



## Ghent Business District



# Action Plan November 2006

Prepared by



Basile Baumann Prost &  
Associates, Inc.  
177 Defense Highway, Suite 10  
Annapolis, MD 21401

## Executive Summary

The City of Norfolk engaged Basile Baumann Prost and Associates (BBPA) to provide professional services for the development of an Economic and Market Study and Action Plan of the Ghent Business District (Economic and Market Study in a companion report). This study was commissioned to facilitate improvement of the Ghent Business District's economic, market, and aesthetic appeal. The study was designed to identify trends, issues, and opportunities and analyze the current and future market for commercial (including retail, selected office, service and medical uses), industrial, and residential uses.

The study identified several opportunities to enhance the Ghent Business District. These are as follows:

- Attract more customers from the primary and regional market area
- Continue to attract non-geographically based customer groups
- Recruit variety of independent retailers and select chain stores
- Increase retail sales
- Enhance public transportation
- Pursue shared parking and other innovative parking strategies
- Encourage small suite office space development
- Develop office space as one component of a mixed use project
- Target Norfolk industrial zones for higher intensity industrial development
- Transform railroad tracks into destination
- Encourage multifamily infill development
- Establish market niches for condominium and apartment development

Recommendations and implementation strategies are presented to realize these opportunities, address constraints and challenges, and take advantage of the strengths that the Ghent Business District offers.

Recommendations fall into five major categories: marketing techniques and business operations; regulatory and land use planning actions; infrastructure investment; organizational initiatives; and (re)development opportunities.

The recommendations are as follows:

### Marketing Techniques and Business Operations

1. Enhance regional marketing strategies
2. Develop strategies to attract a broad range of market segments from within the PMA
3. Develop and implement business "toolkits"

### Regulatory And Land Use Planning Actions

1. Develop incentives to preserve and enhance retail character
2. Encourage development of retail/office/residential mixed use projects
3. Incorporate parking strategies into regulatory framework

### Infrastructure Investment

1. Continue streetscape improvements
2. Improve access to and within the Ghent Business District

Organizational Initiatives

1. Explore feasibility of developing a business improvement district (BID)
2. Develop and implement parking management plan

Development Opportunities

1. Mixed Use Infill (residential or live/work with ground level retail) on the former senior center site
2. Mixed Use infill (residential and office with strong focus on ground level retail) on West 22nd Street, West 21st Street, and Monticello Avenue

Each of these recommendations is accompanied by a number of strategies designed to facilitate progress. These strategies are prioritized based on time required to implement and their potential to realize short and long term success. The final result is a plan that will provide guidance for the City, Ghent Business Association, property owners, businesses and residents to achieve in a coordinated manner the vision for enhancing the Ghent Business District.

## Table of Contents

Recommendations.....	2
Implementation Strategies .....	4
Marketing and Business Operations .....	9
Regulatory and Land Use Planning Actions .....	16
Infrastructure Improvements.....	22
Organizational Initiatives.....	23
Development Opportunities.....	29

Note there is a companion Economic and Market Study to this plan.

## Recommendations and Implementation Strategies

This report presents recommendations and next steps to realize the opportunities identified in the Ghent Business District economic and market analysis, address challenges, and take advantage of the strengths that the Ghent Business District offers.

### Recommendations

Recommendations fall into five major categories: marketing techniques and business operations; regulatory and land use planning actions; infrastructure investment; organizational initiatives; and (re)development opportunities.

#### Marketing Techniques And Business Operations

The marketing techniques and business operation recommendations are designed to:

- realize opportunities to attract more customers from the primary and regional market area
- take greater advantage of non-geographically based customer groups
- increase sales while addressing regional shoppers goods competition and escalating rental rates

The recommendations are as follows:

1. Enhance regional marketing strategies
2. Develop strategies to attract a broad range of market segments from within the primary market area
3. Development and implement business “toolkits”

#### Regulatory And Land Use Planning Actions

Regulatory and land use planning actions are recommended to take advantage of opportunities as well as address constraints. These recommendations seek to:

- recruit a variety of independent retailers and select national chain stores;
- establish market niches for condominium and apartment development;
- pursue shared parking systems;
- enhance public transportation options;
- realize multifamily residential development and small office suite space construction;
- transform the railroad tracks from a barrier to a destination.

These recommendations also address:

- escalating rental rates;
- regional shoppers goods competition;
- the poor pedestrian environment in certain areas;
- the national slow down in the pace of housing sales;
- the challenges associated with stand alone office space development.

The recommendations are as follows:

1. Develop incentives to preserve and enhance retail character

2. Encourage development of retail/office/residential mixed use projects
3. Incorporate parking strategies into regulatory framework

## Infrastructure Investments

The infrastructure investment recommendations address:

- the poor pedestrian environment;
- limited on-site parking for existing retail establishments as well as limited locations to support parking demand from new development;
- regional shoppers goods competition;
- transformation of the railroad tracks from a barrier into a destination;
- enhancement of public transportation.

The recommendations are as follows:

1. Continue streetscape improvements
2. Improve access to and within the Ghent Business District

## Organizational Initiatives

The organizational recommendations are as follows:

1. Explore feasibility of developing a Business Improvement District (BID)
2. Develop and implement parking management plan

These initiatives will facilitate many of the marketing and business operations, regulatory and land use planning, and infrastructure recommendations.

The business improvement district will:

- provide a mechanism to broaden Ghent's customer base;
- take greater advantage of non-geographically based market segments;
- increase retail sales;
- recruit a variety of independent retailers and select national chain stores while addressing escalating rental rates;
- address regional shoppers goods competition;
- address the poor pedestrian environment in certain areas.

The parking management plan will:

- enable the development of a shared parking system;
- address regional shoppers goods competition;
- address the limited quantity of parking spaces available for existing and future development.

## Development Opportunities

The real estate development recommendations will also facilitate several different opportunities and address many of the constraints. It is recommended that (re)development be pursued on the senior center site and on West 22<sup>nd</sup> Street, West 21<sup>st</sup> Street, and Monticello Avenue. Mixed use infill development in these locations will: 1) transform the railroad tracts from a barrier into a destination with new

multifamily residential communities and employment centers, 2) target the Midtown Norfolk Area Industrial Zone for future industrial uses, 3) recruit new retail establishments and address escalating retail rents with incentives to preserve a portion of the space for tenants paying below-market rents, 4) improve the poor pedestrian environment in these areas, 5) pursue shared parking strategies, and 6) establish a critical mass to support enhanced public transportation. In addition, the creation of new activity centers along the railroad tracks will enhance the Ghent Business District and provide new reasons for people to live, work, and play in Ghent.

## Implementation Strategies

Each of the recommendations identified in the previous section is accompanied by a number of strategies designed to facilitate progress. These strategies are prioritized based on time required to implement and their potential to realize short term (1 to 3 years) and long term (3 to 5 years) success. The final result is a plan that will provide guidance for the City, Ghent Business Association, property owners, businesses and residents to achieve in a coordinated manner the vision for enhancing the Ghent Business District. The chart in Figure 49 presents a summary of the economic development strategies, their priority level, responsible parties, and potential funding sources.

Figure 49: Summary of Ghent Business District Action Plan

Recommended Strategies		Short Range (1 - 3 years)	Longer Range (3 - 5 Years)	On Going	Responsible Parties	Potential Funding Sources
<b>Marketing and Business Operations</b>						
<b>Objective #1: Enhance regional marketing strategies</b>						
1	Develop joint marketing and communication strategy with Downtown Norfolk Council (DNC)	x		x	GBA/BID, City, Ghent Task Force, DNC	GBA/BID, DNC, City
2	Coordinate with Ghent Neighborhood League (GNL)	x		x	GBA/BID, GNL	n/a
3	Organize promotional events that introduce wider audience to Ghent	x		x	GBA/BID, City	GBA/BID
4	Promote retail clusters to interested groups and associations	x		x	GBA/BID	n/a
5	Create a map-based business directory	x		x	GBA/BID, City	GBA/BID, City
<b>Objective #2: Develop strategies to attract a broad range of market segments from within the primary market area</b>						
1	Develop differential merchandise categories or product lines	x		x	Property/business Owners	n/a
2	Organize promotional events targeting specific customer segments	x		x	GBA/BID, Property/business Owners	GBA/BID
3	Develop crossover marketing campaigns	x		x	Property/business Owners	n/a
4	Advertise/Offer promotions in places where target groups congregate	x		x	GBA/BID, Property/business Owners	GBA/BID
<b>Objective #3: Develop business “toolkits”</b>						
1	Identify businesses needs	x			GBA/BID, Property/business Owners	GBA/BID
2	Provide market research	x	x	x	GBA/BID, Property/business Owners	GBA/BID

