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IMPROVING YOUR WATERFRONT: A PRACTICAL GUIDE

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IMPROVING YOUR WATERFRONT: A PRACTICAL GUIDE

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Office of Coastal Zone Management

DEPARTMENT OF THE INTERIOR
Heritage Conservation and Recreation Service
Office of Water Resources

U.S. National Oceanic and Atmospheric Administration
Office of Coastal Zone Management

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PREFACE

The Heritage Conservation and Recreation Service and the Office of Coastal Zone Management are pleased to join together to produce what we hope is useful publication on waterfront redevelopment.

Waterfront space has the potential for serving varied uses in settings made attractive by their proximity to water. Housing, shops, parks and museums, for example, all can prosper along with port facilities and industry in waterfront settings, often in combinations that succeed in making these sections lively attractions for residents and visitors alike. A number of cities and towns, some of which are cited as case studies in this guide, have rediscovered their waterfront areas.

Numerous factors have come together in the late 1970s to make the edges of our rivers and coasts newly attractive. These considerations include the significantly cleaner waters in our country due to the vast cleanup program of recent years, changing technology that has made many port faciltiies obsolete, the recognized need for expanded recreational opportunities near population concentrations and the demand for residential and commercial space near city centers.

A number of national interests are served by waterfront redevelopment efforts. In addition to providing expanded recreational sites, waterfronts can also be the locations for new job opportunities, revitalized neighborhoods and preservation of historic structures.

Our two agencies possess some, but by no means all, of the capabilities government can provide for urban waterfront revitalization activities. Our aim in joining together to produce this guide is to encourage effect-

ive and sensitive use of governmental resources where they are necessary to bring new life to presently underutilized waterfronts in cities and towns throughout the country. The emphasis in the guide is on the desirability of teamwork among government, private developers and citizens in waterfront projects for the maximum public benefit. Our agencies are particularly interested in encouraging, wherever feasible, the maximum amount of public access to the shore.

Because waterfronts have great attractions for varied uses, both public and private, the task of selecting the best possible mixture of uses of these areas is complicated and often controversial. Good faith efforts by all concerned parties will be necessary to achieve new, lively weterfront areas in our communities. It is toward that end that our agencies have written this guide, containing what we hope are concrete, practical suggestions on how to bring about this desired objective.

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BACKGROUND OF THE GUIDE

The Heritage Conservation and Recreation Service, Department of Interior, and the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, Department of Commerce, both have come to recognize the potential of urban waterfronts.

During 1978 the recreation service began a study of waterfront projects around the country, with a particular emphasis on those that had recreation and heritage preservation components. This study was a followup to a earlier report on urban recreation that had identified waterfronts as one of the key areas for providing enhanced recreational opportunities for city dwellers. The new study, entitled _____ will be issued in _____.

The coastal zone program in 1978 selected waterfront redevelopment as one of four general areas to receive emphasis in its funding of states with approved coastal zone management programs. Prior to this the office had experimented with demonstration grants to 35 cities and towns for waterfront planning and engineering studies.

In each case the offices recognized the growing public interest in waterfronts. The offices also came to recognize the desirability of including diverse elements in waterfront projects, such as providing recreational opportunities or means of access to the shore, and the opportunity for federal assistance to play a creative role.

The two offices in June, 1978, signed an agreement to facilitate and improve coordination. As the coastal program makes available planning

and engineering design funds, and the heritage and recreation service has funds available through several programs for the acquisition, development and rehabilitation of properties and land for parks and recreation (also maritime heritage preservation), the two programs were clearly compatible and complementary. In fact, Detroit has been able to tie together coastal planning funds with recreation service land purchase funds to speed preparation of parks for use by the public.

Both the Heritage Conservation and Recreation Service and the Office of Coastal Zone Management have sponsored and participated in several recent meetings on waterfront redevelopment as part of their efforts to acquire more information about waterfront projects so that their programs would be as useful as possible. From these gatherings with persons knowledgeable about waterfront projects, including private developers, city officials, planning consultants and academic experts, the need for an introductory "how-to" guidebook was perceived. Agreement to produce the document was reached in spring, 1979.

The two agencies also recognized the need for close cooperation with other federal government agencies that play critical roles in waterfront projects, larger in fact that either the recreation service or coastal zone office. These include the Army Corps of Engineers, Economic Development Administration, Department of Housing and Urban Development and Maritime Administration, among others.

As a consequence, a working-level, interagency group, the Urban Waterfront Action Group, was formed in mid-1979 by representatives of 10 federal agencies plus the National Trust for Historic Preservation. A list of participants who serve as initial points of contact for their

agencies is included as appendix ___. Its role is to provide information on and facilitate the delivery of federal assistance to interested communities. The group will examine programs to see if more effective ways of delivering federal services can be put into practice.

The formation of the Urban Waterfront Action Group is evidence of the growing realization among federal agencies of the potential for using federal programs in creative, cooperative ways to encourage well thought out projects that provide maximum public benefit.

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CHAPTER I - INTRODUCTION

This guide is intended to help interested persons bring about revived activity along their waterfronts.

Downtown waterfront areas, once prosperous centers of activity for many communities, have often fallen into disuse because of shifts in transportation technology. Container storage yards have come to replace warehouses; passenger ships have given way to airplanes. With the massive public effort since the 1960s to clean up the nation's waters beginning to show demonstrable results, and with energy shortages making outlying suburban locations increasingly expensive, attention is turning back to the city and its often neglected waterfront areas.

A number of major waterfront redevelopment projects around the country are well known, serving in some instances as symbols for the cities themselves. San Francisco's Ghirardelli Square, Boston's Faneuil Hall/Quincy Market area, and Baltimore's Inner Harbor are such symbols. Each represents a rediscovery of an abandoned waterfront area.

Opportunities for capitalizing on urban waterfront potential exist in cities along the nation's rivers and coasts. Projects can be as small as a vest-pocket park or a single boat-launching ramp, or they can be as massive as the multi-block renewal of major a major city center. They can involve strictly private enterprise or, as is more customary, have differing mixes of governmental and private action.

This guide is purposely written for a non-technical audience, including city officials, leaders of citizen's groups and private developers who want to bring about change in their city or town's waterfront. One major purpose

is to convey ideas about the wide range of developments that can comprise waterfront renewal projects, and the varied sources of governmental aid that might, subject to the availability of funds, be used. The publication is intended to help those who want to know, "How do we go about a waterfront project?"

There is no single presecription for successful renewal or development. What worked well for Baltimore, Newport or San Diego may well be inappropriate for other cities. Not every waterfront has a direct link to the center city as has Seattle. Few cities or towns today could afford the luxury of Chicago's lakefront.

Case stuides are nonetheless felt to be useful because they demonstrate types of practical approaches that have worked. The selected case study examples used throughout the guide are illustrative and are not intended to suggest the full range of possible waterfront projects. Such a survey would be exhaustive and beyond the scope of this effort.

As stated in the Preface, the underlying assumption is that the various government programs should be used primarily to support and make possible private initiatives in waterfronts. Government funds are often joined with private captial in successful waterfront rejuvination projects. Government grants are used as seed money for planning, design and engineering as well as for construction of necessary public facilities.

The focus of the guide is on implementation — translating a plan into action — rather than on the plan formulation and design aspects of a waterfront renewal. Each community is unique; prescribed designs are therefore inappropriate. There are instances where creative designs have been found to be impractical and have gathered dust of city shelves.

A key decision that must be made by a city or town, its private intreresets and public bodies together, is what the character of its waterfront should be. Hard bargaining may well occur over the amount of commercial or industrial activity that will take place, or how much of the valuable territory will be given to residential or recreational uses. The assumption of the guide is that the normal political processes will allow this decision to be made and provides suggestions for putting the agreed-upon plan into effect.

This guide does not presume to advise communities as to what mix of uses are appropriate for its waterfront. Rather in contains a number of suggestions about what might be included and, most important, how to go about the task.

How to Use the Guide

The intent of the guide is twofold:

- o as an introduction to the wide range of implementation techniques that may be applied to a waterfront project, as well as the problems that might be anticipated, and
- o as an information source on the literature and contacts that may be consulted.

The contents are as follows:

Chapter I — Introduction

Chapter II — Waterfronts Today

Chapter III — Inventives to Private Developers

Chapter IV — Federal Financial Assistance

Chapter V — Management Structures

Chapter VI -- Zoning and Districting

Chapter VII -- Land Acquisition

The guide is organized to cover the different management structures that might be employed by a city, the mixture of public and private devices that can be used, sources of federal funding that are available (if appropriations are forthcoming) and the incentives that might be used to involve private interests if investors are reluctant.

Waterfront redevelopment will and should reflect the special geographic, political and economic situation of each city or town. The tools outlir

CHAPTER II - WATERFRONTS TODAY

Types of Waterfronts

Customarily the term "urban waterfront" is taken to mean the port areas of large metropolitan areas on the nation's coasts or major rivers. San Francisco, Long Beach, St. Louis, Milwaukee, Boston, New Orleans or Baltimore are some of the cities that come to mind.

In fact, however, the term "urban waterfronts" is much more inclusive. Small resort towns with busy harbors, commercial fishing towns, many medium-sized cities as well as communities located on bays or channels miles from the ocean should be included.

For purposes of this guide, the term "urban waterfront" is used broadly. Communities with populations well under 50,000 are considered because the problems and potentials for waterfront revitalization exist there as well.

Waterfronts vary enormously in type and character as well as in size and age. Some port cities such as Charleston, S.C. and Savannah, Ga., owe much of their current attractiveness to the restored beauty of their early days in American history. Other ports such as Oakland are big, bustling and brand new.

Among the many factors that contribute to the unique character of each waterfront and must be taken into account when examining redevelopment possibilities are the following:

Geographic Location

- o Waterfronts may be located on coasts, along rivers, at the terminus of shipping channels or alongside bays leading inland from the ocean. While an obvious geographic fact, the difference between a river and an ocean site will affect engineering, design and type of construction in new projects (coastal sites have to take into account ocean storms and the corrosive impact of salt water, for instance).

Size

- o There is a difference in size that affects efforts to restore or renew waterfronts, big or small. Waterfront sections can be compact, neatly carved out of one section of a city or town, as in Alexandria, Virginia, or they can sprawl along two or more rivers that form the principal geographic feature of an area, as in Wilmington, Delaware, and Charleston, S.C.

Scale

- o Projects will also differ vastly in scale. They can be as small as the replacement of rotting pilings with a single, boat-launching ramp -- from this small beginning the City of Baltimore plans to begin redevelopment of its Middle Branch area, or as large as its well-known Inner Harbor site. At Grand Street in Brooklyn, New York,

a former ferry landing turned junkyard was reclaimed and turned into a small neighborhood park.

Age

- Many waterfronts contain historic structures or uses. This can enhance the attractiveness for investors, given the possible tax breaks on designated historic buildings, and contribute to possible visitor interest. Maritime history has demonstrated a tremendous fascination for the public, as witnessed by the crowds attending the bicentennial "tall ships" visits to the east coast.

Use

- Usage of waterfronts is another variant. Many have industrial classifications, reflecting either present activity or the past port-related functions. Other waterfronts, however, may be exclusively resort communities with harbors for pleasure craft and perhaps commercial fishing vessels. Or, more commonly, waterfronts reflect mixed uses. The pattern of activity on a waterfront will be important in determining future redevelopment directions and opportunities. The pattern can also easily pose problems. For example, historic use as a high-density industrial area makes conversion to residential and commercial uses a complex task, especially if an unsavory reputation is attached to the area.

Recreation

- Recreational opportunities are one of the public's main interests in waterfronts, whether they are now industrial, mixed use or abandoned. With the prospect of cleaner waters in many areas, due to recent public investments in pollution control facilities, the public's stake in using and protecting waterfront lands is higher.

Development

- Underused waterfront areas represent major community assets. Their disposition, therefore, can be expected to be a major point of interest for private investors, public officials, citizen groups and the general public. Projects of whatever dimension will have to successfully balance the various interests that are sure to coverge on plans to improve or bring about redevelopment in waterfronts.

  Increased public interest is more than matched by higher property values along the rivers and shores of the country and increased competition for their use. This means most suggestions for renewal, redevelopment or other investment in waterfronts will run into controversy. Public interest groups will want greater access and more space for recreation of one sort or another. Private property owners will naturally want to maximize the return on an investment they might contemplate, arguing that this will enhance revenues for for the community.

Waterfront Potential

A number of factors have come together in the late 1970s to make redevelopment of waterfronts a more attractive prospect than before.

In many communities, waterfront represent relatively unused territory close to the center of the city or town. Such location makes it potentially valuable for a number of private activities, including housing and stores, and for public purposes, such as auditoriums or parks. This is especially true where renewal of these city centers has taken place.

The effect of the nation's effort to clean up its waterways, begun in earnest in the mid-1970s, is beginning to pay off. The success means that once fetid waterfront areas are becoming cleaner and land along the water's edge is suddenly more usable.

Waterfronts often possess opportunities for creative reuse of older structures. Perhaps best-known is the Ghirardelli Square project in San Francisco. At a cost of approximately $10 million, a turn-of-the century chocolate factory was turned into a shopping and restaurant complex that features major open space. The Quincy Market restoration in Boston, also adjoining the waterfront, is a newer example. Tax benefits for structures placed on the National Register of Historic Places has helped spur interest in reuse of old buildings. Likewise the rising costs of new construction make conversion of existing structures economically attractive.

Coinciding with the increasing attractiveness of "adaptive reuse" or preservation of older structures is the "back-to-the-city" movement. Spurred by gasoline shortages in the 1970s, the trend toward in-city

living has attracted an undetermined number of young people, retired persons and other interested in the amenities of city living as well as the convenience it provides. Waterfront locations are prime attractions for new or converted residences and offices near city and town centers.

Competing for waterfront locations is the recognized need for expanded recreational opportunities for city residents. This point was acknowledged by Congress in 1976, when it ordered a study of urban recreation needs. Presently, there is an increasing emphasis in federal, state and city recreation programs on using available space in sections such as waterfronts to to provide space and parks near where people live.

