progress:
  - Assessment roll hearing – This hearing approved assessments for each parcel in the district
  - Planning & Finance Departments worked to send out invoices to all ratepayers
  - City of Spokane collected funds per the BID ordinance
  - East Spokane Business Association submitted a proposal to contract for the funds collected

- A BID ratepayer board was established and met to create bylaws, goals, and procedures
  - The City of Spokane awarded the contract for BID management to the East Spokane Business Association (ESBA)
  - ESBA began utilizing the funds in November and December of 2016; the first project was a district wide clean-up effort that resulted in nearly a ton of trash being removed in two days.
- ESBA will continue to deliver services to BID ratepayers as outlined in the graphic below:

### EAST SPRAGUE BUSINESS IMPROVEMENT DISTRICT


#### Assessment Formula

Estimated Revenue	% Assessment based on LSF	% Assessment based on TAV	Total Parcels
\$58,592	75%	25%	234

Benefit Area by Zone	Minimums	Maximums	Rate per LSF	Rate per \$1,000 TAV
Center and Corridor (Zone 1)	\$200	\$1,000	2.5 cents	60 cents
General Commercial (Zone 2)	\$100	\$500	1.3 cents	30 cents
Industrial (Zone 3)	\$50	\$250	.6 cents	15 cents

#### BID Program

- Clean & Green**
  - District cleanliness, litter and graffiti removal, trash collection, landscaping and weeding
- District Beautification**
  - Twinkle and seasonal lighting, acquisition and maintenance of street furniture, district signage
- Branding & Marketing**
  - Marketing, promotions, event assistance, website maintenance
- Safety & Security**
  - Advocacy for increased patrols, crime prevention through design, exploration of security services and measures
- Administration**
  - Management, contracting and procurement, operations, and reporting
- Contingency Reserve**
  - Management of unanticipated events or maintenance



#### City Contribution

- Payment into BID as ratepayer
- On-going maintenance & repair of district irrigation systems
- Payment of district irrigation system water
- General maintenance, repair & replacement of streetlights
- Assistance with swales and storm water infrastructure

The BID does not result in reduced levels of City services.

*East Sprague BID Budget and Services*



*East Sprague Clean-up funded by the BID, November 2016*

### **Use complete streets to build value**

- Complete Streets principles will be utilized in the East Sprague rebuild project slated to begin spring/summer of 2017.

### **Improve Transit Service**

- The East Sprague Corridor currently has the most frequent bus service in Spokane (15 minute headways). It has also been identified as part of Spokane Transit Authority's high performance network. The city's design engineers are working directly with our partners at Spokane Transit Authority (STA) to ensure that the new street, sidewalks, pedestrian amenities, and bus stop bulb-out design will accommodate boarding at both front and back doors of transit buses which will help implement more frequent, high performance service.

### **Align regulations on private development with public goals for the sector**

#### *Parking*

- Centers and Corridors zoning in the East Sprague TIP area currently allow for significant reductions in parking. This includes the ability for commercial and housing developments to count adjacent on-street parking and bicycle parking toward the total parking requirements. In addition, change of use standards allows new uses that do not require more than five additional spaces to forgo additional parking requirements even if the prior use was non-conforming. Since our last report, staff has continued to monitor parking regulations and needs of emerging development. With the sale and proposed redevelopment of the McKinley School, staff and elected officials are working closely with the new owners to address and balance parking needs and concerns with desired redevelopment of the building and surrounding property.

#### *Commercial signage*

- Staff reviewed current sign codes to assess their friendliness towards small businesses and entrepreneurs. The City's current sign codes allows for awnings and marquees that contain signs to extend into the right-of-way. In addition, temporary signs are allowed in the right-of-way (sandwich boards, A-frame signs, etc.) as long as they do not impede pedestrian traffic and block views. Staff will continue to engage business owners to see if any changes are needed. So far, no complaints have been received about the current sign code in the area. Businesses continue to use the sidewalk space for temporary signage to promote their establishments.