3	Provide businesses with small business improvement loans		x	x	GBA/BID, City, Ghent Task Force	GBA/BID, City
4	Offer business operations and management workshops		x	x	GBA/BID, Property/business Owners	GBA/BID
Regulatory and Land use planning actions						
<b>Objective #1 Develop incentives to preserve and enhance retail character</b>						
1	Incentivize development of ground level retail		x	x	City, Property Owners	n/a
2	Incentivize independent retail		x	x	City, Property Owners	n/a
3	Designate and incentivize clustering of select retail types		x	x	City, Property Owners	n/a
<b>Objective #2 Encourage development of retail/office/residential mixed use projects</b>						
1	Remove regulatory barriers within existing zoning parameters		x		City	n/a
2	Incentivize mixed use development		x		City	n/a
3	Build out additional office space above existing store front retail	x		x	City, GBA/BID, Property Owners	GBA/BID
<b>Objective #3 Incorporate parking strategies into regulatory framework</b>						
1	Modify PCO to include incentives tied to providing shared parking		x		City	n/a
2	Direct parking intensive uses to large parcels with adequate space for sufficient parking		x	x	City	n/a
Infrastructure Investments						
<b>Objective #1 Continue streetscape improvements</b>						
1	Continue streetscape investments	x		x	City	City
2	Improve way finding and signage		x	x	GBA/BID	GBA/BID
3	Install street furniture, decorative banners, etc.		x	x	GBA/BID	GBA/BID
<b>Objective #2 Improve access to and within the District</b>						
1	Gateway signage	x		x	City, GBA/BID, Ghent Task Force	GBA/BID, City

2	Install Shuttle System		x		City, GBA/BID, Ghent Task Force, DNC	GBA/BID, City
<b>Organizational Initiatives</b>						
<b>Objective #1 Explore feasibility of Business Improvement District (BID)</b>						
1	Identify improvements to be administered and funded through BID (i.e. pedestrian safety, property security, marketing, promotional events, streetscape improvements, streetscape maintenance, way finding and signage, business “toolkit” program)	x		x	GBA, Ghent Task Force, property/business owners	n/a
2	Identify boundaries and assessment structure	x			GBA, Ghent Task Force, property/business owners	n/a
3	Generate public and City support	x		x	GBA, Ghent Task Force, property/business owners	GBA
4	Circulate approval petition from not less than three-fourths of the landowners to be affected and hold public hearing	x			GBA, Ghent Task Force	n/a
5	Set up governing board and administration		x		GBA/BID	BID
<b>Objective #2 Develop and Implement Parking Management Plan</b>						
1	Identify parking concerns	x		x	City, GBA/BID, Ghent Task Force	City
2	Inventory parking supply and demand by subarea	x			City, Ghent Task Force	City
3	Select and administer parking strategies (i.e. shared parking, parking districts and in-lieu fees, transportation demand management, structured parking incentives)	x	x	x	City, Ghent Task Force, GBA/BID	City, BID, private development
<b>Development Opportunities</b>						
<b>Objective #1 Redevelop senior center site to catalyze reinvestment along the railroad tracks and West 21<sup>st</sup> Street</b>						
1	Extend the PCO	x			City	n/a
1	Market opportunity for mixed use development (residential or live/work space with ground level retail)	x			City	n/a

2	Encourage shared parking	x			City	n/a
3	Offer incentives to encourage desired development and shared parking (i.e. density bonuses, streamlined development review, streetscape improvements)	x			City	n/a
<b>Objective #2 Redevelop select underutilized property on West 22<sup>nd</sup> Street, West 21<sup>st</sup> Street, and Monticello Avenue</b>						
1	Extend PCO	x			City	n/a
2	Market opportunities for mixed use development (residential and office with ground level retail)	x		x	City	n/a
3	Encourage development of public parking with density bonuses, streamlined development review and streetscape improvements, or payment in lieu of parking requirement	x		x	City	n/a

## Marketing and Business Operations

One of Ghent's greatest strengths is its eclectic shopping district and character. The unique and varied selection of independent shops, selected regional and national chain stores, restaurants, art galleries, salons, and yoga studios provides something for everyone. Stakeholders are aware of Ghent's attractions, and these features are highlighted in City promotional materials, special sections in the Virginian-Pilot, and shop owner's marketing efforts. Ghent's website ([www.destinationghent.com/](http://www.destinationghent.com/)) is an excellent example of how the Ghent Business Association is working to communicate the diversity of opportunities Ghent offers. Within the context of an increasingly competitive regional retail marketplace, these marketing efforts should not only continue but be strengthened with additional strategies and techniques.

Aggressive marketing strategies and new business tools will allow existing retailers to broaden their customer base by reaching more population segments within the primary market area and also attract customers from outside the primary market area, including regional residents, visitors to the area hospitals and medical facilities (Sentara Heart Hospital, Eastern Virginia Medical School), and visitors to the City's performing arts venues and other cultural attractions.

To broaden Ghent's customer base, the Ghent Business Association, store owners, and merchants should focus on achieving three key marketing and business operation objectives: 1) aggressively communicate the benefits of a Ghent shopping experience to a regional audience; 2) attract a broad range of market segments, and 3) develop and utilize specialized tools and resources to help businesses thrive.

### **Objective #1: Aggressively communicate the benefits of a Ghent shopping experience to a regional audience**

By continuing to promote Ghent's unique and eclectic character, regional residents will discover reasons why they should choose to shop in Ghent rather than a shopping mall or other shopping destination. Not only can regional residents choose between a number of shopping malls, they can now also visit destinations that are similar in nature to Ghent's pedestrian friendly, open air, and boutique shop selection. Potential customers need to know why they should visit Ghent rather than other locations and become aware of the numerous competitive advantages. In comparison with new, mixed use developments featuring residential and office uses above ground level retail, Ghent is an authentic, historic urban village. Customers appreciate the mature tree cover, historic commercial properties, and genuine charm of Ghent's pedestrian sidewalks. Ghent also offers several unique retail niches (home maintenance and household furnishings, restaurants, art galleries, art studios, and gift shops) that cannot be found in other places. Finally, Ghent is located in proximity to downtown Norfolk and the amenities of the urban core, including performing arts venues, maritime attractions, other cultural/entertainment attractions, and a lively downtown restaurant scene.

To promote these competitive advantages, a number of strategies should be employed.

#### **1. *Develop joint marketing and communication strategies with Downtown Norfolk Council and Ghent Neighborhood League***

The proximity of Ghent and downtown Norfolk represent complementary advantages for both destinations, as they benefit from the association with each other's strengths and opportunities. Potential customers should be made more aware of the linkages between the two destinations, in particular their proximity and the variety and distinct complementary nature of opportunities available in each location. A coordinated marketing and communication strategy would organize these marketing efforts and provide

opportunities to share costs and reach a wider audience than they would be able to reach working individually.

These strategies should be pursued in the short term, as the effort requires minimal outside resources to initiate. Given Ghent's and downtown Norfolk's presence in the City, and the boost in retail sales revenue that could result from a coordinated marketing and communication strategy, the City should facilitate the coordination between the Ghent Business Association and Downtown Norfolk Council and potentially provide seed money for marketing efforts. The Ghent Task Force should consider these coordination efforts a priority activity.

## **2. *Coordinate with Ghent Neighborhood League***

Ghent's residential neighborhoods are heavily impacted by activities within the Ghent Business District. While parking constraints and crime concerns represent negative impacts on the residential community, the vibrancy of the shopping district generate positive impacts on the residential community – such as providing shopping amenities for the residential population. The GNL and GBA communicate regularly and effectively. Opportunities to work together to communicate the benefits of a Ghent Business District shopping experience should be pursued in the short term. Strategies include advertising and promotional pieces in the Ghent Neighborhood League publications and newsletters and jointly sponsored festivals and public events, such as block parties catered by local restaurants and historic home tours in which local merchants offer discount or complimentary appetizer coupons.

Coordination with the GNL should also be pursued in the short term, as limited resources or initiative from outside the two organizations is required to facilitate the interaction.

## **3. *Organize promotional events that introduce wider audience to Ghent***

The Ghent Business Association sponsors a number of promotional events. These events include the "Greening of Ghent", (a St. Patrick's Day festival), the Stockley Gardens Art Festival in October, "Masquerade in Ghent" (a Halloween festival), and a December holiday festival. "First Fridays in Ghent" is a new event that started in June 2006. The GBA should be commended for their efforts in sponsoring and organizing these events, as they represent an effective strategy for introducing Ghent to people who may not otherwise visit the area.

The GBA should work with individual store owners, or groups of store owners selling related merchandise, to organize and promote events within the stores. This strategy not only introduces new customers to Ghent but also highlights the unique character of Ghent's shops.

Examples of events that could be organized by individual merchants and promoted by the GBA are as follows:

- Wine tastings at wine and beverage stores, local restaurants, and/or other establishments
- Photography/art contests at camera shops and art galleries
- Used game and book sales/swaps at gaming, video, and book stores
- Home improvement demonstrations at home maintenance and décor shops
- Book readings and literary presentations

The services and merchandise that make Ghent retailers unique should also be highlighted through the Ghent website, Ghent Neighborhood League newsletter, and other marketing materials. Examples

include Baker's Fine Jewelry and Gifts on sight engraving and jewelry repair services, Garden Gazebo's one-of-a-kind decorative flags, and Rowena's tea time.