Redevelopment Difficulties

While there are examples of successful waterfront redevelopment projects in all sections of the country, some of which date back to the 1930s, there should be no illusion about the ease of beginning or expanding similar efforts elsewhere. Boston's Quincy Market renewal and waterfront revival took 15 years to reach today's success. Baltimore began in the late 1950s with a central city urban renewal that then spread to its waterfront, and is still years away from completion. Seattle is still grappling with how to tie its waterfront to a revived downtown.

Beyond the inherent difficulties of any major public-private city renewal or redevelopment project, waterfronts present several problems that are unique or serve to compound problems existing elsehwere.

- o Financing waterfront projects, whether small, single-purpose efforts or major, multi-acre redevelopments, poses special difficulties. Private investors may be reluctant to risk the venture because

the areas may have an unsavory reputation or be in especially deteriorated condition. City officials likewise may be hesitant to spend major sums for improved services and facilities in unproven areas.

- Conflicts among varying interests over what use to make of waterfronts will be intense, perhaps more so than in other city areas. Present industrial users may resist efforts to recast waterfront sections into shopping and residential areas, and present residents may be disturbed at the thought of higher-priced restored housing being located there, fearing what has been termed "regentrification" or displacement of older, often poorer, residents by the more affluent.
- Public access to waterfronts will pose a major consideration as the public's stake in water resource recovery increases and opportunities are expanded for swimming, boating, fishing and quiet recreation at the water's edge due to cleaner waters.
- Waterfronts presently serve many cities and towns as convenient dumping grounds. Refuse, staging areas for overseas shipment, tank farms, lumber yards and city lots for towed cars all have found waterfront areas convenient. Redevelopment of these areas means new locations will have to be found for such uses.

shoreline has shifted over the years. Alexandria, Virginia, has a long-standing dispute with the federal government over who owns portions of its waterfront along the Potomac River.

Public Access -- A Special Issue

Deserving special attention as a key problem in waterfront redevelopment is the complicated question of the public's right to have ready access to the water. The advent of generally cleaner waters, at public expense, raises the basic question over who should reap the benefits of these improved waterways, private development interests, the public at large or some mixture of the two. If a decision is made favoring widespread public use of the water's edge, the question quickly becomes one of how it is to be financed, since public holdings of waterfront territory are limited.

States have different laws affecting the line where private ownership stops at the water's edge and public jurisdiction begins. These state laws are often in flux, subject to legislative action or court rulings.

There are a number of compromise solutions that seem to be winning increasing favor in various jurisdictions. Many communities are using their zoning (or landfill) permit authority to win concessions from developers of waterfront lands that will allow public access. In Wilmington, Delaware, for example, it is proposed that 20-foot strips along the Brandywine and Christina Rivers be obtained from industries locating there. In San Francisco, the Bay Conservation and Development Commission has for years used its permitting authority to provide direct public access

- Governmental jurisdictions in waterfronts are more complicated than elsewhere, because the presence of water introduces additional governmental agencies and regulations, including at the federal level the Coast Guard, Army Corps of Engineers, Environmental Protection Agency, National Oceanic and Atmospheric Administration and Maritime Administration to mention just a few.
- The rundown condition of buildings and municipal facilities in many older waterfront areas are made worse by problems with bulkheading along the shore or with rotting piers and pilings that present expenses and hazards unique to the waterfront. Piers have been rebuilt and converted, at major cost, to provide such attractions as Pier 39 in San Francisco, and Seattle's waterfront park/aquarium site. Competition for public funds with which to repair bulkheads or install shore protection devices is intense.
- Despite the trend towards cleaner water in general, pollution problems remain. The difficulty of dealing with runoffs from farms, mines and other non-point sources of pollution confounds efforts to clean up waterways. Debris interferes with boating and other activities, meaning at minimum, extra maintenance costs for waterfront locations.
- Ownership of lands in waterfront areas may be more tangled than in other sections of a community. Waterfronts generally are in older sections, creating title problems, and the presence of railroad and utility rights of way add further complications. Sometimes there is difficulty in determining the demarcation between private property and public ownership, especially if the

In addition to the traditional focus of federal recreation policy on parks, trails and similar facilities, there is the broader recreation potential of waterfronts that raises additional access questions and problems. Shopping in a restored market can, and does for large numbers at many locations, represent a type of recreation. But, waterfront areas sometimes are in areas of the city difficult to get to, perhaps cut off from the main network of roads by a major highway, as is the case in Philadelphia. Barriers also can be visual, as with Seattle's overhead waterfront expressway or Boston's elevated roadway, both of which split the waterfront edge from downtown.

Complicated legal questions are involved in the question of providing access. The shore may be in public ownership, but only up to a certain point such as where the normal high tide mark is. This means that the territory in public ownership will be under water twice a day in coastal areas, effectively limiting the public's access. Private property often is located along the "public" shore, whose owners rightfully object to having the general public stream across their land to that shore. In cities and towns there are frequent cases of trespass as citizens cross whatever property is in their way to get to the shore if they have to.

Even in communities where the shore is "public" there are questions of access --should "outsiders" be allowed to use the facilities, should they pay and should residents be given preference?

Waterfront redevelopment has a major opportunity to help meet the public's need for increased recreational opportunities in cities and towns. As new projects are developed, points of access can be built into the design. The projects can also provide the occasion for clarifying public ownership of

to the bay waters. The coastal management program developed by Seattle attempts to preserve visual access to the water on both sides of that city, through permitting.

The growing trend is toward multiple-use projects, by which is meant more than one major activity is conducted in the same general area, often including activities previously considered incompatible. Ways are being found, for instance, to provide the public opportunities to view cargo-handling operations in a harbor; the Port of Seattle has done this. Some waterfront sections combine older, industrial activity with newer public attractions; Baltimore's new aquarium is located beside a former generating plant that will be converted to a hotel, which in turn is located near traditional port facilities.

Urban recreation needs have been made a top national priority as far as the federal government is concerned. Congress in 1976 directed the Heritage Conservation and Recreation Service to study these needs. The report, the National Urban Recreation Study issued in January, 1978, mentioned waterfronts as one of the major potential areas for meeting public demands. Railroad yards (which often are in waterfront sections and in many cases are in low use), reservoirs and utility corridors were the other areas cited.

CHAPTER III - INCENTIVES TO PRIVATE DEVELOPERS

Private developers are the primary participants in most urban waterfront redevelopment proposals, with the opportunity to make a profitable investment a major incentive. In a majority of cases, government's role is to serve as a catalyst for private action. This is especially true if the proposal is large-scale and requires detailed market analysis or long-term capital investment.

Real estate development involves a complex set of considerations such as land assembly, interest rates, cash flows and unique tax advantages that must be analyzed prior to implementation of a project. These considerations frequently involve private interests in negotiation with government at the local, state or possibly federal level.

In recent years, participation by government as part of joint public/private ventures has broadened the nature of developments to include social objectives in addition to the profit motive, such as providing jobs, improving the local tax base, or providing recreation opportunities. Even in such joint projects, the consideration of the potential return on the private investment remains the governing consideration. In other words, waterfront redevelopment projects, above all else, have to make sense in economic terms in order to attract private capital.

As noted earlier, there is often intense competion for federal or other grant monies that can be contributed by local governments for key

shoreside territory. In return for public investment in support of redevelopment projects, parks, public piers or marina facilities can be made components of approved private ventures. Or, a local permit requirement can be made contingent on private provision of access to what is unmistakably in the public ownership, the water of the nation's rivers and coasts. As always, care must be taken so that there is no "taking" of private property without compensation.

Tax Incentives

The use of tax incentives to stimulate private development can be an effective method of encouraging urban waterfront revitalization. Although this technique reduces revenues in the short run, local governments may realize long-term economic benefits that far outweigh the temporary losses. Four methods of tax reduction are: abatement, exemption, exclusion and value assessment.

- o Abatement - taxes are either partially reduced or totally eliminated for a specific period of time.
- o Exemption - property is eliminated from the tax rolls by a special action of local government.
- o Exclusion - the property is placed in a classification outside of the definition of taxable property.
- o Value Assement - taxes are levied based on the produced income of the redevelopment project and not on the value of the property itself.

The most common tax incentive is property tax reduction. Local governments find this technique useful, because it is relatively easy to administer, and has broad application and attraction to land owners throughout the community. Property value for tax purposes can be a significant factor in an owner's consideration of redeveloping a site. This is particularly true if the property values are inflated due to nearby redevelopment or real estate speculation as often happens on waterfronts.

The actual tax reduction program will vary from community to community depending on the local economy, and the provisions of the enabling statues. Missouri's law permits removal of all taxes on site improvements for 10 years, and then increases them to 50 percent of assessed value for the next 15 years. Michigan's law exempts property taxes for the first 15 years, and requires payments in lieu of taxes equal to the prior tax

project elements, such as streets, sewers, utility lines, etc. These contributions can be used to encourage private investment for the remaining portions of a project where investors are reluctant to select waterfront locations.

The purpose of this chapter is to examine the major types of incentives, in addition to direct public assistance, that can be utilized by local governments to encourage waterfront redevelopment projects. These incentives have been successfully used in a number of communities to bring such revitalization proposals to fruition.

Tax incentives can also be used to coordinate compatible development activities, such as housing and retail enterprises in situations where the open real estate market and local property valuation system may encourage other, less harmonious or less socially beneficial, land uses. In addition, tax incentives can be used to insure that public benefits, such as access to the shore, are included in projects.

If not structured properly, tax reduction programs could have negative effects on a community. Conflicts with other established policies of the local government may occur, such as transportation plans, or other economic development programs. If implemented on too large a scale, they can begin competing for a fixed amount of investment dollars and distort local development patterns to the long-range detriment of the community. In some cases, tax reductions may provide a windfall to developers who would have implemented the redevelopment project regardless of the tax incentive.

in lieu of taxes equal to the prior tax assessment on the improved property.

Another type of tax incentive is the separation of the tax assessment from actual property value, making the tax owed dependent on the amount of revenue actually produced by the redevelopment activity. This approach gives pioneering businesses a tax break during the initial investment years when profits may be lower, and allows upward adjustment by the local government as the redevelopment project catches on and begins to produce more revenue.

The optimal method of tax reduction will differ for each project depending on a variety of factors. These include: the overall economic health of the community, goals of the local government, condition of the property and the surrounding area, method of tax collection, degree of enforcement, and others. A tax reduction program should be designed so that the amount of overall investment and public benefit produced by the redevelopment project is greater than the amount of tax revenue lost to the local government.

Tax incentives to the private sector can have a widely varying impact on a local community depending upon the nature of the program and the characteristics of the community involved. They can provide a means of stimulating private development that does not require additional public investments, and incentives can be targeted to achieve specific economic development goals and objectives, such as increasing employment in low income areas.

district.

By September 1975, a redevelopment plan was completed and submitted for review by the St Louis Community Development Agency and the Board of Alderman. In January of the following year, an approved plan was initiated which provided for rehabilitation of approximately 40 structures, amounting to nearly 950,000 square feet, as well as control over the types of uses allowed in the district, and provisions for pedestrian and vehicular circulation. The plan also included a commitment by the City of St Louis to provide $ 1 million in public facilities for new lighting, streets, curbs and landscaping.

Tax Incentives

In addition to the property tax incentives offered by the Missouri Corporations Law, the Redevelopment Corporation took additional steps to provide tax advantages to property owners who rehabilitate structures at Leclede's Landing. In August 1976, the area was included on the National Register of Historic Places. As mentioned in the section on historic districts, this designation qualifies property owners for direct grants, accelerated depreciation, and other tax advantages under the Tax Reform Act of 1976. Since that time, six individual projects have received grants-in-aid, and ten have used accelerated depreciation as part of their redevelopments.

Parcel Development Agreement

One of the most important aspects of the redevelopment corporation is the Parcel Development Agreement, which is signed between the corporation and individual property owners. This legal contract obligates the owners to to the agreed-upon improvements over a period of time in order to obtain the tax benefits. The agreement offers the Redevelopment Corporation

Leclede's Landing, St. Louis, Missouri

Downtown St. Louis is experiencing a major revitalization effort that includes a convention center, the Jefferson National Expansion Memorial, and several other attractions along the city's Mississippi Riverfront. Leclede's Landing plays an important part in this redevelopment effort by expanding revitalization to include the city's extensive urban waterfront.

Leclede's Landing encompasses nine square blocks adjacent to the central business district not far from the giant Gateway Arch. The landing contains over 30 historically significant structures that have survived the changing functions of the Mississippi River over the last 150 years.

Leclede's Landing Redevelopment Plan

Since the 1880s, the primary use of the area has been for warehousing and light manufacturing, but by 1975, over 75 percent of the buildings were vacant, and only a few companies remained.

In November of 1974, an effort was begun to improve the economic situation in the area. A series of meetings were held between local business interests, property owners in the area and government officials in which it was agreed to use a public/private development corporation approach to guide redevelopment in the district.

Early in 1975, the interested parties formed and sold stock in the Leclede's Landing Redevelopment Corporation under Chapter 353 of the Missouri Urban Redevelopment Law. By utilizing this statute, the corporation assumes the role of a local redevelopment agency and is empowered to grant property tax relief over a 25-year period to individual property owners in the landing

Special Taxation Districts

Many states have adopted legislation that allows local governments to establish special taxation districts within their jurisdictions. This approach institutionalizes the tax incentive mechanism and allows it to cover a broad area. The goal is usually to stimulate private investment in specific areas of the community by reducing the tax burden on existing properties in the district. In this way, the tax district serves as an incentive for private investors to locate new enterprises in the area, or improve and expand existing structures.

