

A. COVER SHEET INFORMATION:

Title: Fueling Investment in "Famously Hot" Columbia, SC

Category: Economic Vitality

Jurisdiction Name: City of Columbia, South Carolina

City Manager Name: Mr. Steve Gantt, City Manager

Innovation Award? Yes

Rapid Fire Session? Yes

Project Leader: Ms. Tina Herbert

Title: Director

Department: Office of Business Opportunities

Phone: 803.545.3326

Email: tnherbert@columbiasc.net

US Mailing Address: 1225 Lady Street
Columbia, SC 29201

Presentation Team Members:

Name: Ms. Tina Herbert

Title: Director

Department: Office of Business Opportunities

Phone: 803.545.3326

Email: tnherbert@columbiasc.net

Name: Gerry Lynn Hall

Title: Program Coordinator

Department: City of Columbia, Office of Business Opportunities

Phone: 803.545.3381

Email: glhall@columbiasc.net

Name: Matt Kennell

Title: Director, Downtown Business Improvement District

Department: NA

Phone: 803.233-0620

Email: matt@citycentercolumbia.sc

B. SYNOPSIS

INTENT OF THE PROGRAM:

In the 1980s and early 1990s, the City of Columbia's downtown was vibrant and active with retail outlets that drew residents from all across the city. Eventually, many businesses began to move away from the downtown area. By 2007, 21% of retail storefronts in Columbia's downtown were vacant. The majority of retail storefronts had darkly tinted windows, reducing the visibility of merchandise. Signage over many storefronts needed repair or replacement. Original building facades were covered over with faux and mismatched materials. A majority of the buildings uses were inappropriate for the immediate and potential market.

The City of Columbia began to understand that aesthetics matter. People are attracted to beautiful places. Our downtown had great historical value, and its beauty needed to be uncovered. If the City could uncover this beauty, while preserving the awesome historical significance, the downtown area could once again become a place where residents want to live, work, play, and worship.

In order to help renew the economic vitality of downtown, City of Columbia geared-up to provide an incentive program to improve building façades within the downtown Business Improvement District (BID) – ***Façade Improvement Program (FIP) - a forgivable loan opportunity***. By offering assistance to property owners or business tenants to make improvements to building façades, this program is able to arrest and prevent blight, contribute to the opportunity to create jobs and restore and expand the area's economic vitality. Façade improvements boost the marketability of individual business spaces, as well as the overall business district. The energy created by bustling businesses not only draw patrons to the area, but also additional businesses soon in-fill any remaining available retail space.

COSTS:

Program Budget Public: \$428,000
Professional Fee Allowance by CCP up to \$10,000
2 full time staff equivalents

SAVINGS:

None

INNOVATIVE CHARACTERISTICS AND HOW THEY IMPROVED THE ORGANIZATION:

While the City of Columbia has funded façade programs throughout the city in other areas, the downtown program was innovative as a result of our partnership with the City Center Partnership. City Center Partnership (CCP) was formed to manage Columbia's 36-block downtown Business Improvement District. The Board of Directors oversee the organization's mission — to focus on filling vacancies in commercial properties, retaining existing downtown businesses and recruiting new ones, expanding the downtown residential base, and creating a safe, clean, and friendly downtown environment.

As a part of the partnership that was formed, CCP helped recruit and market the program, had assigned staff on the approval committee, and most importantly, funded nearly \$10,000 for architectural design work to the participating businesses.

This partnership improved the working relationship between the organization and the city, as well as allowed business owners to use more of their funds for actually renovation costs.

OBSTACLES:

Both the City and CCP faced many obstacles in bringing the downtown façade program to fruition.

ECONOMIC CLIMATE: The program was implemented in one of the most difficult economic climates in our nation’s history, at a time when the retail sector was facing incredible challenges. While some businesses were initially hesitant, staff was able to work with a significant number of businesses. The offer of a tangible financial incentive aided in retail recruitment efforts during these difficult economic times, and contributed to 16 new businesses in the Main Street corridor.

FUNDING: Due to limited funding options from the City, identifying an area to receive façade funding was difficult. Several communities wanted to receive funding in their business districts. However, City Council was able to agree that by focusing the program in a targeted area, such as the downtown Business Improvement District (BID), improvement would generate attention and attract additional private investment and job creation.

NEED FOR TECHNICAL ASSISTANCE: Staff soon realized that property and/or business operators were not always construction professionals and had great difficulty in writing appropriate specifications to yield “responsive” bids. Generally, the applicants knew they wanted things like new windows, paint and maybe an awning, but did not know how to provide accurate measurements, preferred product descriptions, identifying serial/model numbers for window type and/or paint color, etc. Staff stepped in to provide more technical assistance.