These strategies should be pursued in the short term, as they do not require resources or action by the City. Merchants and the GBA can begin working together immediately to identify and implement creative promotional campaigns. In addition to advertising the events, the GBA should consider other ways to support individual promotional efforts that will indirectly benefit the district at large. Small grants for supplies could be made available.

#### ***4. Promote retail clusters to interested groups and associations***

The Ghent Business District contains three significant horizontal clusters, or groupings of retail stores that offer complementary merchandise. Ghent's restaurant cluster is located along Colley Street, and the business district's apparel cluster and home furnishings/furniture cluster are centered along West 21<sup>st</sup> Street. Stores in these clusters can be marketed as a group to shoppers seeking niche comparison shopping. The clusters can also be used in recruiting retailers offering similar products. Ghent's retail clusters should be considered when developing advertising and marketing materials, to ensure that the materials target the needs of each cluster's customers.

Potential actions to promote the retail clusters include:

- Brand the clusters with distinct logos and names that can be used on marketing materials
- Create color-coded brochures for each cluster that list existing businesses to be distributed to customers via stores throughout the entire Ghent Business District
- Develop a line of coordinated print advertisements, each with a focus on one or more of Ghent's retail clusters – one promoting dining options, one describing home furnishings cluster, etc. – to be placed in media serving the local and regional market
- Consider adding signage to the Ghent Business District directing patrons to retail clusters; signs for "Restaurant Row" and "Antique Way" have been successfully added to existing street signs in communities like Frederick, Maryland
- Recruit new stores to locate or existing stores to relocate within cluster by store type
- Host events that exploit cluster attributes, such as those described above under "Organize promotional events"

These efforts should be pursued in the short term – following coordination with merchants and the GBA. The most direct source of funds for these efforts – in the short term – is the GBA. In the future, revenue generated by a Business Improvement District (BID) may provide necessary funding. The creation of a BID is discussed in the last section under "Organizational Initiatives."

#### ***5. Create a map-based business directory***

The Ghent website provides a comprehensive listing of the district's businesses and retail shops grouped by category. This online directory is an excellent source to educate the public at large about Ghent's attractions. It should be made available for customers in all of Ghent's stores and businesses and distributed widely through other promotional and marketing channels.

This directory should be enhanced through the creation of a Ghent Business District map. The map should be linked to the directory with a color coded numbering system identifying each parcel by business name and retail category. These directory maps are omnipresent in regional enclosed shopping malls, and Ghent should adopt a similar approach – posting larger versions strategically throughout the district. The

intersections of West 21<sup>st</sup> Street with Colley Avenue, Colonial Avenue, and Monticello Avenue are potential locations.

As with the other promotional events, these efforts should also be pursued in the short term. The GBA/BID may be the most direct source for financing the project, yet funds could also be provided by the City or by individual merchants who wish to advertise on the map.

### **Objective #2: Develop strategies to attract a broad range of market segments**

Ghent's customers are drawn from a variety of market segments, or categories of community members. BBP Associates utilized ESRI Business Information Systems to identify the segments represented in Ghent's Primary Market Area, which include *Metro Renters* and *Retirement Communities*. The *Metro Renters* segment represents 79 percent of Ghent's households, and has been described as young, well-educated singles beginning their professional careers. These young professionals are more likely to have higher disposable incomes for use at specialty shops, restaurants and bars than other groups. The *Retirement Communities* segment encompasses the remaining 21 percent of Ghent's households. Members of these households have completed their professional careers, are focused on healthy diet and exercise habits, and enjoy home remodeling and visiting with grandchildren among other activities.

A significant share of Ghent's customer base also comes from outside the Primary Market Area. This includes: regional tourists; visitors to the City's myriad cultural events and educational institutions; visitors to the Eastern Virginia Medical Center Complex; people from outside the immediate area who spend time in Ghent for other reasons, such as acting and yoga classes; and regional customers who visit Ghent's well known stores, such as the home furnishing and furniture establishments.

The economic and market study identified select shopping interests of these customer groups and their corresponding retail categories represented in Ghent.

A summary of this analysis is presented in Figure 50.

Figure 50: Target Customer Segments and Select Shopping Interests In Ghent

Customer Segments	Selected Shopping Interests
Ethnic and Religious Groups	Specialty food and beverage stores; book stores; specialty beauty salons; moderately priced family apparel; gift shops
Young Professionals and Couples	Trendy apparel shops for men and women; home furnishings; entertainment and recreation items; florists; jewelers; gift stores; restaurants
Young Families	Moderately priced family apparel shops; household furnishings and home maintenance stores; household furnishings and home maintenance materials
Established Professionals and Empty Nesters	High quality furnishings and home décor; apparel; specialty goods including unique gift items, jewelry, and floral arrangements; high quality dining
Seniors	Apparel; specialty shops; restaurants
College Students	Restaurants offering affordable entrees and take out service; moderately priced family apparel; book stores, video rental and gaming stores, and yoga studios; personal care establishments, including beauty salons
Tourists/Institutional and Cultural Events Visitors	Restaurants; small gift items; art galleries; antique shops
Hospital Visitors	Restaurants; convenience goods; and small gifts
Special Ghent Visitors (Acting & Yoga Classes, Personal Care)	Restaurants; wide variety of convenience and shoppers goods
Specialty Market Visitors	Restaurants; fine women's apparel; jewelry; small gifts; home maintenance materials; home décor and household furnishing items

A number of retail categories and store types appeal to multiple customer segments. For example, moderately priced family apparel items appeal to ethnic and religious groups, young families, and college students. Gift stores appeal to young professionals and couples, established professionals and empty nesters, tourists/institutional and cultural events visitors, hospital visitors, special Ghent visitors (acting & yoga classes, personal care), and specialty market visitors.

To expand the customer base, stores should develop strategies to target these varied market segments. These strategies should be pursued in the short term by store owners in coordination with the GBA. The GBA/BID represents a potential funding source.

#### ***1. Develop differential merchandise categories or product lines***

To attract multiple market segments, stores should consider offering merchandise at a variety of price points. As an example, a high end restaurant may decide to develop a lower prices take-out menu and advertise this menu on the Old Dominion University campus and in staff lounges at the Eastern Virginia Medical Center Complex. High end restaurants may also choose to develop a “lighter fare” category as an alternative to heavier, and pricier, entrees. By creating distinct product lines and advertising with the appropriate customer groups, stores expand their customer base. Customers may use the take out menu

on a regular basis, and they will remember the restaurant for special occasions when they are selecting a premium dining experience.

## ***2. Organize promotional events targeting select customer groups***

Another strategy to attract multiple market segments are promotional events designed to target market segments that may not naturally gravitate to the selected stores. As an example, the jewelry stores could organize a wine tasting event to attract young professionals. Alternatively, stores selling home maintenance materials could organize home improvement demonstrations for empty nesters, young families, and ethnic and religious groups.

## ***3. Develop crossover marketing campaigns***

Creating partnerships between neighboring businesses which sell complimentary goods is another means to educate and attract new market segments. As an example, a restaurant and neighboring gift store could agree to advertise for each other in their stores. By doing so, customers that used to only come to Ghent for the restaurants could learn about and begin frequenting the district's gift stores. Other examples include:

- Drink/appetizer coupons to area restaurants in specialty shops
- Coupons for discounts on art galleries' custom framing at home maintenance materials stores, and the Chrysler Museum
- Posters advertising a nearby yoga studio at a health food store
- Registration for a photography competition sponsored by district camera shops at sporting good stores, video stores, and art galleries
- Discounts on items at sporting good stores, video stores, and art galleries for those who sign up or sponsor the camera shops' amateur photography competition

## ***4. Advertise/offer promotions in places where target groups congregate***

One of the most straight forward strategies to target multiple market segments is to advertise or conduct promotional events in places where target customer groups congregate. Examples including advertising for a new family apparel shop in and around area community centers and school, promoting a art exhibit at the Chrysler museum, and advertising lunch specials with hospitals, doctor's offices, and senior activity centers. Other community gathering locations include schools, churches/synagogues, and City facilities.

## **Objective #3: Develop and utilize business “toolkits”**

In an environment of increasing retail competition, rising rental rates, and new technology, small business owners often find little time to confront the challenges associated with these constantly changing dynamics and diminishing opportunities to realize the necessary return on their investments. These small business owners would benefit from a ready-made “toolkit” of strategies to address these challenges and either maintain their presence or enter the Ghent retail market for the first time.

The organization and strength of the Ghent Business Association represents a key opportunity to help small business owners overcome these challenges. Given its organization and existing mission to support its members, the GBA can facilitate the continuing education and training of small businesses, and a BID could provide the necessary funding to support these initiatives. The City, through existing programs such as the Small Area Commercial Facade and Aesthetic Improvement Grant Program and the Commercial Property Reinvestment Tax Abatement Program, may also be able to provide support.