Most special tax districts are established by local governments according to specific criteria that are outlined in an adopted enabling ordinance. An example is the Michigan Plant Rehabilitation and Industrial Districts Act of 1974, which requires a city to make a determination that 50 percent of the property in the district is "obsolete" before special status is granted. In some cases, property owners in a proposed area may petition the local government for special tax district status. When this occurs, a majority of the landowners must be in agreement, and the area must meet the established criteria in order to qualify. Once a special taxation district is proposed, a formal public review is mandatory, which includes public hearings where all property owners in the district can testify. The local government will then approve or disapprove the application.

an added measure of control over the types of development allowed in the district.

In conjunction with the Parcel Development Agreement, the corporation is able to control the design of individual projects by use of an official set of Urban Design Guidelines which were adopted simultaneously with the Parcel Agreement provisions. The complete set of guidelines is included in appendix__.

Results

Redevelopment is now established at Leclede's Landing. Since 1976, substantial amounts of office, residential, entertainment, and commercial uses have appeared. Lighting, cobblestone street renovation, curbs and landscaping have been provided by the city, and private developers have contributed over $16 million in major rehabilitation projects in the area, totaling over 450,000 square feet.

A wide variety of new tenants located in the area. Design studios, promotion and marketing firms, a theater, architects, lawyers, a furniture store, restaurants and assorted retailers now occupy the once abandoned site.

CONTACT: Leclede's Landing Redevelopment Corporation
717 North First
St. Louis, Missouri 63102
(313) 274-1841

Tax Increment Financing

Urban redevelopment projects often result in substantial increases in local property values, both on the actual site, and on other properities in the surrounding area. These higher assessments generate greater property tax revenues for local governments, and tax increment financing is one method of taking advantage of these increases. The purpose of tax increment financing is to establish a method of financing urban redevelopment projects outside of the general fund of a local government which is derived principally from property taxes. This technique isolates the additional tax revenues produced by redevelopment and upgrading deteriorated properities, and uses these revenues to repay the municipal bonds which were sold to finance construction of the public's share in the project.

The procedure is as follows:

- o A local a government adopts a plan for a redevelopment project and sells special tax increment bonds to finance the necessary capital outlay for facilities such as streets, bulkheading or parking.
- o A redevelopment district is established in which the property values of all parcels within the district are considered to be "influenced" by the project. In other words, property values within these boundaries are expected to rise as a direct result of the project. The total value of this property is assessed, which sets the "tax base" for the district.
- o Each year, the additional tax revenue that is generated by higher assessed property values in the redevelopment district (the amount above the base level) is collected separately from other taxes, and is used specifically to retire the bonds issued to help finance the redevelopment project.

Special tax districts can be implemented in a variety of ways, but each has the common purpose of encouraging private investment in areas targeted for development. The most common type of district is one which reduces or abates "ad valoreum" property taxes for specific time periods. The assumption is that a lower tax rate will be an incentive for new businesses to locate in the area. Another approach, which primarily effects existing developments, is when the value of improvements made to a site is excluded from the overall tax assessment.

The use of tax districting can result in an effective and equitable stimulus to the private sector, since all owners within a district are treated alike, and spillover effects from public improvements or new private investment have the same impact on all property owners.

In addition, these projects normally produce immediate and highly visible results, where returns on investment are realized soon after occupancy of the new structures.

There are also some negative aspects of tax increment financing that should be addressed. It may not be possible to integrate such programs with other tax incentive proposals that encourage private investment. In addition, projects funded in this manner must clearly contain land uses that are reasonably certain to produce sufficient revenues to meet debt repayment schedules. This factor tends to limit the range of elements that can be included in redevelopment proposals. Finally, tax increment financing may require special legislation that specifically grants local governments the power to use this technique.

Portland, Oregon has recently used tax increment financing as part of its plans for renewal of the downtown business and adjacent waterfront area.

- When all outstanding debt is paid off, the redevelopment district is dissolved, and regular taxes are collected on the improved property.

Tax increment financing has proven most useful in projects where relatively high-value business activities dominate. Industrial and commercial office buildings and shopping centers are the most common applications, although housing can also be integrated into these development proposals. It is necessary to include the types of land uses that will insure a sufficiently large tax increment, so that the outstanding debt will be retired within a reasonable time frame. It is necessary to demonstrate this in order to sell the bonds to investors.

There are many positive implications for local governments that chose to utilize this technique. Tax increment projects are designed to enhance the economic vitality of depressed central city commercial areas, and can be especially useful for revitalizing deteriorating waterfronts situated near older commercial and industrial enterprises, which often have a high potential for adaptive reuse. In addition, this approach requires that those who benefit directly from public investment in urban redevelopment are the ones who pay the majority of the initial costs involved, a more equitable arrangement than funding by general obligation bonds where all taxpayers bear the expense equally.

The long-term nature of the increment bonds demonstrates a commitment on the part of local governments to revitalizing urban areas. This can be an important facator in attracting other investments to the area.

As a result of the previous successes, two major plans were developed that combined downtown redevelopment with provisions for recreation and access along the urban waterfront. The first was the "Downtown Waterfront Urban Renewal Plan", and the second was the "Downtown Waterfront Park Project". These two two projects make use of tax increment financing in a partnership with private investors that is mutually advantageous.

Tax Increment Financing

A series of events occurred that launched the tax increment financing plan in Portland. The first was Part one of a plan for the Waterfront Park, which eventually was incorporated into the downtown planning process. As part of those proposals,the Portland Development Commission recommended utilizing tax increment bonds to finance some of the developments, and in April, 1979, the City Council voted to designate a large portion of the waterfront and surrounding commercial district as a Waterfront Urban Renewal Area. Later that year, the citizen's of Portland voted to remove the legal restrictions that barred the use of tax increment financing and opened the way for its use in the combined Central Business District Waterfront Park Renewal Project.

In 1975, a completed master plan for the downtown waterfront was officially adopted by the City Council. The plan called for a series of public improvements that would encourage private investment in the downtown area, such as replacing a four-lane freeway with a mile-long waterfront park, providing free bus service in the downtown, and constructing parking garages to accommodate new stores. The added revenues from the private development could then be used to fund community improvements and portions of the waterfront park.

Portland Downtown Urban Waterfront Renewal Plan

The Portland Development Commission is the city's designated urban renewal and development agency. It is responsible for implementing Portland's Downtown Urban Renewal Project, which includes approximately 300 acres on the west bank of the Willamette River. The project area contains 35 acres of linear waterfront park, part of a nearby railroad yard, and much of the southeastern portion of the central business district. (see map)

Background

Portland's downtown redevelopment effort began in December of 1972 when the City Council adopted the "Downtown Urban Renewal Plan". Within the stated objectives of that plan were suggestions to "stimulate private conservation, rehabilitation and development of the area through public improvements" and "develop a Waterfront Park between the Marquam and Steel Bridges."

The first of these objectives was addressed in the downtown South Auditorium Urban Renewal Project, which revitalized an area not far from the waterfront. Included in the renewal were a civic auditorium, a pedestrian mall, office and housing space, and a noted fountain designed by Lawrence Halprin. The success of these projects, and the subsequent tax revenues that were generated, created a positive atmosphere for more extensive redevelopment and encouraged the city to take broader steps towards revitalizing other parts of downtown, including proposals for the nearby Willamette riverfront.

extensive open grassed areas, a public boat facility, community activity centers and a larger center suitable for restaurants, retail activities, and entertainment. A variety of other activities are present on the waterfront, such as an interperative display of the battleship Oregon mast site, a floating dock area for small boats, and a small, bricked in plaza used for concerts, dance performances, and special events.

CONTACT: Portland Development Commission
1500 S.W. First Avenue
Portland, Oregon 97201
(503) 248-4800

Regulatory Simplification

The regulatory patchwork which accelerated during the late 1960s and early 1970s was, in part, a response to environmental concerns and a public desire for greater participation in local land-use decisionmaking. In urbanized areas, these additional regulatory measures were placed on top of existing zoning ordinances and land use techniques. The result is a complex maze of overlapping, and sometimes contradictory, regulatory specifications and permit requirements from various levels of government.

Urban waterfronts are directly affected by these additional regulations, especially in cases where dredging, filling, or construction in floodplains is included in project proposals. The Army Corps of Engineers, Fish and Wildlife Service, Environmental Protection Agency and Coast Guard as well as state resource management agencies and local governments each have interest in dredging and filling activities near urban waterfronts throughout the nation. These interest are often not the same. The result is a system of permit requirements and regulatory controls than can take months or years to wade through. Cumbersome regulatory procedures

There are two primary sources of tax increment revenues that have been generated from redevelopment in downtown Portland.

The City of Portland sold $10 million in urban renewal bonds during 1976 for preservation and improvements to the Skidmore/Old Town Historic District, Yamhill Historic District, and the majority for the Waterfront Park. The following is a breakdown of the expenditures from the bond sale:

Rehabilitation Loans	$2,100,000
Projects:	
Waterfront Park	
Parking Facility	
Historic Districts	
Right-of-Way Improvements	$6,105,000
Redevelopment Reserve Fund	$ 700,000
Administration	$1,080,000
Bond Expenses	15,000
Amount of Bond Issue	$10,000,000

In addition, the U.S. National Bank of Oregon, and a federal office building built for and leased by the General Services Administration, added $23 million dollars to the assessed valuation of the area in 1976 to 1977. Since then, Far West Federal Savings and Loan Association and Portland General Electric have expanded their facilities and provided an estimated $12.2 million in additional assessed value for 1977-78 taxes, approximately $16.8 million for 1978-79, and $3 million for fiscal year 1979-80. These projects alone have generated nearly $2 million per year in added tax revenues for the city.

Results

The initial phase of the Waterfront Park has recently been completed. The park is scheduled for development over a three-to-five-year period and will eventually include an esplanade on the riverfront, plazas,

zoning units called: use units, development units and special area units.

A zoning "unit" defines the basic type of land use that will be permitted, such as residential, commercial, or agriculture. The amount of flexibility in combining various land uses increases with each type of unit. Use units are the most restrictive, allowing only one type of use per zone. Development units are more inclusive, allowing different types of land uses within a zone with height, bulk, density, and open space specifications. About ten different groupings are possible for each development zone.

The final category is the "special area unit", which is similar to the floating or overlay zones described in the section on alternative zoning techniques. Special area units are designed for unique areas, such as beaches, floodplains, scenic areas, and planned development areas. They allow developers and community officials a high degree of discretion in land use development decisions in the zone.

Building block zoning has proven to be an effective approach in San Diego, because of the flexibility that the system allows in responding to private development interests. It allows a simple, direct format and is not difficult or expensive to adopt. Recently Orange and Fresno Counties have begun review of their zoning ordinances with an eye towards the San Diego example.

The Michigan Experience

The State Division of Land Resource Programs is the lead agency in Michigan for dredge and fill permit application processing. In recent years, the number of applications has grown to nearly 2,500 per year. This volume, combined with increased public participation in the review process, resulted in an inefficient regulatory system. In 1977, the

can therefore, obstruct implementation of urban waterfront projects.

There are ways in which the regulatory system can be streamlined or otherwise improved as a means of encouraging waterfront redevelopment. The discussion will include examples of innovative regulatory systems already in existence. These cases should be used a references on which to base regulatory reform rather than as models that can be reproduced in all types of situations. The nature of permits and regulations is such that each system must be adapted to a particular situation and set of circumstances.

San Diego County

In recent years, private developers in Southern California have been creating new types of urban designs that no longer fit the standard zoning classification used in most communities. Many of these designs included clusters of different residential densities integrated with various retail and commercial activities on the same site.

County planners, supportive of the innovative ideas, were frustrated by the failure of traditional zoning to accommodate the unusual siting requirements of these new designs. They set out to revamp their zoning system to make it more flexible and sensitive to current market pressures. In November 1978, the San Diego Board of Supervisors approved a revised zoning format that utilizes the basic categories of traditional zoning, but packages them in a system referred to as the "building block approach".

The basic goal of the building block approach is to provide the necessary flexibility that is required to accommodate multi-use developments, while retaining a measure of stability and accountability in the regulation of urban land use. The system sets up three major types of

the combined Corps of Engineers/State permit, expanded staff, and use of the computer system has reduced processing time from 90-to-120 days to approximately 20 days for most applications. Also improved is the quality of review by staff and the interested public resulting from the expanded data base and more extensive field inspections.

CONTACT: Michigan Coastal Management Program
Land Resource Programs Division
Bureau of Land Management
Department of Natural Resources
Steven T. Mason Building
Lansing, Michigan 48926
(517) 373-1950

state began to take steps to alleviate the problem, by consolidating some permits, and improving the permit information network.

The first step was creation of a joint application process between the Army Corps of Engineers and Michigan's Department of Natural Resources. This eliminated duplicative paperwork for an applicant, and improved coordination between state and federal officials. The Division of Land Resources Programs also took steps to improve efficiency by increasing permit processing and field enforcement staff.

In addition to improving the permit mechanism, the state wished to expand the information network that accompanies the permit process, in order to further improve decisionmaking and enforcement of state statues relating to shorelines. In March 1977, the Michigan Coastal Zone Management Program financed development of the Coastal and Inland Waters Permit Information System. This computerized system has four basic functions:

- o Support permit processing by identifying all necessary application procedures for specific county, section, range and township, as well as primary attributes of location, such as geographic area, body of water, and project type.
- o Track applications that are being processed and provide comprehensive information on the status of all applications, permits, and conveyances that have been granted.
- o Provide information regarding workload in regional offices and Department of Natural Resources headquarters.
- o Meet external reporting requirements, such as the list of new permit applications and respond to inquiries from public, state and local agencies.

The system will also identify special areas of concern, such as erosion-prone sites, wetlands, unique habitats, or spawning areas, and the respective agencies that should be involved in decisions regarding these areas.

Implementation of this system is nearing completion, and already

parking garages that will serve the harbour project and the nearby Granby Mall downtown revitalization project.

The projected investment in this development for public facilities represents nearly one-quarter of the entire cost of the project. This is a substantial incentive to the private developer, and illustrates the enormous costs that can accrue when major public improvements are required in urban waterfront projects.

