



Using Zoning to Manage Hospitality Zone Impacts: Springfield, MO

Proactive Governance to Build Vibrancy

When faced with a blighted commercial district, the City of Springfield, MO used a model that had already worked organically in their downtown district. The goal was to encourage live music businesses to act as a catalyst to energize the district. With opportunity to work from the ground up, they built controls into zoning and licensing that assure management of potential impacts and quality of life for surrounding residents.

Problem Statement

Created by the Frisco Railroad in the late 1800s, Commercial Street is a 6 block linear National Historic Registered District. Once the commercial center for the City of North Springfield before the communities merged, it was still a vibrant force until the late 1970's.

Since its railroad days, the area was known to be "edgy," and when in the 1980's, many social services agencies located there, the continued presence of transients contributed to the perception of the area as unsafe. Blighted from 20 years of disinvestment, the district became a string of vacant storefronts.

Springfield witnessed live entertainment stimulate a rebirth of its Downtown, and proposed a zoning and economic development plan that would stimulate a similar renaissance with Commercial Street.

Stakeholders

- **City of Springfield Planning Department** – At the direction of the City, facilitated the Vision 20/20 Center City Plan and drafted the Commercial Street Historic District Strategy for Success.
- **Springfield Police Department** – Provided Community Oriented Policing staff person devoted to Commercial Street.
- **Urban Districts Alliance (UDA)** – An umbrella center city organization that provides district management to Downtown and Walnut Street Districts, as well as Commercial Street's.

- **City of Springfield Director of Finance** – Determines whether an applicant is qualified and meets all requirements for a liquor license in the Commercial District.
- **Springfield Business and Development Corporation** – Among many other duties, collects data on consumer expenditures for the City of Springfield and surrounding area.
- **Commercial Club** – A non-profit organization, Commercial Club hosts a mix of residents, property owners, and merchants who meet monthly to provide direction and input on policy decisions such as formal recommendations to the City on proposed liquor licenses in the district.

Process

The redevelopment of many districts follows a pattern. First, bars and clubs bring people who are not concerned about reputation of the declining area back to the district. Once more customers and people are present on the street, other types of businesses see opportunity and restaurants and retail follow. Following this pattern, Springfield's downtown had a similar renaissance.

In June 2004, the City of Springfield adopted their Vision 20/20 Center City Plan Element and the Planning Department was given the direction to extend to the Commercial Street area the focus on revitalization given to Downtown over the past 5 years.

Commercial Street is a 6 block linear historic district. In the early 2000's several upscale lofts drove revitalization in the center of the district. Though the phenomenon was a catalyst for building rehabilitation it did not increase business opportunities.

A few months later, Planning Department staff began discussions about a revitalization plan for Commercial Street with City Management, Police, the Commercial Club Organization, Business Owners and Community Leaders.

The City elicited assistance with visioning from consultant, Progressive Urban Management Associates, which resulted in a vision for the district: a unique and creative multi-use area that is both progressive and adhering to authentic roots that offers live music, restaurants, office and retail and provides safety and quality of life for neighborhood and neighboring residents.

The question was whether or not customers would support more entertainment businesses. In April 2005, City staff and volunteers performed an informal survey, attending 51 live music shows in 31 venues during a typical weekend. Survey results showed nearly 5,000 customers patronized these 31 venues weekly, that 11 music styles were represented and a wide range of socio-economic backgrounds attended music venues, 64% of which were between 21-35 years old.

Springfield Business and Development Corporation provided data to the City of Springfield about customers' spending on entertainment. They drew from an 80 mile radius and found that customers aged 20-59 in this target area spent over 260 million dollars annually on entertainment. The data clearly indicated that even if Commercial Street only captured a

small percentage of customers in the trade area, the businesses in the district could be successful.

Around the same time, an effort was made to visit other arts and entertainment districts (Memphis, St. Louis, Kansas City, Denver, Tempe, Phoenix, Boulder, Philadelphia and New Orleans) to observe and inform vision and implementation. It was observed that strong management and responsible hospitality were common components to these cities' success.

The City Planning Department learned of RHI and engaged their services to conduct a Hospitality Zone Assessment, then known as a Hospitality Leadership Summit. RHI confirmed that entertainment could be an economic stimulus and that the linear style of the district and placement of existing residential naturally lent to creation of three sub-districts, with higher intensity located on both ends of the district and low intensity in the middle near residents and the Victory Mission Chapel.

An outcome of the Leadership Summit was formation of a Hospitality Resource Panel (HRP). Led through UDA, they facilitated on-going discussions with the City, businesses and residents to develop a strategy that creates incentives for best practices and penalties for non-compliance.

HRP helped work through another challenge. A barrier to densifying the district was discovered in liquor licensing laws. Liquor establishments were required to maintain 200 feet from each other and schools and churches. The City, using the HRP for input, explored reducing the distance requirement. The outcome was an ordinance that reduced or eliminated distance requirement in exchange for stringent control on potential impacts. The ordinance mandates that licensees must adhere to the best practices and good neighbor handbook developed by the HRP.

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In February 2006, The Commercial Street Historic District Strategy for Success was adopted by City Council. The document outlines the vision, and recommendations for management, responsible hospitality, transportation and funding. The strategy determined that the district would need 125k annually for management and that property, sales tax and special events could adequately cover those needs. A key management element was a staff person to facilitate the implementation of the program. That person has been hired in August 2006 and operates through UDA.

Outcome

- New Ordinance for Liquor Licenses located on Commercial Street that eliminates distance requirements, while adding criteria to ensure responsible management practices by owners.
- Good Neighbor Handbook.
- Process initiated for creation of a Community Improvement District.
- 16 new businesses opened in 2007 on Commercial Street.
- City Council is expected to pass a Tax Increment Financing Redevelopment Plan and Business Incentive Loan Program in April 2008.

Challenges and Lessons Learned

Initially, challenges were in coordinating with property owners, residents and merchants to achieve a common goal. Now that the vision exists, the challenge lies in keeping lines of communication open.

Balancing the nighttime entertainment in the district with the loft residents has been a major challenge. Even though sub-districts of higher intensity uses were identified at the ends of the districts, there is still some crossover and some new loft development in these areas. Communication has been key in keeping the peace. The proposed noise ordinance should help, since it will create acceptable decibel limits for outdoor sound.

An additional challenge is overcoming decades of negative perception by the locals. Visitors and investors from out of town are more likely to see the uniqueness and potential of the area than locals, who have associated it with homeless services for so long it is hard for them to identify with the district as an emerging mixed use district and destination. Marketing and special events are helping to redefine the area to the locals, but an aggressive marketing plan is needed and will continue to be a top priority.

Jurisdiction

Business, District, City

Funding

District Events such as C Street Jam and LoftWalk help fund the Commercial Street staff position through UDA. UDA receives city funding for its role in creating the Community Improvement District. State Tax Credit Program provides 25% back in renovation costs to owners. New streetscapes have been funded using Federal Transportation Enhancement Funds and ¼ Sales Tax. The streetscapes include wider sidewalks, decorative lighting, and landscaping. The City's Small Business Loan Program has financed \$1.5 Million in gap financing for projects since the implementation of the plan. This is approximately 40% of total project cost, with 60% provided through private funding sources. The City's Façade Loan Program has funded \$126,000 to property owners for exterior improvements to buildings.

Spin-off Projects

UDA is currently initiating the creation of an Improvement District.

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