The strategies listed below represent a selection of the education, training, and assistance strategies that could comprise an independent business owner's "toolkit."

### **1. *Identify businesses needs***

One of the first efforts that the GBA should undertake is to survey the training and assistance needs of the independent business owners.

These needs may include but are not limited to the following examples:

- Internet usage for web-based advertising, sales, market research, and website development
- Opportunities to conduct small-scale reinvestments, expansions, and other business improvements
- Independent marketing and advertising efforts
- Product placement, inventory management, and front window displays
- Market research
- Strategies to deal with real and/or perceived lack of parking
- Locating buying groups
- Customer service training
- Developing/updating business plans
- Accounting and record keeping
- Compliance with local, state and federal regulations
- Personnel management and training
- Financial incentives
- Local code enforcement and public policy; and
- Identifying and capturing new markets and planning for business expansion

### **2. *Provide market research***

The economic and market study provides detailed information and analysis on Ghent's customer base and market conditions. In order to continue to respond to changing market conditions, businesses should have access to fresh information of this nature on an ongoing basis. The reports should be packaged concisely and include information on the district's customers and potential customers, their buying power, shopping habits, and interests.

There are a number of web-based tools to access market research. ESRI Business Information Solutions *My Business Analyst Online* is one service that provides relatively inexpensive, concise reports for specific geographic areas. The GBA should consider purchasing a subscription to this service in order to provide this kind of information to its members. To find out how to purchase My Business Analyst Online or find out more about Business Analyst Online Web services, call 800-292-2224.

### **3. *Provide small business improvement loans***

Ghent's businesses may also indicate that they could use assistance in conducting small scale improvement projects, for efforts such as façade improvements, technology upgrades, relocation, and expansion. Façade loan and grant programs are a popular example of this type of incentive. Local jurisdictions provide grants, or low or no interest loans to property owners and tenants for façade improvement investments. The investments may be structural or cosmetic, and the loans typically range between \$5,000 and \$50,000. In many areas, only businesses within specific districts, such as a downtown commercial district, are eligible to apply for the loan, and the loan is not approved until the applicant submits his plans for the investment to the appropriate commission or review board.

A number of programs supporting these initiatives are already offered by the City of Norfolk and the Commonwealth of Virginia. The City's programs include the Small Area Commercial Facade and Aesthetic Improvement Grant Program and the Commercial Property Reinvestment Tax Abatement Program. In the Small Area program, the City, together with the Norfolk Redevelopment and Housing Authority, has formed partnerships with various business associations to encourage the exterior aesthetic improvement of commercial properties in certain areas of the City. To date, programs exist in Riverview, 35<sup>th</sup> Street, Little Creek, Five Points, and Fairmount Park. The applicability and expansion of this program to areas such as Ghent should be explored.

The City's tax abatement program offers taxpayers an opportunity to improve commercial/industrial structures and not pay full taxes on those improvements for up to 14 years. To qualify, the structure must be at least 50 years old, and improvements to the structure must increase the property's assessed value by 40 percent. Improvements must be completed in 2 years, and only one approved application is allowed per structure. Full abatement on the increase in assessed value is recognized for 10 years, with partial abatement continuing through year 15.

The Commonwealth also offers a program for real property improvements. This program offers a tax credit equal to an amount of up to 30% of qualified, non-residential improvements with a maximum amount not to exceed \$125,000 within a five-year period. For rehabilitation, the business must invest at least \$50,000 or the assessed value of the building prior to the improvements, whichever is greater. For new construction, the business must invest at least \$250,000, not including land and site improvements.

The GBA could also identify funding sources to provide their own grants and loans for small scale business improvement projects. Potential funding sources will be discussed in the "Organizational Initiatives" section.

#### **4. *Offer business operations and management workshops***

Ghent's independent businesses may also benefit from continuing education opportunities in business operations. Topics may include: ways to use the Internet for web-based advertising, sales, and market research; independent marketing and advertising; and product placement, inventory management, and front window displays. The GBA should consider organizing training sessions covering these kinds of topics and offering the training to their members at a reduced rate.

### **Regulatory and Land Use Planning Actions**

While strategies designed to improve marketing and business operations will serve to preserve and enhance the existing retail character in the Ghent Business District and attract selected new retailers, regulatory and land use planning strategies will also support efforts to bolster the Ghent Business District's retail. Regulatory and land use planning actions can also encourage the (re)development of appropriate new retail, office, and residential projects and address parking issues.

By implementing the Pedestrian Commercial Overlay District (PCO) in the Ghent Business District, the City of Norfolk sought to achieve goals associated with new development, the retail character, and parking concerns in Ghent.

The purpose statement is as follows:

The Pedestrian Commercial Overlay District is intended to encourage the location of specialty retail, entertainment and restaurant uses in concentrations that will enable and encourage pedestrian movement between establishments and a scale of development that is conducive to pedestrian activity rather than automobile domination. The Overlay District is also intended to support and protect public improvements and investments made or planned to be made to enhance the pedestrian environment of the selected areas.

This overlay district remains the most effective regulatory and land use planning tool for achieving Ghent's goals. However, given changing market conditions and new (re)development opportunities in Ghent, several modifications to the overlay district are proposed.

This section details all of the regulatory and land use planning actions that are proposed. These strategies are recommended within the context of achieving three major objectives for the Ghent Business District:

- 1) preservation and enhancement of Ghent's retail character;
- 2) development of new retail, office, and residential projects; and
- 3) realization of parking management improvements.

Changes to the PCO are recommended, as well as additional regulatory and land use planning actions.

### **Objective #1 Preserve and enhance retail character**

Regulatory and land use planning actions can be used to realize several opportunities related to preserving and enhancing retail character in the Ghent Business District. These opportunities include: 1) increasing Ghent's retail inventory by incentivizing ground level retail in new development projects; 2) creating a critical mass of complementary retail establishments and facilitating crossover shopping by clustering selected retail establishments; and 3) increasing the presence of independent retailers and selected regional/national retailers with adaptive reuse projects and retail incentives.

#### **1. *Incentivize construction of ground level retail***

One of the Ghent PCO's objectives is to "to encourage the location of specialty retail entertainment and restaurant uses in concentrations that will enable and encourage pedestrian movement between establishments." On West 21<sup>st</sup> Street, the PCO incentivizes ground level retail by allowing off site parking (special exception) in immediately abutting IN-1 Districts and reducing the parking requirements for specific retail establishments, including art galleries, antique stores, gift and specialty shops, and boutiques, from 4 spaces per 1,000 square feet to 1.5 spaces per 1000 square feet. The parking requirements for restaurants on West 21<sup>st</sup> Street are also reduced – from 1 space per four seats to 1 space per six seats.

Recently completed and upcoming development projects on West 21<sup>st</sup> Street, including Twenty-One West, the Rite Aid Pharmacy, 201 Twenty One, and Palace Station, are examples of how the PCO and its reduction in parking requirements for select retail establishments, has, and will continue to, increase the inventory of retail along this corridor. To encourage additional ground level retail as part of new development projects in the Ghent Business District, all of the parcels fronting on West 22<sup>nd</sup> Street and West 21<sup>st</sup> Street between Hampton Boulevard and Monticello Avenue, and all of the parcels between Monticello Avenue and Llewelyn Avenue north of 17<sup>th</sup> Street and south of 20<sup>th</sup> Street should be converted to the C-2 zone and receive the Ghent PCO designation.

## 2. *Incentivize independent and select regional/national retail*

To ensure that the new retail establishments demonstrate the eclectic character consistent with Ghent's existing retail character, the City should consider strategies to attract independent retailers. This includes 1) offering incentives to developers who lease to independent stores and select regional/national chains and 2) offering incentives directly to the tenants.

### *Incentives to Developers*

One strategy that should be considered is the creation of specific incentives packages for developers who commit to leasing space to independent and/or unique retailers. These incentive packages may include streamlined development review, density bonuses, and streetscape improvements.

**Streamlined Development Review Process:** The application of a streamlined development review process for projects with independent retailers represents one potential incentive. Many developers cite length of time and uncertainty in the permit process as primary barriers to development. The permit review process plays a large role in both the time and level of certainty in getting development approval. Giving priority to development projects located within the designated zone that address the desired uses can be an important incentive for developers who are often sensitive to the length and time it takes to navigate through development reviews and approval for complex, mixed use projects.

Potential strategies to streamline development review and add certainty to the development process as new investors seek sites in the corridor include:

- **Establish a “One Stop” Center for Development Applications.** Providing a centralized center for processing applications that meet the City’s goals for the designated zone and assigning of one city staff as point person to help navigate a project through the various departments and processes can ensure a timely and expedient development review. A developer may be more inclined or “incentivized” to undertake a project adhering to certain principles if they are aware beforehand that that may qualify for an expedited development review that could save them money and time.
- **Make Sure The Applicable Regulations Are Organized And Easily Accessible.** Simplifying the process for developers and the community by preparing a packet that contains all the applicable regulations along the corridor makes the process more straightforward for interested developers.
- **Conduct Permit Steps In Advance Of The Development Proposals.** Examining specific impact issues in a planning process, such as transportation or utility capacity, can reduce project uncertainty and permit review time for developers. This is especially true if the plan specifically evaluates the impacts and establishes mitigation for the level of development envisioned in the plan.