The private incentive arrangement was a key element of the project proposal and has led to the implementation of an urban waterfront project that eventually will provide substantial increases in the local tax base, a number of jobs, and increased pedestian access to the waterfront.

Public Facilities

Areas targeted for urban redevelopment projects are usually in the older, deteriorated parts of a community, which are characterized by outdated and faulty public facilities. These delapidated streets, and poor quality utilities are a major part of the overall expense in an urban redevelopment project.

Urban waterfronts frequently have problems with these standard types of public facilities, but waterfronts also have a unique set of requirements, including bulkheading and pier reconstruction, that result in additional expenses for urban waterfront redevelopment projects. In many cases, the additional costs are so high that they make the venture unprofitable, and the proposal is never implemented.

On the public side, cities have realized that the majority of urban redevelopment projects are beyond the means of local budgets, especially if they include major waterfront elements. As a result, several communities, desirous of urban waterfront revitalization have offered to provide these public facilities as an incentive to attract private investment. This approach has recently been used in Norfolk, Virginia at the Freemason Harbour site.

As part of a development agreement with Chessie Resources, Inc. and Oliver T. Carr Company, the City of Norfolk Redevelopment and Housing Authority is providing a series of public improvements using $20 million in community block grant money from the Department of Housing and Urban Development. The improvements include street work, walkways, utilties, drainage work, landscaping and bulkheading at the harbour to protect against erosion and tidal flooding. Also included are two, 100 car

CHAPTER IV - FEDERAL FUNDING ASSISTANCE

Most cities have found it advantageous to use one or more sources of federal funding to assist in waterfront redevelopment projects, especially the larger undertakings. Federal funding is not used to finance the entire project, but rather key components vital to its success. Government funding in general, whether from federal, state or local sources, should be seen by project organizers as supportive or stimulative of private investment.

Private investors in some circumstances are able to proceed without the complication of federal aid. The most dramatic example is in Detroit where the Renaissance Center complex was planned and executed entirely by private sources. (Local government did play a key role by establishing a special district.)

For those not familiar with Federal procedures, the process of obtaining a Federal grant can be confusing and time-consuming. Efforts have been made in recent years to cut out some of the paper work, but the fact remains that dealing with Federal agencies requires some knowledge of their program purposes, their language, and their procedures. This chapter will provide the project manager, community leader or citizen activist with an introduction to Federal assistance programs that can be utilized in developing an urban waterfront project. Aid is available for a variety of projects, whether large or small, and of whatever design.

Federal Grant in Aid Matrix

The traditional sources of federal funds for waterfront redevelopment projects have been from the Department of Housing and Urban Development, specifically its current Community Development Block Grant program, plus the Local Public Works Assistance program of the Economic Development Administration (Department of Commerce) and the Land Water Conservation Funds (Department of the Interior). In fiscal year 1978, total funding available from these three programs was $3.1 billion.

Other less obvious sources are also available to a project manager

For city officials or others familiar with, for example, the programs of Department of Housing and Urban Development (HUD), the guide may serve to identify additional sources that may be combined with HUD project. For leaders of citizens organizations just starting out, this section will serve as an introduction to what programs the federal government has that might help in the critical early planning stages and the points of contact for finding out about them. For developers interested in a possible waterfront investment, the section will serve to advise what kinds of aid can be obtained by a community to provide the public facilities that might be necesssary to make a redevelopment project feasible.

General discussions of public and private investment in urban areas have been examined in two excellent publications that would be helpful to any group contemplating an urban, mixed-use waterfront project are:

- o The Planner's Guide to Private Sector Reinvestment, Planning Advisory Service Report No. 840, American Planning Association, 1313 E. 60th Street, Chicago, Illinois 60637. A publication on private loan and finance arrangements for neighborhood investment and revitalization.
- o Mixed Land-use, Dimitri Procos, Community Development Series, American Institute of Planners (now American Planning Association, same address). A book on large scale mixed-use development finance and land assembly.

4. state and local governments or private interests;
5. state and local governments or public non-profit organizations;
6. individuals,
7. individuals, corporations, Indian tribes and
8. state and local governments, private and public non-profit organizations and individuals.

- Match requirement means the percentage of federal and non-federal funds required.
- Fiscal year 1979 funding is in millions.

Project Components (costs eligible for federal funds)

- Planning -- data acquisition and research, site specific (only one site for specific project) or comprehensive.
- Preliminary engineering.
- Architectural design — sketches and initial design.
- Final engineering and architectural design — detailed engineering drawings, blueprints and design specifications.
- Legal and administrative — legal consultation, administrative costs of program.
- Land and Building Acquisition — fee simple acquisition.
- Construction equipment — rental, purchase, or lease.
- Manpower — part-time, fulltime, wage and benefit packages.
- Improvement Rehabilitation — of existing structures, conversion or adaptive reuse.
- Maintenance — general upkeep.

or community leader. Projects with a variety of features are eligible for a variety of federal assistance programs. Putting together multiple-use projects to meet the often conflicting objectives or timetables of different federal programs poses a major problem for communities. Waterfronts are especially challenging because the opportunity for varied activities is great and the involvement of federal entities frequently cumbrous.

The matrix examines each program in terms of eligible costs based on project characteristics.

Explanation of Matrix

- The program numbers across the top of the matrix refer to the program information that follows.
- Agency refers to the federal department or office responsible for administration of the program.
- Eligibility for aid includes:
  1. state government agency;
  2. state and local government agency;
  3. local government;

Attached is a matrix displaying 29 Federal grant-in-aid programs. This matrix gives an overview of what each grant program can be used for, total funding in fiscal year 1979 and the percentage of local government funds required.

The 29 specific federal program chosen for brief description are felt to include the principal sources of possible aid for a waterfront redevelopment effort, but not the entire list of possibilities. For example, should a school or library be included in the design of a refurbished waterfront section, it is possible that federal help beyond the sources mentioned here could be employed.

Following this matrix there is a description of each federal program and key publications on each program.

Federal Program Summaries

The following are summaries of the 29 federal programs listed on the matrix. The identifying numbers correspond to the program on the matrix.

1) Local Public Works Program

Agency	Economic Development Administration Department of Commerce
Purpose	For construction of public facilities to encourage long-term economic growth in designated areas
Type of Assistance	Grants, direct loans
Contact and Addresses:	Director, Office of Public Works, Economic Development Administration, Department of Commerce, Washington, D.C. 20230
Authorization:	Public Works and Economic Development Act of 1965; Public Law 89-136, amended: 42 U.S.C. 3131, 3135
Key Publications to ask for:	Building Communities with Jobs, EDA; Grants and Loans for Public Works and Development Facilities, EDA; Title 13, Code of Federal Regulations, Chapter III, "Qualified Areas under the Public Works and Economic Development Act of 1965; Guides for Overall Economic Development Programs, Directory of Approved Projects

4) Economic Development and Adjustment Assistance Program

Agency	Economic Development Administration Department of Commerce
Purpose	Special economic assistance to help areas meet needs arising from unemployment
Type of Assistance	Grants
Contact and Address	Deputy Assistance Secretary for Economic Development Operations Department of Commerce Washington, D.C. 20230
Authorization	Public Works and Economic Development Act of 1965, Public Lab 89-136, as amended: 42 U.S.C. 3241, 3243, and 3245

2) Business Development Loans and Guarantees

Agency	Economic Development Administration Department of Commerce
Purpose	To encourage industrial and commercial expansion in designated areas by providing financial assistance to business for projects that cannot be financed through banks
Type of Assistance	Direct loans; guaranteed insured loans
Contact and Address:	EDA Office of Business Development Economic Development Administration Department of Commerce Wahington, D.C. 20230
Authorization	Public Works and Economic Development Act of 1965; Public Law 89-136, as amended; 42 U.S.C. 3142, 3171
Key Publications to ask for:	EDA Business Development Loans - Who Can Borrow - How to Apply

3) Planning Assistance

Agency	Economic Development Administration Department of Commerce
Purpose	Multi-county district economic planning
Contact and Address	Program Management Division Economic Development Administration Department of Commerce Washington, D. C. 20235
Authorization	Public Works and Economic Development Act of 1965; Public Law 89-136, as amended; 42 U.S.C. 3151, 3152
Key Publications to ask for:	Leaflet entitled EDA Technical Assistance, What is It, How to Apply

6) Coastal Energy Impact Program - Formula Grants

Agency	Office of Coastal Zone Management National Oceanic and Atmospheric Administration Department of Commerce
Purpose	Financial assistance to states and local governments for impacts from Outer Continental Shelf energy activity.
Type of Assitance	Grants
Contact and Address	Assistant Administrator Office of Coastal Zone Management National Oceanic and Atmospheric Administration 3300 Whitehaven Street, N.W., Page Building No. 1 Washington, D. C. 20235
Authorization	Coastal Zone Managment Act Amendments of 1976, Section 308 (b), Public Law 94-370
Key Publications to ask for:	Coastal Energy Impact Program brochure 15 Code of Federal Register (CFR) Part 931, May 21, 1979.

7) Coastal Energy Impact Program - Planning Grants/Loans and Guarantees

Agency	Office of Coastal Zone Management National Oceanic and Atmospheric Administration Department of Commerce
Purpose	To assist state and local governments to plan for the consequences of new energy facilities in the coast, financial assistance for public facilities to support new or expanded coastal energy activity
Type of Assistance	Project Grants/Loans
Contact and Address	Assistant Administrator Office of Coastal Zone Management National Oceanic and Atmospheric Administration Department of Commerce 3300 Whitehaven Street, N.W, Page Building No. 1 Washington, D. C. 20235
Authorization	Coastal Zone Management Act Amendments of 1976, Section 308(c) 308(d)(1) Loans and 308(d)(2) bond guarantees, Public Law 94-370.
Key Publication	Coastal Energy Impact Program - brochure 15 CFR Part 931, May 21, 1979.

5) Coastal Zone Management Program Administration (306)

Agency	Office of Coastal Zone Management National Oceanic Atmospheric Administration Department of Commerce
Purpose	To assist states administering a coastal zone management program approved by the Secretary of Commerce
Type of Assistance	Grants
Contact and Addresses	Assistant Administrator Office of Coastal Zone Management National Oceanic and Atmospheric Administration Department of Commerce Page Building No. 1 3300 Whitehaven Street, N.W. Washington, D. C. 20235
Authorization	Coastal Zone Management Act of 1972 Public Law 92-583, Coastal Zone Management Act Amendments of 1976, Section 306, Public Law 94-370.
Key Publication to ask for:	Grants Management Manual for Grants under the Coastal Zone Management Act.
Deadlines	Pre-application and applications should be submitted 120 and 60 days respectively prior to the beginning date of the grant.

9) Maritime Heritage Preservation Grants - Historic Preservation Funds

Agency	Interior Department Heritage Conservation and Recreation Service with the State Historic Preservation Officer and the Trust for Historic Preservation
Purpose	Preservation of maritime heritage with significant community impact grants
Type of Assistance	Grants
Contact and Address	Director, Maritime Preservation, National Trust for Historic Preservation 740-748 Jackson Pl. N.W. Washington, D.C.
Authorization	National Historic Preservation Act of 1966 (PL 89-665)
Key Publications	"Maritime Preservation," in Preservation News, special pullout Dec. 1978

10) Land and Water Conservation Fund - Acquisition, Development and Planning

Agency	Heritage Conservation and Recreation Service Department of Interior
Purpose	To acquire and develop outdoor recreation facilities
Type of Assistance	Grants
Contact and Address	Heritage Conservation and Recreation Service Department of the Interior Washington, D. C.
Authorization	15 U.S.C. 1-4 et seq. Land and Water Conservation Fund Act of 1965; Public Law 88-578; 78 Stat. 897; as amended by Public Law 90-401 (82 Stat. 354); Public Law 91-485 (84 Stat. 1084); Public Law 91-308 (84 Stat. 410); Public Law 92-437 (86 Stat. 460); Public Law 93-81 (87 Stat. 178); Public Law 94-422 (90 Stat. 1313); and Public Law 95-42 (91 Stat. 210)

8) Development and Promotion of Ports and Intermodal Transportation

Agency	Maritime Administration - Department of Commerce
Purpose	To plan for development and utilization of ports and port facilities, and to provide technical advice
Type of Assistance	Technical information, grants
Contact and Address	Director, Office of Port and Intermodal Development, Maritime Administration Department of Commerce Washington, D. C. 20230
Authorization	Title V of the Merchant Marine Act, 1936, as amended; Public Law 74-835, as amended: 46 U.S.C. 1151-1161.
Key Publication	Maritime Administration - General Order 11 (46 251)

12) Historic Preservation Fund

Agency	Heritage Conservation and Recreation Service Office of Archeology and Historic Preservation Department of Interior
Purpose	To expand and maintain the National Register of Historic Places--districts, sites building, structures, and objects significant in American history, architecture, archelogy, and culture at the national, state and local levels
Type of Assistance	Grants
Contact and Address	State Historic Preservation Offices or Chief, Office of Archeology and Historic Preservation Heritage Conservation and Recreation Service Department of Interior Washington, D. C. 20240
Key Publications	The Secretary of the Interior's Standards for Acquisition and Development Projects

13) Comprehensive Planning Assistance (701)

Agency	Department of Housing and Urban Development Office of Community Planning and Development
Purpose	To strengthen planning functions of state, regional and local entities
Type of Assistance	Grants
Contact and Address	Director, Office of Community Planning and Development, HUD 451-7th Streeet, S.W. Washington, D. C. 20410 202-472-3970
Authorization	National Housing Act of 1954 as amended, P.L. 83-560 40 U.S.C. 461
Key Publications to ask for:	

11) Urban Park and Recreation Program

Agency	Heritage Conservation and Recreation Service Department of Interior
Purpose	To assist hard pressed communities in the rehabilitation of critically needed recreation areas and development of improved recreation programs.
Type of Assistance	Grants
Contact	Heritage Conservation and Recreation Service Department of Interior Washington, D.C.
Authorization	"Urban Parks and Recreation Recovery" Act of 1978, Urban Parks and Recreation Recovery Program, Title X p.4. 95-625.
Key Publications	

16) Housing Rehabilitation Loans

Agency	Department of Housing and Urban Development Community Planning and Development Office
Purpose	To provide funds for rehabilitation of residential and business properties.
Type of Assistance	Direct Loans
Contact and Address	Community Planning and Development, Department of Housing and Urban Development 451-7th Street, S.W. Washington, D.C. 20410
Authorization	Housing Act of 1964, as amended, Section 312; Public Law 88-560; 42 U.S.C. 1452 B.
Key Publications to ask for:	Handbook 7375.1 "Rehabilitation Financing Handbook."