OUTCOMES:

CFIP results were better than expected. Originally, the City had set Performance Outcome at assisting ten (10) property owners/business operators. Final tallies indicate a total of sixteen (16) project sites were improved.

Total # of Projects:	16
Total # of Individual Forgivable Loans	24
# of Buildings Totally Vacant before CFIP	7
Total # of Buildings Vacant after CFIP	3
# of New Businesses	6
# of New Jobs	30
Amount of Public Investment	\$ 425,829
Amount of Private Investment	\$ 6,176,060
Total Project Cost	\$ 6,601,889
Total Number of SF <u>now</u> available	118,300 SF

APPLICABLE RESULTS AND REAL WORLD PRACTICALITY:

Beyond the direct financial investment, there is the visible improvement that has improved public confidence in the downtown area. Since the program began, 16 new retailers have opened in the BID (4 which were FIP participants), in addition to completion of a 54-suite, luxury apartment project, and newly available office space.

INVESTMENT: Twelve (12) of the sixteen (16) projects invested much more than the initial 20% (up to \$5,000) investment. This return on public investment really shows how the power of a well-planned program price-point spurs property owners to move forward and renovate when otherwise, economic confidence is low.

NEW ATTRACTIONS: Additionally, over the past year, Main Street has become a popular location for Columbians to celebrate. A number of new and recurring annual festivals and events call Main Street home:

Famously Hot New Year Celebration	(20,000+ people)
Sons of Italy Italian Festival	(15,000+ people)
SC PRIDE Parade and Festival	(15,000+ people)
Jam Room Music Festival	(5,000+ people)
First Thursdays (monthly)	(3,000+ people)

RESIDENTIAL: The City now has 294 residential units today within a four block span. Conservatively, approximately 100 new residential units were developed since 2007. We anticipate having an additional 100 residential units in the next 12 months.

Main Street's transformation and accompanying increase in activity has attracted the attention of out-of-state developers and national retailers, which did not exist prior to the façade improvement program. In the past, the community would not have appeared to be a fit for a newly proposed high-end student housing project and national retail chains.

WAS A PRIVATE CONSULTANT USED - IF YES, DESCRIBE THEIR INVOLVEMENT:

Using a private consultant was a very early and first step in CCP's "discovery" process. In 2007, City Center Partnership (CCP) commissioned ERA/Downtown Works to complete a retail assessment of downtown Columbia along with a strategy for economic development and retail recruitment. The consultants suggested a number of incentive programs in their initial report, including forgivable loans for tenant-build out, façade improvements, building rehabilitation, etc.

Downtown Works

Midge McCauley
Midge@Dtownworks.com
 8238 Germantown Avenue
 Philadelphia, PA 19118
 Ph. (267)549-7528

OTHER – ADDITIONAL INFORMATION

Program Structure:

The CFIP is a **5-year, forgivable loan opportunity** where the total cost of an improvement project is split so that the Applicant pays ONLY 20% and 80% is paid by the Department of Community Development, with maximum lending amount of up to \$20,000.

Funding Source:

The FIP was funded by the City with its Community Development Block Grant entitlement dollars.

C. PRESENTATION STYLE

Briefly describing what your case study presentation might include. We want to know how you will make your session creative and unique. For example:

Presentation Tools Plan to Use: for example Prezi, PowerPoint, Video

We will use a PowerPoint Slide Show (PPT) to demonstrate the Partnership Building and ultimately the FIP process. Our PPT's are created on the basis that "less is more". You want to have the information you are sharing in a simple form that is visually intriguing and can be easily absorbed.

How do you plan to be both entertaining and educational?

Entertainment is (high) energy, audience interaction and the act of satisfying the need(s) of the audience, without them feeling like they are in an endurance event. Our presentation team has a "knack" for being entertaining while getting across the educational message. With wit, whimsy, and easy to digest facts, the attendees will be dazzled with wisdom and "how-to"!

Group Activity Description

The group activity consists of presenting the challenge – the need for infusion of investment and complimentary business attraction and retention. The group will move through the stages of WHOM, HOW, WHERE & WHEN.

WHOM – identify program partners

HOW – process utilized to solidify ideas and program creation

WHERE – why target city center

WHEN – how long to plan – how long to implement

Live Demonstration

No Live Demonstration planned at this time.

Other – BE CREATIVE, this is TLG!

No other comments to share at this time.