**Density Bonuses:** Another incentive that should be explored is the application of density bonuses in select areas. The current 60 feet maximum building height permitted in the C-2 zone is appropriate for infill development in the business district’s core – particularly Colley Avenue and West 21<sup>st</sup> Street between Colley Avenue and Llewelyn Avenue. This maximum height maintains a “human scale” in new development projects and should be considered a priority in land use planning for the core of the Ghent Business District. However, outside of this core, an increase in maximum building height may be an appropriate incentive to encourage desired development. Allowing taller buildings by special exception along the railroad tracks on West 22<sup>nd</sup> Street and along Monticello Avenue would not produce a negative impact on the existing human scale and pedestrian character of the district. It would serve to buffer the district from the industrial uses associated with the Mid-town Industrial Park and the railroad tracks.

**Streetscape Improvements:** The City's Neighborhood Commercial Area Initiative has provided \$1.5 million for streetscape improvements on Colley Avenue and near the intersection of Granby Street and 21<sup>st</sup> Street west to Omohundro Avenue. These improvements include sidewalk replacement, brick treatment on street corners, street trees, and trash receptacles. The Ghent Task Force is recommending that the next phase of streetscape improvements occur on the south side of West 21<sup>st</sup> Street between Colonial Avenue and DeBree Avenue, one of the longest stretches of unimproved sidewalk in the district.

Rather than proceeding block by block with streetscape improvements, the City should consider providing streetscape improvements as an incentive to encourage independent retail. The City could offer these improvements to developers and/or property owners who commit to leasing a specific share of the retail space to independent retailers. Streetscape improvements are discussed in greater detail in the following section on infrastructure investments.

### ***Incentives to Tenants***

Apart from offering incentives to developers who lease to independent and select regional/national chains, incentives could be offered directly to the tenants. The revitalization of downtown Dallas, Texas is an example of how these kinds of incentives have been applied with success. The Dallas Downtown Partnership, a nonprofit set up to recruit retail to the Main Street District, was given \$2.5 million from the City Center Tax Increment Financing Fund, to administer to retailers through the Main Street Retail Incentive Program. The program subsidized up to \$18 per square foot for the first two years of a five-year lease. (Retail rental rates in the CBD average \$14.05 per square foot.)

The Dallas program also subsidized a tenant build-out for retail spaces. The typical allowance was \$20 to \$38 per square foot. Retailers qualified for the program and gained funding based on a set of criteria, including hours of operation, uniqueness of merchandise, employees and whether it was a minority- or women-owned business. Five of the retailers that took advantage of the program are women- or minority-owned businesses.<sup>1</sup>

To administer this type of program, an adequate funding stream would have to be established. Ghent could adopt a program based on the same premise yet on a much smaller scale. The provision of small grants or no-interest loans to cover start up costs represents one opportunity that could appeal to independent retailers.

### ***3. Designate and incentivize clustering of select retail types***

As discussed in the Economic and Market Analysis, the clustering of select types of retail establishments is a strategy designed to increase critical mass and facilitate crossover shopping opportunities. The three types that currently demonstrate a clustering tendency are household furnishings and home maintenance materials on the east end of West 21<sup>st</sup> Street, apparel stores in the vicinity of the Palace Shops, and restaurants on Colley Avenue.

The large land parcels on West 22<sup>nd</sup> Street and Monticello Avenue (in comparison with Colley Avenue) represent an ideal opportunity to encourage additional clustering of household furnishings and home maintenance materials establishments in this area. To realize this opportunity, the PCO could be modified in several ways. To begin, specific parcels could be designated as the household furnishings and home maintenance materials "zone." Given that household furnishings and home maintenance materials are currently clustered on the east end of West 21<sup>st</sup> Street, property located in this area (on West

---

<sup>1</sup> <http://www.theretailconnection.net/index.cfm?FuseAction=Page&PageID=1000034&ArticleID=41>

22<sup>nd</sup> Street and West 21<sup>st</sup> Street east of Colonial Avenue and on Monticello Avenue north of 17<sup>th</sup> Street) represent a potential designation for the new zone. Secondly, incentives designed to encourage the placement of stores in this category should be added to the zone.

While a reduction in the parking requirements for these establishments represents a feasible option, the reduction in parking requirements for art galleries, antique stores, gift and specialty shops, and boutiques has not led to a significant increase in the presence of the desired store types. Additional incentives should be considered, such as the application of a streamlined development review process and density bonuses.

## Objective #2 Encourage development of retail/office/residential mixed use projects

The Economic and Market Analysis demonstrated that market conditions have created opportunities for new residential/office/retail mixed use projects on existing commercial and industrial property. Market conditions have also created an opportunity for the redevelopment of the Senior Center site along West 21<sup>st</sup> Street. Physical and site-specific challenges, such as limited space for required on-site parking, and regulatory challenges, such as I-1 and I-2 zoning, may limit the opportunities for desired development.

A number of regulatory and land use planning actions are recommended to address these challenges and encourage high quality mixed use development. These include the removal of regulatory barriers within existing zoning parameters, the utilization of new incentives to encourage mixed use development, and the facilitating the build out of additional office space and or residential space above existing store front retail.

### ***1. Remove regulatory barriers within existing zoning parameters***

The rezoning of property fronting on West 22<sup>nd</sup> Street and West 21<sup>st</sup> Street between Hampton Boulevard and Monticello Avenue, and the parcels between Monticello Avenue and Llewelyn Avenue north of 17<sup>th</sup> Street and south of 20<sup>th</sup> Street should be evaluated on a case-by-case basis so as to balance market demand with protection of existing viable uses.

The parcels fronting West 22<sup>nd</sup> Street and West 21<sup>st</sup> Street between Hampton Boulevard and Monticello Avenue, and the parcels between Monticello Avenue and Llewelyn Avenue north of 17<sup>th</sup> Street and south of 20<sup>th</sup> Street may be appropriate candidates to be converted to the C-2 zone and receive the Ghent PCO designation. Amending the PCO to allow residential uses as a permitted use in all cases rather than only by special exception may also be considered.

By extending the PCO and allowing residential as a permitted use, the regulatory limitations associated with mixed use development planning in an I-1 or I-2 zone will be eliminated. In addition, this expansion of the PCO District will facilitate the types and amount of development appropriate and desired within the Ghent Business District.

### ***2. Incentivize mixed use development***

While the PCO's reduction in parking requirements encourages ground level retail, the zone does not contain any provisions to encourage residential or office space on upper levels. To encourage mixed use development, the city should consider the creation of incentive packages. A number of potential incentives have already been discussed. These incentives include the following:

- density bonuses – particularly for projects abutting the railroad tracks

- the application of a streamlined development review process
- streetscape improvements

In addition to the incentives listed above, the City should consider strategies to reduce the parking requirements for the residential and office components of mixed use projects and provide for shared parking and parking demand management strategies. Given the limited quantity of parking currently available in Ghent, this option should be considered primarily as a long term strategy – when additional transit options and parking locations are available. These strategies will be discussed in specific detail in the section below on developing a parking management plan.

### **3. *Build out additional high quality office space above existing store front retail***

In addition to building office space as a component within new mixed use projects, Ghent's existing inventory of office space could be augmented through the build out of new office space above the existing store front retail. There is demand for small office suite office space, and the City or the GBA could provide grants or low interest loans to property owners who build out or upgrade this space for small businesses. In addition, the City could provide a streamlined development review process. The build out of this space should encourage small businesses to lease this space rather than retail store fronts. Shared parking opportunities would have to be addressed (e.g. retail/entertainment uses with differentiated demand than office uses).

## **Objective #3 Incorporate parking strategies into regulatory framework**

One of Ghent's most significant parking challenges is finding ways to ensure that new development does not diminish an already limited supply of parking for existing commercial uses. Regulatory and land use planning actions are also proposed to address these concerns.

### **1. *Modify PCO to include incentives for shared parking***

To address the parking challenges associated with new development, shared parking strategies should be explored. Shared parking is typically defined as “publicly and/or privately-owned parking that is used by two or more individual land uses without conflict.” Differences in peak parking periods in mixed use developments make shared parking possible. Combining land uses with different peak parking demands results in a demand for parking that is less than the demand generated by separate free-standing developments of similar size and character, allowing more land to be used for other purposes. For example, an office building with a high daytime demand could share parking with a cinema complex (or similar retail venue) with higher evening demand.