17) Urban Development Action Grants

Agency	Department of Housing and Urban Development Office of Urban Development Action Grants
Purpose	To encourage private investments for residential or commercial developments
Type of Assistance	Grants
Contact and Address	Office of Urban Development Action Grants Community Planning and Development (HUD) 451-7th Street, S.W. Washington, D.C. 20410
Authorization	Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, 42 U.S.C. 5301-5317, as amended by Title 1 of the Housing and Community Development Act of 1977, Section 110, Public Law 93-128, 42 U.S.C. 5304.
Key Publication to ask for:	

14) Community Development Block Grants - Entitlement Grants

Agency	Department of Housing and Urban Development Community Planning and Development Office
Purpose	Helping low and moderate income people and/or preventing slums and blight.
Type of Assistance	Grants
Contact and Address	Community Planning and Development (HUD) 451-7th Street, S.W. Washington, D. C. 20410
Authorization	Title I of the Housing and Community Development Act of 1974, Public Law 93-383, 42 USC. 5301-5317
Key Publications	Administrative Regulations for Community Development Block Grants, 24 CFR 570

15) Community Development Block Grants/Discretionary Grants (Small Cities)

Agency	Department of Housing and Urban Development Community Planning and Development Office
Purpose	To assist small communities in rehabilitation designated areas and providing expanded economic opportunities, principally for persons of low and moderate income
Type of Assistance	Grants
Contact and Address	Community Planning and Development (HUD) 451-7th Street, S.W. Washington, D. C. 20410
Authorization	Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, 42 U.S.C. 5301-5317
Key Publications to ask for:	Administrative Regulations for Community Development Block Grants, 24 CFR 570

20) Promotion of the Arts-Architecture, Planning and Design Cultural Facilities Program

Agency	National Foundation on the Arts and the Humanities - National Endowment for the Arts
Purpose	To assist in the planning and design of explemplary cultural facilities, and to encourage the commitment of local public and private funds to carry out projects.
Type of Assistance	Grant
Contact and Address	Director, Architecture, Planning, and Design Program National Endowment for the Arts, 2401 E. Street, N.W. Washington, D. C. 20506
Authorization	National Foundation on the Arts and the Humanities Act of 1965, Public Law 89-209 as amended by Public Law 93-133, and Public Law 94-462; 20 U.S.C. 951 et seq.
Key Publication to ask for:	"National Endowment for the Arts, Guide to Programs" and "Architecture, Planning and Design Guidelines"

21) Harbor Cleanup, Drift Removal Program

Agency	Department of the Army, Office of the Chief of Engineers
Purpose	To improve channels for purposes of navigation
Contact and Address	U.S. Army District Engineer or Director of Civil Works, Attn: DAEN-CWO-M, Office of the Chief of Engineers, Department of the Army, Washington, D. C. 20314
Authorization, Regulations, Guidelines and Literature	Section 3 of the 1945 River and Harbor Act; Public Law 79-14; 33 U.S.C. 603a
Key Publications to ask for:	Engineer Regulations 1165-2-101 and 1165-2-14 and sheets describing this program are available from nearest District Engineer

18) Federal Flood Insurance Program

Agency	Federal Emergency Management Agency
Purpose	Flood Insurance
Type of Assistance	Subsidized Insurance
Contact and Address	Administrator, Federal Insurance Administraton Department of Housing and Urban Development Washington, D. C. 20410
Authorization	Housing and Urban Development Act of 1968; Title XIII, Public Law 90-448, 82 Stat. 476,572 as amended, 42 U.S.C. 4011 4127, 83 Stat. 39, 42 U.S.C. 4056; 83 Stat. 479, 42 U.S.C. 4021, and Flood Disaster Protection Act of 1973, Public Law 93-234
Key Publications	Regulation 24 CFR 1909-1920; Publication "Questions and Answers on the National Flood Insurance Program," "Mandatory Purchase of Flood Insurance Guidelines"; "How to Read a Flood Hazard Boundary Map," "How to Read a Flood Insurance Rate Map", "Flood Insurance Manual," "National Flood Insurance Program Application Forms"

19) Design Arts Porgram

Agency	National Foundation on the Arts and Humanities- National Endowment for the Arts
Purpose	To encourage communities to introduce exemplary design as an integral part of their planning processes
Type of Assistance	Grant
Contact and Address	Director, Design Arts Program, National Endowment for the Arts, 2401 E Street, N.W. Washington, D.C. 20506
Authorization	National Foundation of the Arts and the Humanities Act of 1965, Public Law 89-209 as amended by Public Law 90-3, Law 91-346, Public Law 93-133, and Public Law 94-462; 20 U.S.C. 951 et seq.
Key Publications	"National Endowment for the Arts, Guide to Programs" and Design Arts Program Application and Guidelines"

23) Small Business Loans

Agency	Small Business Administration
Purpose	To aid small businesses which are unable to obtain financing in the private credit marketplace, including agricultural enterprises
Type of Assistance	Direct Loans; Guaranteed/Insured Loans
Contact and Address	District Office of the Small Business Administration or Director, Office of Financing, Small Business Administration, 1441 L Street, N.W., Washington, D.C. 20416.
Authorization	Small Business Act, as amended, Section 7(a) Public Law 85-536, as amended: 72 Stat. 387; 15 U.S.C. G36(a)

24) Urban Mass Transit Authority Capital Improvement

Agency	Department of Transportation - Federal Highway Administration
Purpose	Mass Transit Projects
Type of Assistance	Grant
Contact and Address	State Highway Commission. Located in State Capital or Associate Administrator, Office of Transit Assistance, Urban Mass Transit Administration 400-7th Stgreet, S.W. Washington, D. C. 20590
Authorization, Regulations, Guidelines and Literature	Urban Mass Transportation Act of 1964; Public Law 99-365, as amended through Febrfuary 5, 1976; 49 U.S.C. 1601 et seq.
Key Publications to ask for:	49 CFR 601.2; "Program information for Capital Grants and Technical Studies Grants," "Guidelines for Project Administration"

22) Economic Opportunity Loans for Small Business

Agency	Small Business Administration
Purpose	To provide loans up to $100,000 with maximum maturity of 15 years to small business owned by low income or socially or economically disadvantaged persons.
Type of Assistance	Direct loans; guaranteed/insured loans; advisory services and counseling
Contact and Address	Assistant Administrator for Management Assistance, Small Business Administration 1441 L Street, N.W. Washington, D.C. 20516
Authorization, Regulations, Guidelines and Literature	Small Business Act, Section 7(i), Public Law 93-386 "Economic Opportunity Loan Program," OPI-22

7) Section 208 of the Federal Water Pollution Control Act - State and Areawide Water Quality Planning

Agency	Environmental Protection Agency
Purpose	To encourage and facilitate the development and implementation of water quality management plans by areawide agencies.
Type of Assistance	Grants
Contact and address	Water Planning Division, EPA Washington, D. C. 20460
Authorization	Federal Water Pollution Control Act, as amended: 33 U.S.C. 1251 et seq.
Key Publications to ask for:	State and Local Assistance (40 CFR Part 35) General Grant Regulations and Procedures, (40 CFR Part 30); Procedures for Providing Grants to State and Areawide Planning Agencies, (40 CFR Part 130). "Federal Assistance Programs of the Environmental Protection Agency." "Grants Administration Manual," available from the National Technical Information Service, Department of Commerce, Springfield, Va., 22161 on a subscription basis for $60 for two years; Water Quality Management Basin Plans, (40 CFR Parts 130 and 131)

28) Section 201 of the Federal Water Pollution Control Act Wastewater Treatment Facilities

Agency	Environmental Protection Agency
Purpose	Treatment of wastewater
Type of Assistance	Project Grants
Contact and Address	State Water Pollution Control Agency or Harold Cahill, Director, Municipal Construction Division, WH-547, Office of Water Programs (Operations, Environmental Protection Agency, Washington, D. C. 20460

25) Urban Mass Transit Authority

Agency	Department of Transportation-Federal Highway Administration/Urban Mass Transit Administration
Purpose	Mass Transit Projects (also People movers, boats, etc.)
Type of Assistance	Grant
Contact and Address	State Highway Commission located in State Capital, or Associate Administrator, Office of Transit Assistance Urban Mass Transit Administration 400 7th Street, S.W. Washington, D.C. 20590
Authorization	
Key Publications	

26) Bicycle and Pedestrian Facilities in the Federal Highway Program

Agency	Federal Highway Administration
Purpose	
Contact and Address	
Authorization	Federal-Aid Highway Act of 1973 (amended in 1976) Section 134 of 1976 Act (Title 23, U.S. Code, Section 217)
Key Publications	Bicycles and Pedestrian Facilities in the Federal-Aid Highway Program, Department of Transportation, Federal Highway Administration, 1977

CHAPTER V- MANAGEMENT STRUCTURES

One of the difficult problems in urban waterfront revitalization is the complicated and fragmented institutional arrangements that often exist. Urban waterfronts are subject to multiple jurisdictions and overlapping governmental responsibilities, more so than in other areas.

For example, an independent port authority may control shipping operations and associated land-based support facilities on the waterfront. The state may own and control submerged lands offshore, while the city planning department may include the port area as part of its comprehensive plan. The U.S. Army Corps of Engineers controls permits for dredging, and the Environmental Protection Agency has extensive regulatory influence on coastal and riverine development. State coastal zone management programs may add additional regulatory control and permit approval requirements.

Regulatory agencies may have missions that are at cross purposes. Unless coordinated, State, regional and local master plans may contain conflicting goals and objectives. The normal, single-purpose zoning structure coupled with inflexible and rigidly controlled State and federal program regulations can create an unfavorable climate for mixed-use urban waterfront development projects, especially when private investment capital is involved.

Apart from problems with governmental jurisdiction, local development agencies and private investors may encounter a number of other difficultues in implementing waterfront projects.

Authorization	Federal Water Pollution Control Act, as amended; 33 U.S.C. 1251 et seq.
Key Publication to ask for:	Final Construction Grant Regulation, Environmental Protection Agency, (40 CFR Part 35, Subpart E). General Grant Regulations and Procedures, EPA, (40 CFR Part 30). "Federal Assistance Programs of the Environmental Protection Agency." "Grants Administration Manual," available from the National Technical Information Services, Department of Commerce, Springfield, Va. 22161 on a subscription basis for $60for two years. "How to Obtain Federal Grants to Build Municipal Wastewater Treatment Works."

29) Office of Real Property - Legacy of the Parks Program
Disposal of Federal Surplus Real Property

Agency	General Services Administration
Purpose	Give excess Federal Government property to be developed for the benefit of the area
Type of Assistance	Land
Contact and Address	Assistant Commissioner, Office of Real Property, Public Buildings Service General Services Administration Washington, D. C. 20405
Key Publications	"Disposal of Surplus Real Property," 41 CFR 101-47, Utilization and Disposal of Real Property

Waterfront Management Councils (Commissions)

Waterfront councils are special purpose governmental bodies formed specially for the purpose of dealing with coastal areas. This type of management structure is created when circumstances arise that require a separate governmental body, apart from and independent of existing arrangements. Councils may be regional in scope, encompassing multi-county or multi-township areas, or they may be limited to a single municipality or district.

Waterfront councils typically are empowered to control land uses and development within their zone of jurisdiction. Land use planning studies, environmental assessments, shoreline access plans and waterfront development proposals are common examples of planning functions frequently assumed by these councils. Waterfront councils also assume a regulatory function as part of their management responsibilities. This is usually in the form of a permit that is required before a land owner can significantly alter or improve a shorefront property. The permit mechanism provides the council with a powerful tool for the guiding development in coastal zone.

Some of the most successful councils and commissions, as in Rhode Island, have been those utilizing a mixture of representatives from all levels of government, private business, and citizens' groups. The approach of including a broad cross-section of interests allows a council to avoid charges of elitism or special interest dominance.

Obtaining sufficient investment capital to finance an entire project is a major obstacle. Waterfront redevelopment often requires unique, high initial capital outlays for bulkheads or pier improvements. Local governments may have difficulty raising the necessary funds and face stiff competition in acquiring federal aid.

Because of the need to work closely with investors and because of the high costs involved, some communities have selected alternative organizational structures to implement and manage their waterfront projects. These management structures can be more efficient than traditional community approaches in working with private financial and development interests.

This chapter examines some of the alternative management structures that have been successfully used to bring about waterfront redevelopment more efficiently. Case studies will show how alternative management structures can be used, under the proper circumstances, to facilitate both large and small-scale waterfront projects.

Each of these management structures has certain advantages and disadvantages. Each community is different, and what is successful in one area may be ineffective and counter-productive in another. A key factor in establishing different governmental apparatus is whether sufficient political leadership and support exists, since a transfer of some power and responsibility probably is involved in order for this to occur. Widespread appreciation for the waterfront and its potential will have to exists, as is the case in the San Francisco example discussed below. Local officials, in selecting tailoring the tools to fit their situation, will need to thoroughly investigate the potential positive and negative implications of each approach.