#### *Use of public space*

- Spokane allows for the usage of sidewalks for commercial activities including sidewalk cafes. The city's ordinance views sidewalk cafes as a benefit to the public and the code aims to make the process of attaining a permit simple. As the City implements the streetscape project in 2017, the added sidewalk width in the core of the district will create more opportunity for sidewalk activity for E. Sprague businesses.

### *Encourage mixed-use developments*

- Current zoning along East Sprague allows for a mix of uses including residential on the first floor. The city may explore different options including form-based zoning in the future depending on market conditions and needs of the district.

### **Develop a comprehensive housing strategy for the area**

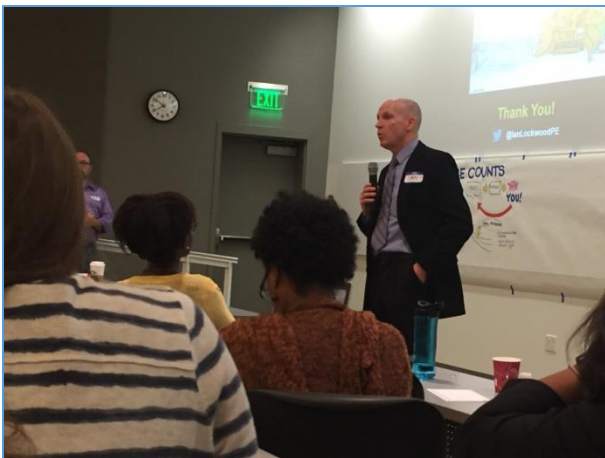
- The Housing Committee has outlined several goals including the rehabilitation, redevelopment and infill of 35% (approximately 100 units) of TIP area housing units and/or vacant lots. The committee also set an aggressive goal to increase home ownership to 50% from the current 30% to create a healthier, more stable residential mix of owner and renter occupied housing units. Another goal is to maintain the same percentage of affordable units into the future to address the negative consequences of gentrification. The housing committee also identified a gap in housing funding sources as issues. Current resources effectively act to further concentrate poverty in this area and do not address the need for a better mix of incomes and household types. Staff and stakeholders are looking for sources of funds and strategies to attract a wide range of income earners and household types in order to reverse this trend of concentrated poverty while planning for long term affordability in the area.
- By the end of the 2017 construction season the area is slated to have achieved approximately 30% of area's long-term housing goal as 36 new units of affordable workforce housing units are proposed and under construction by a local non-profit – Community Frameworks. Rebuilding Together also rehabilitated 6 area homes during the Cleaning from the Corridor event on April 23, 2016.
- The City's Community Housing and Human Services (CHHS) Department has provided HOME funding for two affordable housing projects in the Sprague TIP Area. The first is a project to renovate an existing home and attach three newly constructed townhouses. Two units will target tenants at 30% median income and another two will target those at 50% median income. The second project, which is still being considered - would assist in the construction of a duplex; the first unit would be affordable at 30% medium income and the second at 50% median income.

### **Resolve outstanding issues to stabilize the residential neighborhoods**

- District leadership and staff will continue engagement with Washington DOT to work toward resolution regarding the construction of US 395 (North Spokane Corridor) and impact on the neighborhood.
- The City of Spokane was awarded one of three Every Place Counts Design Challenge technical assistance grants from the US Department of Transportation. The two-day workshop assistance took place on Thursday and Friday, July 7 and 8, 2016. While the final report has not yet been released a key outcome of the event was to begin talking with stakeholders about the vision for community engagement and the values area residents wanted to see incorporated in transportation infrastructure, design, and function. The values identified as part of this process include:
  - Ensure public investment is used more strategically to lower the barrier and encourage private investment
  - Land users should be supported by planning, infrastructure, financial incentives, and long term assistance.



- Promote strategic redevelopment of private vacant land and right-of-way
- Private redevelopment and infill that reflects and serves the diverse community
- Public infrastructure should reflect the values of the community including the impacted neighborhood.



Every Place Counts Workshop & Public Meeting, July 7-8<sup>th</sup> 2016

CITY OF SPOKANE