There are many versions of shared parking strategies. The shared parking strategy developed for Columbia Pike in Arlington, Virginia, sets a maximum quantity of reserved and a minimum of shared (open to all users) parking permissible by right. If a developer desires more reserved parking he will need to provide a corresponding quantity of shared parking on his site or pay into a fund for the development of a public facility within a certain distance from the project's front entrance. Shared parking in these soon-to-be pedestrian oriented neighborhoods can allow for the requirement of fewer spaces per building area than is currently required in suburban areas.

In Ghent, the PCO could be modified to include incentives that reward developers who provide sufficient on-site parking to enable a shared parking arrangement with other users. These developers could be partnered with other new projects – particularly those on smaller parcels with limited space for sufficient parking – to achieve adequate parking for new development projects.

## **2. *Direct parking intensive uses to large parcels with adequate space for sufficient parking***

In addition to a shared parking strategy, parking intensive uses such as grocery stores, convenience stores, and other retail uses with frequent and regular parking requirements should be directed toward parcels with ample space for the necessary parking. These parcels are located particularly on Monticello Avenue and West 22<sup>nd</sup> Street.

The PCO could be used to encourage appropriate placement of parking intensive uses. The creation of a “parking intensive zone” should be explored. This zone could include incentives to encourage developers to lease to specific, parking intensive users. Incentives may include streamlined development review and density bonuses.

Parking demand management strategies should also be employed. Car pooling, transit passes, and encouraging employees to park in satellite lots are examples of potential strategies. Additional parking demand strategies are presented under “Organizational Initiatives.”

## **Infrastructure Improvements**

In addition to aggressive marketing and business operations strategies and regulatory and land use actions, a number of infrastructure investments should be pursued for the enhancement’s of Ghent’s economic, physical, and market appeal. These investments include streetscape improvements and improved access to and within the Ghent Business District.

### **Objective #1 Continue streetscape improvements**

The City’s Neighborhood Commercial Area Initiative has provided \$1.5 million for streetscape improvements on Colley Avenue and near the intersection of Granby Street and 21<sup>st</sup> Street west to Omohundro Avenue. These improvements include sidewalk replacement, brick treatment on street corners, street trees, and trash receptacles. A total of \$210,000 is the proposed allocation for the next phase of improvements, and the Ghent Task Force is recommending that these improvements occur on the south side of West 21<sup>st</sup> Street between Colonial Avenue and DeBree Avenue. This is one of the longest stretches of unimproved sidewalk in the district. Recommended streetscape improvements include a 30” scored concrete pattern with a brick solder course at the curb line, new curb and gutter, and new pedestrian scale light poles. It is not anticipated that the south side of the block will be redeveloped in the near future – in which case the streetscape improvements could be provided by the developer.

The streetscape investments have increased the quality of the pedestrian experience in these areas. In addition, the public investments were exceeded by private investment by an almost 9:1 ratio between FY’97 and FY’05. However, private investment in FY’05 was only \$443,342 – significantly less than in previous years.

In order to bring the rate of return on these public investments back to levels witnessed in prior years, the City should consider linking streetscape improvements to specific development projects. In other words, rather than selecting locations for streetscape improvements based on projections about where development will *not* occur, the City should offer streetscape improvements to developers as an incentive to produce a development proposal consistent with goals for that area.

For areas where (re)development is not proposed, streetscape improvements could be pursued by the Ghent Business Association. A Business Improvement District (BID), which will be presented in detail

in the following section, may be an appropriate funding vehicle to support small scale capital improvements.

In all locations within the Ghent Business District, a BID could provide the funding for the GBA to install and maintain less capital-intensive streetscape improvements to enhance the appearance and facilitate access within the District. These improvements could include Ghent Business District flags, signs, locator maps, as well as flowers, foliage and benches.

### **Objective #2 Improve Access to and within the Ghent Business District**

Improving access to and within the Ghent Business District was one of the most frequently requested investments by community stakeholders. Many visitors to Norfolk and the downtown area are unaware of the unique shopping and entertainment experience that Ghent has to offer. This improved access includes better signage outside of the district directing visitors to the Ghent area, gateway signs welcoming people to Ghent, the development of a Ghent shuttle system, and the potential expansion of NET.

#### ***1. Improve signage and way finding devices***

Ghent could benefit from enhanced signage both outside of the business district and at the gateways to the district. These improvements are recommended as a near term investment. As the improved signage will increase access to one of the City's most attractive and tourist oriented areas yet will directly benefit Ghent merchants, the investments should represent a joint funding opportunity for the City and the GBA.

The “Yield to Pedestrians” signs in the middle of Colley Avenue have been widely accepted with positive results. The City should also install these signs on West 21<sup>st</sup> Street. These investments will significantly improve the pedestrian experience and safety for residents and visitors.

#### ***2. Development of Ghent Shuttle System and Potential NET Expansion***

Another strategy to improve access to and within the Ghent Business District is development of a consistent shuttle system. While potential NET expansion should be encouraged, developing a Ghent shuttle system to move customers from shared parking facilities on the eastern side of the business district along West 21<sup>st</sup> Street, West 22<sup>nd</sup> Street, and Colley Avenue should also be considered. This shuttle system could also transport people from downtown. The shuttle system could be introduced as a service for special events with service hours extended over time as demand increases.

A shuttle system could be established as part of an overage Ghent parking management plan, which will be discussed in the following section, could include strategies such as shared parking, special benefit districts to pay for new parking facilities, satellite parking/shuttle bus routes, and payment in lieu of parking programs.

## **Organizational Initiatives**

The marketing and business operations techniques, regulatory and land use planning modifications, and infrastructure investments recommended in this action plan can be facilitated by several organizational

initiatives. These initiatives include an investigation into the feasibility of creating a Business Improvement District (BID) and the development of a parking management plan.

### Objective #1 Explore Feasibility of a Business Improvement District (BID)

As presented in Figure 49, the implementation recommendations will require organization and funding from a number of different sources. The entities that will become involved in carrying out these recommendations include City departments, the Ghent Task Force, individual property and business owners, and the GBA. The GBA already leads many initiatives, including marketing, promotional events, public/pedestrian safety, development, and advocacy, and standing committees organize the activities and programs.

Given its strong organization, the GBA is an ideal group to carry out many of the recommendations presented in this report. However, additional resources will be required for the efforts to be successful, and the creation of a Business Improvement District (BID) represents one strategy that the GBA should explore. BIDs utilize special tax assessments from defined geographic areas to offer management services, operation, maintenance, and minor capital improvements. Business and/or property owners within these districts agree to pay higher assessments in exchange for services above and beyond those supplied by local government agencies. By paying this assessment, the owners have direct control over how and when their contributions are spent. BIDs usually provide paid staff devoted to improving the business district, and are governed by a Board of Directors.

Downtown Norfolk has adopted this strategy to accomplish revitalization goals. Managed by the Downtown Norfolk Council, the BID is a 48-block geographic area in which property owners pay for supplemental services. These services include: hospitality and security initiatives, such as a Public Safety Ambassador Program and bicycle patrols; cleaning and visual enhancements, such as the Clean Team Ambassadors (CTAs) who are responsible for the daily cleaning of sidewalks and graffiti removal; and marketing efforts, including advertising campaigns and a downtown guide.

In addition to public safety, marketing, and clean up/maintenance, BIDs provide other common services. The full range of services provided by BIDs includes the following:

- *Enhanced maintenance and beautification of public spaces.* BIDs often provide graffiti removal, street cleaning, flower planting, seasonal lighting, and other services to improve the cleanliness and visual appeal of downtown business districts. Local governments usually retain control over trash collection and general lighting. Some BIDs also offer façade improvement grants to allow merchants or property owners to improve storefronts.
- *Security.* Some BIDs provide enhanced patrol services to improve the safety of the business district through hiring off-duty police officers or contracting with private security companies.
- *Promotions/Special Events.* In many localities BIDs plan and execute festivals, late night shopping promotions, and other special events.
- *Coordinated Marketing.* BIDs develop marketing materials, including print and radio advertisements, press releases, postcards, brochures and signage advertising shopping and dining opportunities and special events.
- *Business Recruitment and Retention.* BIDs assist new merchants in locating retail space and retain existing merchants through retention visits.

- *Way finding.* BIDs often develop maps and business directories that may be installed as “kiosks” in business districts and distributed in paper form to customers via merchants. BIDs often help improve directional signage to business districts.
- *Information Resource/Point of Contact.* BIDs offer a single point of contact for merchants, residents and others to offer positive and negative feedback regarding the business district. These organizations also can disseminate information throughout the community via email updates and flyers.
- *Advocacy.* BIDs can offer suggestions to local government agencies on behalf of merchants regarding issues such as parking, crime, and other concerns about the health of the business district.

Given its strong organization, the GBA is an ideal entity to organize the BID and administer it with one or two staff people. It is recommended that the GBA conduct a study to explore the feasibility of a BID. This feasibility assessment would explore the following issues:

#### **1. *Identify scope of services***

A BID could facilitate several of the implementation recommendations that have been presented. These include pedestrian safety initiatives, property security, marketing programs, promotional events, streetscape improvements, streetscape maintenance, way finding and signage improvements, the creation and implementation of a business “toolkit” program, and advocacy.