Quasi-Public Development Corporation (Non-Profit)

A quasi-public organization has proven to be a successful management structure in situations where traditional public efforts to guide development have not worked satisfactorily. Its primary purpose is to create a flexible organization that operates separately from a public redevelopment agency, but under the general guidance of local government. In some cases, this type of organization can accommodate the special interests of local governments, the private sector, and various community groups, more easily than can a traditional department of local government. Also, private corporation status allows a management group to assume an unaligned, third party role in negotiations between local officials and developers. In this way, differences in goals and policies can be negotiated while projects continue to be managed with a minimum of confusion, conflict, and delay.

Development corporations must register with a state corporation commission in the same way that all groups legally incorporate. Non-profit status provides tax benefits. A non-profit corporation may execute a contract with a local government in which planning and management responsibilities are defined. The degree of autonomy granted the private corporation will vary depending on the nature of the project and state enabling status. Frequently, the corporation will assume all responsibilities that are commonly performed by a local community development agency. One of the best examples of a non-profit, quasi-public development corporation is Charles Center-Inner Harbor Management, Inc. in Baltimore.

in 1940 to a present rate of about 30 acres per year. In addition, many acres of wetlands and marshes have been reclaimed.

Each permit application is also reviewed by the commission to determine the amount of public access that can safely be included into a development proposal. The commission has the power to require access on the actual permit site, or it can substitute a requirement for provision of access at another location that is better suited to the needs of the public. In addition to the permit process, an additional mechanism called Special Area plans has been created so that BCDC and individual local governments can jointly plan for special waterfront areas.

CONTACT: San Francisco Bay Conservation
and Development Commission
30 Van Ness Avenue, Room 2011
San Francisco, California 94102
(415) 557-3686

REFERENCES:

The development process has involved a detailed planning effort that included comment from a variety of interests and groups. Considerable time was spent discussing possible alternatives. Several projects have been completed including the World Trade Center designed by I. M. Pei, a waterfront promenade, a park/playground area and a fine arts center. Future projects include an aquarium, low and moderate income housing on a renovated pier, and adaptive re-use of an old electric power generating plant into a waterfront hotel complex. Additional retail and office space is also included in the waterfront plan as are a hotel, renovated housing and a convention center adjoining the waterfront.

Management History

The Charles Center project was originally controlled by the Charles Center Managerment Office, an independent management group established in 1959, to oversee construction of the downtown mixed-use project. The office was run by an influential, retired department store executive on a one dollar per year personal services contract, with a skeleton administrative staff for aid in planning and legal assistance. Much of the planning for Charles Center was accomplished by the management office, subject to approval by the local Planning Council. A master plan was completed in less than a year, and implementation was begun by various city agencies soon after. Construction of Charles Center was completed in 1975.

Charles Center-Inner Harbor Management, Inc-Baltimore

Charles Center was the first in a series of urban revitalization proposals that have been implemented by the City of Baltimore in recent years. In all, over $700 million in public and private investment dollars have been committed for inner city revitalization in one of the most successful efforts of its type in the nation. Projects include a broad range of urban redevelopment activities, such as homesteading, public works projects, commercial endeavors, and significant amounts of building restoration involving adaptive re-use of old structures.

Beginning in 1959, with the Charles Center downtown development project, the City of Baltimore embarked on a massive $450 million renewal proposal located in the heart of the city. Charles Center was one of the first experiments in mixed-use urban development bringing together a variety of commercial enterprises, office space, entertainment facilities, hotel accommodations, and parking in one planned development package. The project has been the prototype for many similar types of designs.

Six years later, the second phase of the overall downtown redevelopment proposal was begun on Baltimore's central waterfront, at the site known as the Inner Harbor. This portion of the renewal effort is a multi-stage proposal for revitalization of the downtown waterfront originally the center of Baltimore's commercial activity. It adjoins and will be connected to Charles Center through a system of pedestrian overpasses.

Results

By the early 1980s, the Inner Harbour will be almost totally redeveloped, providing an exciting mix of commercial, industrial, residential, and recreational opportunities in a picturesque setting. Thousands of jobs have been created, millions of dollars in tax revenues generated, and significant amounts of housing and public access made available. The quasi-public approach was used successfully to stimulate confidence in the value of inner city reinvestment by the private sector. This has promoted private interest to other nearby areas of the central city, such as Federal Hill and Fells Point, now undergoing the first stages of redevelopment.

CONTACT: Charles Center/Inner Harbor Management Inc.

Joint Public/Private Development Corporation - Freemason Harbour Norfolk, Va.

In many cases, neither local governments nor the private sector, acting independently, will have sufficient financial resources to turn a proposed development into a implemented project. When this occurs, a joint public/private approach is an alternative management structure that can be used. Under this technique, public and private groups work as partners, under a contractual agreement, to contribute different portions of the development proposal. The individual participants are unable to provide all of the necessary parts on their own, but together can complete a project. Freemason Harbour in Norfolk, Virginia is an prime example of how the public and private sectors can form a corporation to accomplish social and economic goals that are mutually advantageous.

Inner Harbor Development

As proposals for the Inner Harbor surfaced, public officials decided to capitalize on the benefits offered by a private management group as learned in the Charles Center experience. The Charles Center Management Office was expanded to become a quasi-public development corporation entitled Charles Center-Inner Harbor Management, Inc. It is a non-profit, non-stock development of specialists from both the public and private sectors.

At present, Charles Center-Inner Harbor Management, Inc. operates on a contract with City of Baltimore that allows it considerable freedom in planning and management decisions for development around the Inner Harbor. The corporation is officially responsible to the Commissioner of the Department of Housing and Community Development. In addition, many other groups keep a watchful eye on the acativities of the corporation including the Baltimore Urban Renewal and Housing Agency, the City Planning Department, various community groups, the Greater Baltimore Committee, the Committee for Downtown, and the Mayor's office.

One of the most useful functions of corporation is to facilitate the smooth operation of Inner Harbor construction. As a private, intermediary group, the corporation acts as a liaison between city officials and private contractaors to expedite construction and keep projects on schedule. In addition, many employees of the corporation come from the business community which has resulted in a high degree of cooperation with local financial institutions and other private interests. At the same time, there is sufficient public scrutiny of the corporation to avoid conflicts of interest or other problems.

Originally, Chessie Resources wanted to develop the site on its own, but the corporation realized that the massive costs involved in providing the necessary public facilities, principally parking, street improvements and bulkheading, made it advantageous to work with the Norfolk Redevelopment and Housing Authority. The city, on the other hand, at first wanted to purchase the property from the railroad for its own development, but also realized that the combined cost of land purchase and construction made the project unreachable. The parties agreed that a combined effort represented a better course of action.

In 1979, the City, the Carr Company and Chessie signed a contractual agreement forming Freemason Harbour Associates for the purposes of implementing the new proposal, the Freemason Harbour/Harbour Square master development plan for the downtown west waterfront. The agreement states that Chessie and Carr will finance their portion from private sources; the redevelopment authority will use Community Development Block Grant money and other Federal funds from the Department of Housing and Urban Development's Urban Development Action Grant Program. The city agreed to purchase 19 acres of land owned by Chessie Resources, combine it with its own six acres, and lease it back to Freemason Harbour Associates. This arrangement requires the private developers to obtain financing only for construction of the buildings on the site. The city benefits because it collects rent directly from the leases. Previously, the owners paid property taxes that went to the state.

Freemason Harbour Associates

The Norfolk Redevelopment and Housing Authority (NRHA), Chessie Properties, Inc., and Oliver T. Carr Co. have come together in an arrangement to redevelop a portion of Norfolk's inner city waterfront. The project includes a variety of land uses, including commercial development, recreation, use of existing warehouses, open space, and housing.

The Freemason Harbour project began in 1973, when The Norfolk Redevelopment and Housing Authority announced plans for a neighborhood development program that included portions of the central city waterfront. At that time, representatives from Chessie Resources, a subsidiary of the Chessie System, Inc. railroad, came forward and expressed interest in redeveloping its waterfront properties that formed a large of the target area.

The two groups decided to proceed as a joint venture, and divided the cost of a preliminary planning study (sixty-five percent by the city). In August 1975, Arthur Cotton Moore Associates completed the initial plan for the site which involved an elaborate eight-phase proposal. Local financial interests were skeptical about the plan and there was disagreement over the accruacy of the market analysis. Oliver T. Carr Co. contacted in 1975 to conduct further marketing studies. Together with their consultants, Barton Meyers Associates, they recommend a scaled-down proposal without a marina, with less housing and commercial space, reduced parking provisions, and greater public access to the waterfront.

A synopsis of the most important aspects of the agreement follows. The complete agreement is included in the appendix.

- Norfolk Redevelopment and Housing Authority (NRHA) will provide street improvements, utility relocation and installation, landscaping, bulkheading and related marine work, and park and beautification work.

- Freemason Harbour Associates agree to construct and/or rehabilitate 195,113 gross square foot residential condominium project, consisting of 7,800 square foot of accessory retail space and 94 residential units. Total cost is estimated at $6.9 million.

- NRHA will construct an enclosed, 104-space parking garage at an estimated cost of $722,500. Ownership of the garage will be retained by NRHA, but spaces will be leased to owners of the condominium units.

- NRHA retains a 10-year ground lease for site improvements on the developed parcels and will collect a monthly payment from each of the condominium owners.

CONTACT: Norfolk Redevelopment and Housing Authority
Box 968
Norfolk, Virginia 23501
(804) 623-1111

Originally, Chessie Resources wanted to develop the site on its own, but the corporation realized that the massive costs involved in providing the necessary public facilities, principally parking, street improvements and bulkheading, made it advantageous to work with the Norfolk Redevelopment and Housing Authority. The city, on the other hand, at first wanted to purchase the property from the railroad for its own development, but also realized that the combined cost of land purchase and construction made the project unreachable. The parties agreed that a combined effort represented a better course of action.

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Until recently, there has been little exploration of the potential for varied use of lands in port areas. Ports traditionally have been limited to heavy industrial land uses, such as cargo handling and manufacturing, while retail, commercial and recreational uses, and general public access have been viewed as inappropriate and unsafe in port areas.

Ports such as Baltimore, New York-New Jersey, and Boston have begun to take steps to expand the focus of their port authorities and now include some multiple-use elements. An ambitious example of a mixed-use waterfront redevelopment activity proposed by a port authority is at the Commonwealth Pier Five/Boston Fish Pier in Boston Harbor.

Massachusetts Port Authority - Commonwealth Pier Five/Boston Fish Pier

The Massachusetts Port Authority (MASSPORT) is an independent special-purpose governmental unit established by the Commonwealth of Massachusetts in 1956. The port authority has management control over extensive cargo transfer operations throughout Boston Harbor. Massport also manages Logan International Airport, operates several bridges, and is a major land owner in the area. The state enabling charter granted Massport broad governmental powers, including bonding authority, land-use controls and power to establish user charges, such as landing fees, docking fees and tolls.

Port Authorities

The establishment of port authorities has become increasingly common in commercial harbors throughout the nation. In most cases these are special-purpose public agencies specifically created to manage local port operations. Port authorities normally have broad legal powers, including bonding authority and eminent domain, and often function as entities separate from local government. They are created either by State legislation as State-level departments or as independent special authorities.

A port authority serves as an overall management structure, having responsibility for publicly-owned port terminals, as well as regulatory control over privately-owned operations. In addition, a port will have land use planning authority for properties within its jurisdiction.

The significance of port authorities in waterfront redevelopment has increased in recent years, because they have expanded their jurisdictions to include activities outside of the traditional water-borne transportion emphasis, including airports, bridges and office buildings. These investments often endow a port authority with major financial resources. Many ports now control vast acreages along coastal and riverine waterfronts, either by direct ownership or by some form of land use control The combination of broad legal authority, fiscal viability and substantial political influence makes a port authority a resource of significant potential for urban waterfront redevelopment.

In conjunction with the Fish Pier operation, Massport has an ambitious proposal for the redevelopment of Commonwealth Pier Five, immediately adjacent. The proposal includes substantial restoration and rehabilitation to the covered pier structure. Improvements are planned for the wooden pilings that support the pier, as well as the pier apron that will provide an opportunity for substantial public access. Renovation work will also occur at the front of the structure, known as the head house, which is listed on the National Register of Historic Places, and will be converted to a visitors's center. (see photo)

The huge 750,000 square foot area of the pier presents a tremendous challenge to the port. The structure's space is the equivalent of a __ story office building. Present plans include docking facilities for charter fishing boats, water taxi service, and excursion boats to nearby ports along the Massachusetts coast. Plans for the interior call for a center where various high-technology industries (electronics, data processing, transportation, and navigational instruments, for example) would operate a year-round trade mart facility for sales, service, and information exchange. Other uses include restaurants and retail commercial space, as well as 1,400 parking spaces on the lower level. Total estimated cost for the preliminary plan is $50 million.

The major point of this case study is that the development is being done by a State port authority using its own funds to encourage other public

The significance of Massport for this guide is in the port authority's interest in redevelopment of portions of its centeral waterfront. The port authority charter authorizes Massport to engage in mixed-use development projects that are economically viable, and include maritime related uses. Presently, Massport has two major proposals in the South Boston harbor area. (see figure___)

Development Proposals

Urban waterfront redevelopment has occurred extensively at points in Boston Harbor, such as the nearby Quincy Market and Faneuil Hall complex and the Waterfront Park. The emphasis there and in the adjacent neighborhood is on commercial and residental use. The more industrialized areas of the waterfront have, until recently, not been a priority redevelopment area.

In the fall of 1978, Massport embarked on an ambitious campaign to revitalize this part of the harbor, and provide some type of mixed-use development that would be different from the previous retail/residential projects. Massport secured a $6.5 million dollar grant from the Economic Development Administration, Department of Commerce, which will be matched with $2.5 million from the port, for the renovation of the Boston Fish Pier. The goal of this project is to improve the commercial fleet and enhance local economic conditions. The project is under construction, and when completed will include a renovated fresh fresh processing pier, office space and leased retail space for lobster dealers and other merchants.

locations in St. Louis as a means of encouraging private investment in urban redevelopment. Once the legal basis is achieved, a special development corporation can be formed between private developers and financial interests as a profit-making entity. The area or district is then defined, and the private development corporation can begin action as a redevelopment agency. Planning studies are done, public opinion is solicited, designs finished and financing acquired. The final proposal is then reviewed by governmental agencies, and public hearings are held.

