



City of San Antonio

Agenda Memorandum

File Number:14-581

Agenda Item Number: 4.

Agenda Date: 4/16/2014

In Control: Infrastructure and Growth Committee

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: John Dugan (DPCD)

COUNCIL DISTRICTS IMPACTED: 2, 10

SUBJECT:

Briefing on the Northeast Corridor (NEC) Revitalization Initiative.

SUMMARY:

This item will provide a briefing to the Infrastructure and Growth Council Committee on the Northeast Corridor (NEC) Revitalization Initiative.

BACKGROUND INFORMATION:

The Northeast Corridor (NEC) Revitalization Initiative is a multi-year effort that was launched in FY 2013 to bring new vitality to the Perrin Beitel and Nacogdoches corridors. The NEC is a 1.8 mile commercial corridor that includes Perrin Beitel and Nacogdoches Roads and extends from Loop 410 to the south to O'Connor Road to the north. The NEC includes approximately 640 acres, 290 parcels and more than 460 businesses. The NEC was developed in the late 1970s and early 1980s as a community-serving suburban commercial corridor. Today the NEC is suffering from declining property values, resident dissatisfaction with retail offerings, poor aesthetics, and an unsustainable mix of uses. The corridor includes over 330 acres of vacant, underutilized, and blighted properties.

At the request of former District 10 Councilman Carlton Soules, funds were first allocated in the FY 2013 Budget to hire a Corridor Manager (Special Projects Manager) to develop and manage a revitalization program for the Perrin Beitel area. Funding for this position was reauthorized in the FY 2014 Budget. The FY 2013 Budget also included \$25,000 that was utilized for a detailed market study for the NEC.

A Steering Committee was appointed by the District 10 Office in May 2013 to guide planning and implementation efforts. The NEC Steering Committee includes residents, business owners, property owners, lenders, and former District 10 City Council members. The Corridor Manager has worked with the Steering Committee over the past year to develop and begin implementing a place-based program of service delivery enhancements for the NEC. This program is detailed in the NEC Revitalization Plan.

ISSUE:

Over the coming years, the Northeast Corridor Revitalization Initiative (NEC) will bring new vitality to the Perrin Beitel and Nacogdoches corridors. The Initiative will capitalize on opportunities to activate vacant and underutilized properties, re-establish community-serving retail and service businesses, and improve the appearance of buildings, signs, and parking lots. The NEC Revitalization Plan is a guiding document that articulates the new directions for the NEC. The Plan outlines a place-based program of service delivery enhancements, tactical partnerships, and targeted investments. The Plan details the strategic investment of both public and private funds that will be essential to the revitalization of the NEC.

NEC Steering Committee

The NEC Steering Committee played a critical role in the planning of the NEC Revitalization Initiative and will facilitate the implementation of the strategies detailed in the Revitalization Plan over the next 5 years. The Steering Committee was formed to lead planning and implementation efforts. The Steering Committee members represent various stakeholder groups in the community with an interest in improving the NEC.

Revitalization Plan

The planning process used to create this document began in February 2013 and has been guided by the NEC Steering Committee. Initial steps included a detailed assessment of existing conditions including demographics, and an inventory of businesses, physical assets, and vacant and underutilized parcels. A market study was commissioned in July 2013 to identify future industry and business development opportunities in the NEC based on existing and expected market conditions. In addition to a detailed data analysis, over 100 interviews with neighborhood leaders, business owners, tenants, commercial real estate brokers were completed as part of the NEC market study. The planning process culminated in a community meeting that was held in February 2014. Approximately 100 neighborhood leaders, business representatives, and interested citizens attended and provided feedback.

The 30-page action-oriented plan that was developed incorporates public input and also builds on previously adopted plans and policies. The market study, overall assessment, and public input were used as the basis for developing 22 strategies to improve conditions in the NEC. The strategies are organized into 4 basic categories: Organization, Business Development, Marketing, and Design.

Key strategies include:

- Tax Increment Reinvestment Zone (TIRZ) Designation: Pursue TIRZ as a source of funding to incentivize catalytic projects that will return vacant and underutilized properties to productive use. (CM Soules submitted a CCR on January 21, 2014 directing staff to bring forward a resolution of intent to create a TIRZ if the TIRZ is deemed feasible. On April 7, 2014 the Tax Increment Finance (TIF) Governance Committee recommended that staff move forward with the creation of a TIRZ for the NEC.)
- NEC Network: Encourage strong pro-active leadership from within the NEC business community
- Business Attraction: Recruit businesses based on market study
- Landscape Enhancements: Add landscaping to right-of-way at key gateways

The full set of NEC Revitalization Plan strategies are included in the draft plan attached to this memo.

Transferability

On March 20, 2014 City Council approved a professional services agreement with an outside consultant to complete a Commercial Corridor Redevelopment Study as part of REnewSA. This study will use market data to identify distressed commercial corridors where the input of City resources will stimulate the greatest amount of private market investment. The study will also provide the City with a scenario planning tool and feasibility model that staff will utilize to select and implement high-impact redevelopment strategies in selected commercial corridors.

The deliverables from the Commercial Corridor Redevelopment Study combined with the planning and implementation model utilized for the NEC Revitalization Initiative form an effective revitalization program that should be utilized for other inner-city and suburban commercial corridors in the City.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This briefing is for informational purposes and does not require the Infrastructure and Growth Committee to take action. The Department of Planning and Community Development will recommend that the Northeast Corridor (NEC) Revitalization Plan be adopted as a component of the City's Strategic Plan for Community Development when City Council considers this item in May 2014. At the next available meeting of the City Council Governance Committee, staff will recommend that a resolution of intent to create a Tax Increment Reinvestment Zone (TIRZ) for the NEC be forwarded to City Council for full consideration.