- *Pedestrian safety.* The BID could fund additional street crossing signs beyond those provided for in the City budget. An ambassador program analogous to the Downtown Norfolk Council’s could be adopted to assist with traffic crossing.
- *Property security.* The BID could fund additional police patrols, private security, and/or bicycle patrols. The augmented presence of security forces has been proven in other jurisdictions to reduce the number of incidents occurring within the BID boundaries. BID staff could also run an incident “hotline” in which property owners, business owners, residents, and customers can report incidents for compilation and presentation to the City of Norfolk Police Department.
- *Marketing programs and promotional events.* BID funds could be used to support a wide variety of marketing initiatives – everything from small scale promotional events to larger holiday campaigns. The BID staff could be charged with developing marketing materials for the Ghent Business District at large and coordinating with the media outlets, the Downtown Norfolk Council, the Ghent Neighborhood League, and other relevant groups. The BID staff could also make the map-based Ghent business guide.
- *Streetscape Improvements and Maintenance.* The BID should adopt a program similar to Downtown Norfolk Council’s Clean Team Ambassadors to manage street clean up efforts, garbage removal, and gum removal. In order to supplement the City’s streetscape program, the BID could fund minor improvements, such as new lighting, benches, street trees, and planters.
- *Way finding and Signage.* The BID could fund signs, banners, and map-based directories at the entryways to the Ghent Business District and at key intersections. The BID could also provide resources to install signs that distinguish the different retail type sub-areas, such as “Restaurant Row” and “Antique Way.”

- *Business “Toolkit.”* The BID staff could be charged with creating the business “toolkit” presented in the Marketing and Business operations section. The staff members could conduct a merchant survey to determine their training and resource needs. They could also provide market related materials to the BID members. The BID could fund small loans for business improvements, and the BID could also fund workshops, training sessions, and other materials designed to respond to the needs and requests expressed by the merchants.
- *Advocacy.* The GBA already plays an important role in communicating the concerns of the property and business owners to the City of Norfolk and Ghent Task Force. The BID staff could support the GBA in these efforts by preparing informational materials, collecting data, and performing other support tasks.

A key component of this assessment would be to work with the City of Norfolk to delineate local government services and bid services. The services provided by BIDs should not overlap with local government services, nor should existing local government services be shifted from the general taxpaying public to the BID ratepayers. To avoid duplication of services and shifting of services, some BIDs have drawn up agreements with their local governments to establish services the local government will continue to provide. The BID feasibility assessment should come up with a preliminary agreement on this delineation.

## **2. *Identify scope of geographic coverage and rate of assessment***

The service district should be drawn to encompass users most likely to benefit from services, including those businesses associated with the downtown business district. Ideally the district will include enough businesses to spread the costs such that the total impact to ratepayers is minimal compared with the services gained. The rate of assessment should be determined by estimating an annual budget and comparing this with the revenue that would accrue from the assessment. The rate of assessment should also be analyzed for its impacts on the bottom line cost of doing business in the business district, while considering projected increased sales revenues from the BID services.

## **3. *Identify potential benefits***

The BID work plan should be agreed upon in order to determine the appropriate geographic coverage, establish a budget, and set assessment rates. A phased scope of work should be considered, in which small projects are addressed first and more resource intensive projects follow.

## **4. *Identify and recruit ratepayers***

Beneficiaries of the BIDs proposed services should be identified; these may include business owners and/or property owners. Potential ratepayers must be convinced they will benefit from the BID in order to agree to increased assessments. An organization or group of individuals, such as the Ghent Business Association or its members, must take charge in reaching out to business owners and/or property owners and conveying these benefits.

If the BID appears feasible, the GBA is the likely organization to lead efforts to move the process forward. The feasibility assessment may reveal that BID requires additional stakeholder support. Thus, the next step may be for the GBA to generate additional support for the BID from property and business owners.

**5. *Circulate petition***

Once the BID has achieved sufficient approval, the next step will be to circulate a petition to obtain approval from not less than three-fourths of the landowners to be affected (As required by the Commonwealth's enabling legislation allowing the formation of Service Districts by local governments. Sections 15.2-2400, 15.2-2402 and 15.2-2403 of the Code of Virginia). Following the petition, the City would hold a public hearing and then provide its approval for the BID.

**6. *Set up governance and administration***

The final step is to set up the governing board and administration. In setting up the BID's governing structure, accountability is a key issue. BIDs should be structured in their organizational bylaws to provide processes by which ratepayers can keep service providers accountable to their needs. Some BIDs have elections among ratepayers for decision-making seats on the Board of Directors as a means of keeping the BID accountable to its users.

**2. Develop a parking management plan**

In Ghent, there are current issues associated with parking and monitoring current parking usage so that it accommodates current and projected demand. Achieving high quality development and enabling the existing business district to compete with retail shopping destinations will require a clear and workable strategy to provide adequate parking.

To preserve and enhance Ghent's retail character as well as attract new development/developers, the City should work with the Ghent Task Force, Ghent Business Association, and individual property and business owners to create a parking management plan. This plan must address current parking concerns as well as the challenge of ensuring that developers can provide their tenants and customers with necessary parking without creating undue stress for existing businesses and residents. Without such a strategy, developers may find it difficult to come up with viable development proposals that satisfy City requirements, public concerns, their investors, and prospective tenants.

**1. *Identify parking concerns and survey parking supply and demand***

The first step in developing a parking management plan is to conduct a situation analysis and identify the concerns. One of the most significant concerns is that stores with rapid customer turnover do not have sufficient on-site parking to serve the volume of vehicles generated by their customers. The result is intrusive overflow into the residential neighborhood and adjacent commercial areas with less parking demand. A key component of this situation analysis should be a parking supply/demand survey to quantify the parking space shortages by time of day and week and identify locations where excess vehicles could be directed.

**2. *Select appropriate strategies***

Based on the identification of concerns, Ghent stakeholders would be equipped with information necessary to select appropriate strategies to resolve the issues. Parking management strategies that should be considered include the following: perimeter/satellite parking garages, in-lieu fees, transportation demand management, and shared parking strategies (feasible in mixed used projects where retail/office uses parking during the day and residents use parking at night through a public, private, or shared responsibility).

- *Mixed Land Uses and Shared Parking.* As discussed in the section on regulatory and land use modifications, Ghent is a candidate for a shared parking strategy, in which differences in peak parking periods in mixed use developments allow two or more individual land uses to share parking without conflict and thus reduce the total amount of parking spaces required.

As presented in the section on regulatory and land use planning actions, Ghent's parking management plan could address shared parking by including it as a provision of its PCO. Another version of shared parking involves agreements between the local jurisdiction or private entity and owners of existing private parking spaces. The local jurisdiction or private entity rents parking spaces from churches, movie theaters, or other private owners who use their parking spaces on a limited basis.

- *Parking Districts and In-Lieu Fees.* Parking districts are the large scale application of shared parking, and are frequently implemented in urban commercial and retail areas utilizing multiple parking facilities. Parking districts allow businesses to work together and address issues such as lighting, maintenance and future parking needs and are generally established by local business associations working in partnership with local government. This type of parking district can be particularly beneficial to new development as it can significantly reduce the marginal costs of new construction. Within the PCO, the City could consider allowing developers to contribute cash "in lieu" (i.e. instead) of providing parking. The system individualizes the cost of providing parking and creates incentives to economize. In-lieu fees are most often a fixed dollar amount multiplied by the number of parking spaces that normally would have been required for the given land use. The district then uses the accumulated funds to construct parking facilities or lots that can serve multiple purposes (i.e. shared parking). The larger parcel sizes on 22<sup>nd</sup> Street and Monticello Avenue and the Senior Center site may be appropriate locations to designate for these developer-funded structures. This option gives developers additional flexibility, and parking can usually be developed within a convenient distance and at less cost.
- *Parking Demand Management (PDM).* There are numerous PDM techniques to reduce trip making and parking demand. Some of the most relevant include parking meters, satellite parking, carpool parking, and transit pass programs. The NET system currently operates under the satellite parking model, and the expansion of this program should be explored. Cooperating with the Downtown Norfolk Council may represent the most effective strategy for extending service. The installation of a small scale satellite parking and shuttle program connecting downtown, the medical complex, Fort Norfolk, and Ghent for special events and ultimately more consistent service should also be explored.
- *Unbundling Housing and Parking.* Under this strategy, parking requirements would be linked to automobile ownership rather than housing ownership, and would create strong (and direct) incentives to reduce car ownership. For example, in many downtown buildings in San Francisco, it is common for units to be sold or rented with the option for tenants to rent or purchase parking separately. This strategy has the potential to allow for more flexible supplies and uses of parking to satisfy changing household characteristics and parking demand. In addition, parking developers may have more incentive to not oversupply parking, as the costs of underutilized supply could not be as easily recovered via higher prices on associated products (e.g. housing).