The use of private development corporations in the planning and implementation of large-scale developments can be controversial, because some interests may feel that this allows too much control by private interests in projects that affect the community. Difficulties in this area have been overcome by making these private ventures part of a formal public review process where opinion can be solicited from a broad range of interests.

There are several private development corporations currently engaged in urban waterfront redevelopment in cities throughout the nation. Some of the better known projects that have included participation by private development corporations are:

- Boston's Faneuil Hall and Quincy Market - Rouse Co., Columbia, Md.
- Retail commercial development on Baltimore's Inner Harbor - Rouse Co.
- Housing projects at Freemason Harbour in Norfolk, Virginia - O.T. Carr Co., Washington, D.C.
- Detroit's Renaissance Center Complex -

and private investment capital. Massport is hoping to prove that port facilities can be integrated into the general community as publicly-used commercial and recreational areas.

CONTACT: Massachusetts Port Authority (MASSPORT)
99 High Street
Boston, Massachusetts 02110
(617) 482-2930

Private Development Corporation (Profit)

Special private development corporations have been used in many cities to expedite urban redevelopment projects. The intent is to provide developers with the legal means of implementing all phases of revitalization proposals by granting them powers normally assumed by local governments. Typically, a private corporation of this sort will control plan preparation, land acquisition (including eminent domain in some cases) clearance, and site improvement. All actions are subject to supervision and approval by the local government. The assumption is that a private group, operating outside of the traditional urban renewal process, may be able to manage a redevelopment project more smoothly, and will have greater flexibility in acquiring the necessary financial capital, than would a public development agency.

The procedure for establishing such a corporation would vary somewhat from community to community depending on existing statutes, but it is likely that legal authority must be granted to the local government through special enabling legislation. A example of this is the Missouri Urban Corporation Law (Chapter 353 Missouri Code) which has been used at Crown Center in Kansas City and various

CHAPTER VI - ZONING AND DISTRICTING

Many of the nation's urban waterfronts are characterized by heavy-industrial uses, which have contributed to a pattern of static and inflexible land use along the waterfront. These uses may present obstacles to waterfront redevelopment projects involving commercial, residential and public activities.

The traditional use of waterfronts has been for shipping, manufacturing, and associated land-based transportation and storage facilities. Many older waterfronts no longer are used as intensively for these types of activities. Communities are realizing the potential of the vacant lots, abandoned buildings and deteriorating piers for a variety of uses, including different types of manufacturing, retail and commercial operations, marinas, museums, parks, and prominades, etc. The problem comes in attempting to fit today's multiple-use developments into yesterday's buildings, codes, and zoning catagories.

Solutions to this problem are currently being implemented in a number of coastal and riverine communities using special purpose zones and districts. These alternative systems provide local governments with the legal authority to use innovative land use controls to encourage waterfront redevelopment projects, because simple rezoning of waterfront parcels may not be enough to accommodate the desired special requirements of waterfront activities, such as mixed-use commercial developments, historic preservation areas, and recreational uses. In addition, conventional zoning often fails to provide the essential flexibility required to respond to the changing market conditions that occur as areas become redeveloped.

- Crown Center, Kansas City, Mo. - Crown Center Redevelopment Corporation
- Laclede's Landing, St. Louis, Mo. - Laclede's Land Redevelopment Corporation
- Century City, L.A.

The first and foremost city to recognize the waterfront as a unique and special place was Chicago. In 1901, Daniel Burnham, in his Plan for Chicago, placed waterfront enhancement foremost in the planning effort. Today, 24 miles of the city's 30-mile shoreline are in public ownership. The most recent Lakefront Plan 1/, adopted in 1974, divides the shoreline into several zones (see map). A "water zone" includes an "opportunity area" extending from the shoreline to a line approximately coincidental with the 25-foot depth line in Lake Michigan; this area is where many improvements can take place--for example, artificial islands. The "park zone" varies from a mile wide to a very narrow area and consists of the individual parks which comprise the present and future public park area within the city limits. The "community zone" is composed of the private and public lands adjacent to the lake, most of which are in residental use. Fourteen basic policies are set forth, most of which center around and reinforce the park like, aesthetic, recreational aspects of the lakefront.

1/ Chicago, Illinois, City Planning Commission, The Lakefront Plan of Chicago (1974)

This part of the guide describes several applications of innovative zoning and districting techniques that have been utilized in successful waterfront projects. The purpose is to show how communities can utilize alternative approaches in land-use planning.

ZONING

Waterfront Zones

A city agency or developer with a mixed-use waterfront project in mind is often deterred by an obsolete or restrictive zoning code. Some cities are taking measures to change this pattern and are zoning their waterfronts as unique areas able to accommodate a variety of creative and compatible uses.

There are several approaches to recognizing the waterfront as a unique area of the city worthy of special treatment: a) designating a special waterfront planning area and recognizing it as such in the city or town master plan, b) adopting a waterfront zone as part of the existing zoning ordinance, or c) developing criteria and performance standards that pertain to waterfronts.

It makes a substantive difference to include the waterfront area in an adopted master plan, because it provides legal standing as part of a standard zoning ordinance. Calling attention to the waterfront through special area plans nonetheless is an important first step. Even without a zoning designation, the goals and objectives articulated in a special area plan can be brought forward.

Hoboken, New Jersey, with assistance from the Department of Housing and Urban Development, spent two years studying and planning for its waterfront. The report recommended that an Urban Waterfront Planning Control System be established. Among the recommendations was breaking up the waterfront into zones similar to those used in Chicago:

> Water Zone - Extending from the shoreline property to the pier head line. This could be an "opportunity zone" for future filling in. Controls over this area would protect other water and land uses.
>
> Park/Commercial/Research Zone - This zone would allow for uses compatible with a park setting while encouraging multiple uses of the land. Access for the public to the river's edge would be a basic requirement in this zone.
>
> Community Zone - This area should include all of the sections not mentioned in the Park and Water Zones. It would control development that could impact the waterfront area.

The report recommended the following objectives:

- Special attention should be given to underutilized and unsightly areas of the waterfront.
- Consideration of filling in certain portions of the waterfront in order to create additional space.
- Waterfront recreational facilities should be planned wherever possible. It is generally conceded that waterfront areas lend themselves to recreational uses. Waterfront areas are attractive but much more valuable if there are facilities for use.

CHICAGO LAKEFRONT GOALS*

1. Complete the publicly owned and locally-controlled park system along the entire Chicago lakefront.

2. Maintain and enhance the predominantly landscaped, spacious, and continuous character of the lakeshore parks.

3. Continue to improve the water quality and ecological balance of Lake Michigan.

4. Preserve the cultural, historical, and recreational heritage of the lakeshore parks.

5. Maintain and improve the formal character and open water vista of Grant Park with no new above-ground structures permitted.

6. Increase the diversity of recreational opportunities while emphasizing lake-oriented leisure time activities.

7. Protect and develop natural lakeshore park and water areas for wildlife habitation.

9. Increase personal safety.

9. Design all lake edge and lake construction to prevent detrimental shoreline erosion.

10. Ensure a harmonious relationship between the lakeshore parks and the community edge, but in no instance will further private development be permitted east of Lake Shore Drive.

11. Improve access to the lakeshore parks and reduce through vehicular traffic on secondary park roads.

12. Strengthen the parkway characteristics of Lake Shore Drive and prohibit any roadway of expressway standards.

13. Ensure that all port, water supply, and public facilities are designed to enhance lakefront character.

14. Coordinate all public and private development within the water, park, and community zones.

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*These goals were extracted from City Planning Commission, The Lakefront Plan (1974).

Marine and marine-related uses including:
Marine products wholesaling
Marine repair services and machine shops
Tugboat services
Harbor/marine supplies and services
Industrial welding
Shipbuilding
Marine transport services, including ferries, public landings, and private marinas or yacht clubs
Marine museums and aquariums

Seafood and seafood-related uses including:
Seafood processing
Seafood packing and packaging
Seafood distribution
Storage and repair of fishing equipment

Canvass and canvas-related products - fabrication and distribution
Ice-making services
Banking services
Theaters and places of public assembly
Retail and service establishments
Hotels and motels
Restaurants and drinking establishments
Professional and business offices
Museums and art galleries
Residences apartments on upper floors
Private indoor recreation facilities
Public, quasi-public and governmental uses

The City of Portland is debating the adoption of the recommended new zone.

Plymouth Massachusetts did enact a waterfront zoning bylaw in 1973, which creates a waterfront district as part of project design review procedure. (see appendix___for the entire ordinance)

- Where feasible, community facilities should be placed on the waterfront; it is a natural congregating spot.

- Planning review and permits must make certain that private facilities provide for some areas of public access.

- The waterfront should be beautiful. When this happens the full potential of the waterfront will be realized. Attractive land uses increase the property values in the surrounding properties and also improve the reputation of the city as a whole. The waterfront should be viewed as one of the finest amenities in a municipality.

- If housing is planned, it should not be placed close to the water.

- Maintenance is one of the most important features in any waterfront plan. Methods of maintenance should be required as part process of a proposed facility prior to approval. Absence of maintenance information would warrant refusal.

In 1975, Portland, Maine, with assistance from an National Endowment for the Arts grant, undertook a Waterfront Improvement Program which the city is trying to implement in stages. Along with proposals for transportation and public improvements, the planning department recommended the creation of a special waterfront zone designed for greater flexibility of uses than is currently allowed. The proposal reads as follows:

> The major zone change is the creation of the W-1 zone. The W-1 zone would become a special zone, specifically designed for the unique nature of the waterfront. The intent is to permit a diversity of uses in the waterfront in such a way that they can exist in harmony with each other. As such, the City should take special care to include sound development controls for the W-1 zone in the revised ordinance. The uses proposed to be permitted in the W-1 zone are as follows: (This is not a definitive list but an indication of the types of uses to be permitted). A detailed list will be prepared as part of the new Zoning Ordinance.

Special permit uses are subject to review by the Board of Appeals, the Planning Board, and the Design Review Board. The administration of the Environmental Design Conditions may involve, in addition to these three boards, the Building Inspector, Conservation Commission, Town Engineer, Public Safety Commission, Board of Water Commissioners, and Board of Sewer Commissioners. Detailed site plans, and plans showing the relationship to adjacent properties, must be submitted for review. General and specific conditions and standards upon which plans will be reviewed are defined in the zoning bylaw. The Design Review Board must submit a written advisory report to the Planning Board within 21 days of the filing date of the special permit with the Board of Appeals.

Overlay Zoning

The use of "overlay", "floating" or interim zones approach sidesteps the static nature of traditional zoning designations that are fixed to particular tracts of land. Instead, overlay zones "float" over the community and are placed in specific locations when and where they are deemed most appropriate by the local government. An overlay zone may contain regulatory provisions concerning use, height and bulk as in a standard zoning ordinance, or it may have unique features that are incorporated into the language of the ordinance for a specific purpose, such as an industrial park or mixed-use commercial development.

The intent of the waterfront district is to encourage the development of marine, historic, and tourist related land uses along Plymouth's central waterfront area. The zoning bylaw establishes the following categories:

(1) Allowed waterfront land uses, (2) special permit uses subject to meeting specified environmental design conditions and review procedures, and (3) prohibited uses.

The intent of the special permit uses is to require for certain types of development, the coordination of site plans, pedestrian circulation, and compatibility with the adjacent historic area for certain types of development. The allowed waterfront land uses include "boat sales, service, rentals, ramps and docks; commercial sightseeing or ferrying; marine railways, repair yards, storage yards, marine supply outlets; and commercial fishing and seafood wholesale or retail outlets and related outlets".

Special permit uses include "restaurants, recreation, motel, specialty shopping, similar compatible facilities which complement and strengthen the function of the waterfront area, and multi-family and single-family attached dwellings."

Prohibited from the waterfront development zone are "any uses including most general commercial facilities which are not compatible with the intended use or function of the waterfront or do not fit into the desired pattern of activity." (Zoning Bylaw, Section 401.09, Town of Plymouth, Massachusetts, as amended July 18, 1973).

Background.

After the completion of the Great Lakes-St. Lawrence Seaway System in 1959 ports on the Great Lakes, such as Toledo, came to play a major role in the nation's waterborne transportation system. A substantial increase in the number and size of vessels calling on the ports occurred, and demands increased for waterfront sites for container facilities, warehouses, processing plants, and transportation links.

In Toledo, this expansion began to cause conflicts with other waterfront activities, such as pleasure boating and other types of recreation. It also began to cause adverse impacts from dredging and filling for harbor improvements. Through the 1960s and early '70s, dredging, loss of wildlife habitat, and lack of public access to the waterfront became important issues in the community.

In 1975, citizens and planners took the first steps towards creating a better balance among land uses along Toledo's waterfront. A study prepared by the City's Department of Natural Resources, "Toledo Looks to the River," outlined an ambitious program for riverfront parks and associated mixed-use development. Since then, the study has come to be viewed as somewhat unrealistic, but the broad goal of a balanced, multiple-use waterfront has public support.

Impetus for the overlay zoning began in 1977, when two major developments were proposed for the riverfront area that dramatized Toledo's problems of conflicting waterfront land uses. The first called for construction of

Overlay zones can also be used as a type of interim development control. This technique is often applied by local governments in undeveloped areas of a community that are receiving intense pressure for new construction, or where redevelopment is already occuring at a rapid rate. In these cases, a temporary zoning jurisdiction is established that freezes existing land uses and prohibits further development until a new strategy or revised zoning ordinance can be implemented. The overlay zone allows the local community additional time to assess the implications of newly proposed developments.

Unless created and implemented properly and cautiously, overlay zoning ordinances are in danger of being struck down as being outside of the legal authority of local governments.