This strategy may be particularly appropriate in new mixed-use development projects served by NET or another shuttle system or featuring live/work units or a combination of residential units and small scale office suites for professional services and small business owners. These households may be less likely to own multiple vehicles and would appreciate the option to buy/rent one space – or no spaces – rather than have the cost of two spaces rolled into their purchase price or rent.

Parking strategies are key to maintaining and enhancing Ghent's economic, market, and physical appeal. Developing a comprehensive parking management strategy should be considered a priority "next step." Major questions to be addressed in such a study include:

- What is the parking inventory (i.e. # of spaces, location of spaces, and times of peak usage)?
- Who is responsible for providing parking (private, public, shared) and how does this responsibility vary based on location and user?
- If publicly funded in whole or in part, how will parking construction and carrying costs be financed?
- If publicly funded, how will the location and distribution of parking spaces by user (private/public) be determined?
- What is the appropriate "balance" between proximate parking and satellite parking?
- How can payment in lieu of parking be incorporated into the plan?
- How can shared parking strategies be incorporated into the plan?
- How should use (public/private) of existing public surface and street parking spaces be determined, managed, and enforced?
- How can the City coordinate with owners of existing private parking spaces to reserve private parking spaces for public use?
- Where are suitable locations for additional parking to accommodate demand?
- How can parking demand management strategies be incorporated?

## Development Opportunities

One of Ghent's challenges is the lack of connectivity between the east and the west sides of the Ghent Business District. Disjointed development and inconsistent building setbacks, frequent curb cuts, narrow sidewalks, inadequate opportunities to cross the street, and industrial land uses discourage pedestrians from continuing to walk west along West 21<sup>st</sup> Street beyond Colley Avenue and from walking east along West 21<sup>st</sup> Street beyond Colonial Avenue. While streetscape improvements, enhanced lighting, and signage represent strategies to extend a pedestrian friendly environment, infill development with ground level, store front retail or entertainment venues (such as cinemas, art studios, jazz clubs) is the most effective as it creates activity where once there was none. Infill development will increase foot traffic and catalyze additional investment in parts of the district, such as Monticello Avenue, 22<sup>nd</sup> Street, and West 21<sup>st</sup> Street west of Colley Avenue, that have not yet seen new commercial (re)development.

### Objective #1 Redevelop senior center site to catalyze reinvestment along the railroad tracks and West 21<sup>st</sup> Street

The redevelopment of the senior center is a key opportunity to bring new energy to West 21<sup>st</sup> Street west of Colley Avenue. Along with Palace Station on West 22<sup>nd</sup> Street, the redevelopment of this City-owned property could ignite interest in development along the railroad tracks and on the south side of West 21<sup>st</sup> Street west of Colley Avenue.

Based on the market findings, this site is envisioned as a mixed use project. Given the challenges associated with office space development in Ghent (significant parking requirements as compared to residential development, limited space for structured parking, significant risks associated with speculative development, high construction costs relative to current asking rents for office space in Ghent), office space developed as one component within a mixed use project may prove more viable than a large scale, stand alone project. This strategy allows for highest and best use of the site and small format office development at the same time.

One option that may be particularly appropriate for this site is to combine small office users with residences and locate store front retail on the ground level. This represents a live/work environment – a lifestyle and professional opportunity that may be particular desirable to high tech start up companies, physicians, and other health care professionals who can take advantage of flexible work hours.

The site's location adjacent to the railroad tracks may also represent an opportunity to place the office space at the back of the site and use it as a buffer from the residential units.

In order to bring a mixed use development project to this site, several actions should be considered.

**1. *Extend the Pedestrian Commercial Overlay (PCO) to include the senior center parcel***

As discussed in the section on Regulatory and Land Use Planning Actions, rezoning property that is suitable for (re)development from industrial to commercial and extending the pedestrian commercial overlay to include these properties should be a priority next step. By extending the PCO, the City will provide a new property owner with requirements for how a new project should conform with the overall design and development character of the Ghent Business District.

**2. *Encourage shared parking***

A key element in developing a mixed use concept for this site will be to determine the appropriate balance of parking for residential and office users. Office space requires 4 spaces per 1,000 square feet and dwelling units require 1 space per 1,000 square feet. In a well designed shared parking system, spaces reserved for office users during the day could be used by the public or designated for residents during the evening hours. Given this opportunity, the City could consider reducing the parking requirements for the project provided that the developer establish and enforce a parking arrangement in which residents and office users share parking spots.

**3. *Offer incentives to encourage desired development***

In order to obtain proposals for mixed use projects that conform with the City's goals for the site, the senior center site may be an appropriate location to "test" the direct and indirect financial incentives presented in the section on regulatory and land use planning strategies. Strategies that may be appropriate for this site include density bonuses, streamlined development review, and streetscape improvements. As an example, the City could offer a 25 percent increase in building height in exchange for a guarantee that a percentage of the building will be small suite office space. Alternately, the City could offer streetscaping in exchange for independent retail and entertainment venues in a percentage of the ground level leasing space. Rent for these spaces could be calculated as a percentage of their annual revenue rather than the asking market rates.

**Objective #2 Redevelop select under utilized property on West 22<sup>nd</sup> Street, West 21<sup>st</sup> Street, and Monticello Avenue**

The redevelopment of underutilized property along West 22<sup>nd</sup> Street, West 21<sup>st</sup> Street, and Monticello Avenue also represent key development opportunities. The Palace Station project is an example of how market conditions have made redevelopment along the railroad tracks an opportunity to transform the railroad tracks from a barrier into an urban destination. The Row and Bristol at Ghent are also indicative of how the market is supporting redevelopment on formerly light industrial sites.

Several properties along the railroad tracks on both the north and south sides have old multi-story warehouses that may be suitable for loft-style condominiums or office buildings with ground level retail. Rehabilitation costs are generally less than costs for new construction, and this savings may make conversion of these structures into office space a viable option. However, one of the challenges in developing office space would be providing sufficient on-site parking, and it likely that several parcels would have to be assembled to accommodate the demand. Conversion to residential condominiums or apartments in which parking requirements are significantly lower may prove more feasible. Other uses that may be appropriate include entertainment venues, such as art and dance studios and small scale theaters.

In terms of new construction, underutilized properties are envisioned as mixed use projects with a significant amount of retail space. Located next to the household furnishings and home maintenance cluster make this an ideal place for retail construction catering to these kinds of tenants. The properties are large enough for the necessary loading docks yet have frontage on West 22<sup>nd</sup> Street and Monticello Avenue that make store front retail a realistic goal.

As with the rest of the district, office space may not prove as viable as residential space. Even if the Class A office tenants could be attracted (at \$21 per square foot), the costs associated with providing adequate parking may offset any revenue advantage and make luxury apartment development (near \$17 per square foot at the Bristol at Ghent) more profitable.

In order to catalyze redevelopment in these areas, several actions should be considered.

**1. *Extend the PCO to include West 22<sup>nd</sup> Street and Monticello Avenue***

As with the senior center site, the extension of the PCO should be considered to include West 22<sup>nd</sup> Street and Monticello Avenue so that new development projects conform to the design goals and store front use requirements for the Ghent Business District. Changing the zoning of these sites from industrial to commercial will also facilitate the transfer of ownership from the current industrial users to property developers.

The extension of the PCO should be evaluated on a parcel-by-parcel basis. By doing so, the City and the individual property owners will be able to respond to maturing marketing conditions and avoid the potentially negative impacts of increasing allowable density and intensity of use while a still viable business is operating on the property. The City could consider an opt-in process in which property owners can elect to receive designation in the overlay zone within a given time frame. This process could stimulate redevelopment while avoiding an infringement on property owners who would prefer to maintain the existing zoning.

**2. *Offer incentives to encourage desired development***

As with the senior center site, the City could consider offering incentives to achieve development that conforms to the City's goals for the site. Density bonuses may be a particularly appropriate incentive to encourage the inclusion of small office space. While the preservation of Ghent's human scale should be pursued, adjacent to the railroad tracks and along Monticello Avenue may be an appropriate location for slightly taller buildings. These areas are not located within the core of the business district. By providing the opportunity for greater density, developers could increase their revenue stream and potentially offset the costs of providing necessary parking.

In addition to density bonuses, a payment in lieu of parking program may also be considered. Rather than requiring each developer to provide adequate parking on site, they could contribute to a fund which would

be used to construct a parking facility off site which retail customers, employees, and entertainment venue patrons of all the properties located within a specific area could use. This strategy takes advantage of the shared parking model, in which it is assumed that retail and entertainment patrons would have higher parking demand in the evenings, and office employees would have higher parking demand during the day. These alternative peak usage times would allow the construction of a facility with fewer spaces than would be required if all the users needed the parking spaces at the same time.

A streetscape improvement incentive should also be considered. As discussed in the senior site development opportunity section, the City could offer streetscaping in exchange for independent retail and entertainment venues as a percentage of the ground level leasing space. Rent for these spaces could be calculated as a percentage of their annual revenue rather than the asking market rates.