An overlay zone has been successfully implemented in Toledo, Ohio along the Maumee River.

Maumee Riverfront Overlay District - Toledo, Ohio

The Maumee Riverfront Overlay District (MR-O) was incorporated into the Toledo Municipal Code in 1979 (see appendix for copy). In general, the special zoning classification will be used to provide public amenities and facilitate development of a wide variety of compatible land uses along the riverfront. Specifically, the ordinance calls for increased public access to the water, improved scenic and aesthetic controls, improved transportation capabilities, and better coordination of recreational, commercial, and industrial land uses. In addition, several locations are identified as prime residental, park, and water-oriented recreation sites. These areas are to have a "superior level of public access, convenience, comfort, and amenity."*

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*Maumee Riverfront Overlay District-Toledo Municipal Code-Article XXVI

provides a mechanism by which specific land uses regulations and provisions can be included in the redevelopment of the Maumee Riverfront. The shared (multiple-use) portions of the district encourage coordination of all types of land uses. Specifically, developments in the Maumee River Overlay District are to be designed with an "open character" allowing views to the riverfront and providing pedestrian circulation. It is intended that a permanent management plan be created for the area, so that decisions with regard to land use patterns, ownership, public access, and multiple use in the district will be made based on a publicly adopted plan. Citizen's groups, private interests, public officials, and all others directly and indirectly affected by the type of land uses allowed along the Maumee Riverfront will have their say in preparation of the specific plan.

During 1978, the special Maumee River zone has been successful in increasing public control over much of the development along the riverfront. The existence of the overlay zone, and associated site plan review procedure, has given local officials a tool which has been used to encourage design quality and increase the amount of public access included in private developments.

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a bulk cargo facility near an established residential neighborhood on the river and the second was a master plan for revitalization of the central business district, which included substantial new public open space along the riverfront. These developments vividly illustrated the problem of land use conflicts, and increased public support for additional planning and land use control in the area. As a result, the Toledo-Lucas County Planning Commissions passed the Maumee Riverfront Overlay District Ordinance. This interim zoning measure was designed to increase public control over land use decisions within the district boundaries until a revised zoning structure could be developed and basic decisions made about what the community wanted to see along the river, subject of course to the rights of the property owners.

Implementation

The current overall planning effort in Toledo is to "provide a detailed analysis of the urban waterfront coastal area in terms of suitability and capability for various types land uses and activities". Emphasis will be on determining potential for water-oriented commercial, industrial, residential, and recreational development.

The role of the special zone in this process is two-fold. First, it acts as an interim zoning measure which protects the existing properties within the district's boundaries from conversion to land uses which are inconsistent with the city's goals for the waterfront district. Second, the ordinance

Table One
Types of Incentives

Examples of Public Benefits	Examples of Incentives
o Parkland	o Increased Floor Area Ratio
o Preservation of Historic Structures	o Increased Residential Units Per Acre
o Waterfront Access	o Street Improvements
o Open Space/Special Landscaping	o Unit Size Increases/ Additional Use Types
o Fees In Lieu Of Dedication	

Incentive Zoning

Incentive zoning is a method frequently used to overcome the strict site regulations and separation of land uses characteristic of conventional zoning. Its primary purpose is to increase the flexibility of zoning in situations where it may be too restrictive, and may actually be stifling innovative land uses and creative urban design. Zoning incentives may be applied in a variety of ways, but in nearly all cases they are used as a means of trading-off public benefits for some sort of design concession given to a developer. The most common type of incentive is known as "bonus zoning". In this procedure additional densities, beyond those specified in the local zoning ordinance, are exchanged for dedication of public open space or some similar type of public benefit. The additional density is attractive economically to the developer by allowing more rental space in an office, for example.

The use of incentive zoning increases flexibility, but only to the degree stipulated in zoning code. The amount of private incentives and public benefits available for bargaining must be clearly established in the local zoning ordinance, providing a fixed amount of potential trade-offs. Table One lists examples of public benefits and private incentives that are often used as trade-offs in incentive zoning.

Water or Harbor Area Management Zones

The water area considered as a space has not received from any level of government the kind of study and regulation that has been bestowed on the land area, despite under widespread and often conflicting uses.

Just as on land, commercial, industrial, recreational, transportation and occasionally even residental uses via for limited space in harbors. Some uses are compatible, others are not.

Navigational requirements, water quality regulations pertaining to boats, and speed limitations are typical of the current methods of control. These powers usually apply statewide and therefore do not focus on the particular problems and potential of a specific harbor setting.

Comprehensive management systems for water areas are nonexistent although interest is being generated in the topic. One recent study recommended various alternatives for managing the surface water zones:

> Fixed-area zoning restricts uses to specified areas. Some examples include restricting swimming to an area within 200 feet of the shore - (boats would be prohibited from this area except for slow ingress and egress) - and restricting water skiing or surfing to specified areas marked on a map. A buoy system can also be deployed to clearly mark swimming areas, surfing areas, traffic lanes, pier fishing areas, water skiing courses, and the like. Areas may be designated by general description, by maps, by regulatory signs and by buoys.
>
> Time-area zoning is a kind of fixed area zoning where particular uses are prohibited in particular areas at specific times. For example, to avoid conflicts with fishing, water skiing or surfing might be prohibited in early morning and late evening hours.
>
> Separation-distance zoning establishes a buffer distance between moving uses similar to that now in place for merchant shipping. An example would be that boats would be required to remain at a specified distance from anchored or trolling fishing boats to avoid interference or wake impact.

There are many types of special districts. Some are formed to provide essential utilities, such as water and electricity, others to protect the public interest in land allocation decisions and the design of the urban landscape. In general, special districts can be divided into two categories: Special Service Districts and Special Development Districts.

Special Service Districts

For many years, local governments have used this tool to provide a variety of public services, including water, sewer, fire protection, hospitals, sanitation, and others. These districts are identified by distinct boundaries and have varying levels of political autonomy. Some districts have broad powers within their jurisdictions, including the authority to establish user rates, issue bonds, and levy taxes. Others may serve only to provide a service to a specific area such as a fire district.

Service districts have had a pronounced influence on waterfront projects, especially in cases where the provision of public utilities presented an unusual problem for developers, either for financial or physical reasons.

Special Development Districts

In recent years, the concept of special districting has been expanded to address specific goals of local governments, such as improving social and economic conditions, preserving the character of historic areas, or improving the business climate for new private investment. Special development districts operate much like special service districts in that they have clearly delineated boundaries, and may retain governmental powers. These districts are tied more directly to community redevelopment issues and could apply in a variety of ways to urban waterfront revitalization.

The small town of St. Michael's in Maryland, a recreation boating center, proposed a harbor operation management program which set the following goals and objectives:

- o Identification of the most effective traffic lanes in, around, and between the three separate coves in the harbor.
- o Casual inspection of harbor traffic aids to ensure their proper operation and upkeeps.
- o Identification of any derelict boats or boating equipment and development of a removal program.
- o Harbor use monitoring of yacht use, and identification of specific harbor congestion.
- o Water quality monitoring in harbor by the state to show times of specific pollution problems.
- o Contingency plans for offshore fires and rescue operations.

Special Districts

Special districts are sub-units of local government that are created to provide goods or services to a particular area within a community. They are usually formed when circumstances arise such that the needs of an area cannot sufficiently be met by the standard type of municipal government, and a new structure is required. Special districts have specific, geographically defined boundaries, and the powers given to the appointed or elected officials of the district apply only within those boundaries. Prior to implementation, state enabling legislation is usually required granting local governments the power to create special districts. This establishes a legal basis for action by the municipality.

In most cases, economic development districts are established by a local ordinance on the basis of recommendations from the city planning office, a local planning commission or a special study group. Specific boundaries for the district are delineated, and an overall development program is created. This may include a variety of public and private projects for commercial, residential, industrial, and recreational development.

The primary advantage of economic development districts is that they allow local governments and the public to obtain more extensive powers on land uses in the district, including condemnation, special zoning, and performance standards. In some cases they may also provide a "renewal" status that can be used to attract federal dollars, without meeting the lengthy list of criteria presently required in order to qualify for federally sponsored urban renewal programs. In addition, the special district creates a planning mechanism that can more easily be integrated with other tools and techniques of redevelopment, such as tax deferrals, tax increment financing, and less than fee simple land aquisition.

The Special South Street Seaport District along New York City's Lower Manhattan Waterfront provides an example of a special district which has economic redevelopment of an urban waterfront as one of its priorities.

In addition to having a broader purpose, special development districts differ from service districts in that they often have more extensive governmental powers, such as eminent domain, urban renewal authority, taxation powers, and controls over planning, management, and urban design.

The major types of special development districts are: Historic Preservation, Economic Development, and Mixed-Use.

Economic Development Districts - South Street Seaport - N.Y.C.

This technique involves the creation of a special district in deteriorated areas of local communities for the specific purpose of economic redevelopment. The concept for this type of special district orginated during the "urban renewal era" of the 1950s and 60s when "model cities" programs and housing-oriented urban renewal districts were present in nearly every major city in the U. S. Under these programs, certain areas within a municipality were designated as urban renewal districts. The land in these districts was then condemned, cleared, and new buildings were constructed under an assortment of federal grant and loan programs.

The focus in federally funded urban redevelopment has shifted from clearance to restoration in recent years. Special districts, however, remain as a viable concept, and variations of the districting procedure have been implemented by local communities throughout the nation. The use of special economic development districts can be valuable in urban waterfront revitalization.

One of the best examples of this type of structure is the San Francisco Bay Conservation and Development Commission.

San Francisco Bay Conservation and Development Commission (BCDC)

The Bay Conservation and Development Commission is a prime example of a regional waterfront commission that has had an impact on the natural resources of waterfront areas and in providing public access. The Bay commission maintains substantial control over land uses along the shoreline, including much of the Bay area's wetlands and salt marshes. In addition, the commission has developed a comprehensive planning process aimed at maximizing public access to these shorefront and wetland areas where appropriate. While unique to San Francisco Bay, the commission has elements that could be employed elsewhere, although the political difficulty of establishing effective waterfront councils such as BCDC should not be underestimated.

Background

BCDC was created in the 1960s by the efforts of a well-organized citizens' group intent on stopping the filling of San Francisco Bay. A study published in 1959 by the U.S. Army Corps of Engineers showed a high rate of fill as well as a chronic access problem (only 3.6 percent of the 275 miles of bay shoreline was open to the public). A grassroots citizens' movement called the Save San Francisco Bay Association was formed to publicize the problem to bay area residents. A study commission was formed by the State Legislature to investigate the problems of the bay and make a recommendation. In 1965,

the study group proposed the establishment of a commission to prepare and implement a plan for the protection of the bay.

BCDC was formally created by the California State Legislature in 1965. After study and review, the Bay Plan and associated legislation in 1969 gave BCDC permanent status and control over land use and development around San Francisco Bay.

The Organization

BCDC is a 27-member commission comprised of members with a broad range of backgrounds, affiliations, and interests. The commission contains a representative each from the nine counties surrounding the bay, as well as representatives from the City of San Francisco, five state agencies, seven from the general public, and four from the Association of Bay Area Governments; two non-voting federal representatives also are present.

The focus of BCDC's effort to date has been in administering permit applications for bay shoreline developments. This is a direct procedure involving application by a developer, review by the staff and commission, a public hearing, and finally a vote by the full Bay Commission. The permit from the commission is in addition to whatever local and other permits may be required, and as such, represents an additional regulatory function.

Results

The permit process has allowed BCDC to greatly control filling of San Francisco Bay. The average annual rate has dropped from 1,500 acres per year

scattered locations and could not be easily zoned as a single preservation district. This method allows greater control over the exact location of the transferred development rights, and is most useful when a local government wishes to tightly control the placement of additional densities in the area.

A transfer ordinance must clearly state the standards for designating the preserved land, and define the restrictions to be placed upon those properties which sell their development rights. Most ordinances require a covenant attached to the property deed which binds future owners.

Transfer System At South Street Seaport

The development rights transfer was implemented at South Street Seaport in order to preserve the low-density nature of the historic properties of the Seaport. This area is located on the fringes of the Wall Street high-rise financial district. The goal was to find a means of preserving the existing low-density historic structures without penalizing land owners in the area whose property contained a much greater development potential for office space.

The solution was to establish an overall special district where development rights above 45 feet in height could be transferred from individual properties to other lots within the district boundaries that could accommodate additional densities. In addition, the ordinance made provisions for the closing of several of the district's streets, and included the air space above the streets in the total amount of development rights that were sold. Limitations were placed on the total amount of development rights transferred to a single parcel of land, and review procedures were established by the City Planning Commission to insure that all transfer proposals conformed to the guidlines established in the overall urban renewal plan for the area.

A consortium of banks, headed by Chase Manhattan, purchased the development

Transfer of Development Rights

Transfer of Development Rights is used as a means of protecting special areas on which development is deemed inappropriate by state and local governments. Most often, it has been used to preserve historic buildings, agricultural lands or open spaces from encroaching or undesireable types of development. A transfer system breaks the traditional linkage between a particular parcel of land and its development potential. This separation allows the development rights to be transferred from the site to be preserved to another area in the community where development is not objectionable. The actual ownership is not affected, only the right to develop is sold. This system is seen as a more equitable land use control than traditional zoning, because the loss of development potential due to government action does not result in an economic loss to the owner. Instead, the land owner is able to recoup the economic value from the lost development rights by selling them to a land owner in another location, where the additional development rights can be applied without significant negative impacts.

Transfer of development rights has potential for use in waterfront areas to preserve structure of historic significance, protect physical and visual access, and provide recreational and economic opportunities for local citizens. The implementation of a transfer system requires the clear identification of the resource to be protected. One option is to create dual zones, the first, a preservation district in which development will be restricted, and second, a transfer district where the development rights will be used, located elsewhere.

An alternative to this approach is to allow the development rights from each preserved structure to be transferred to specified properties adjacent to the site. This alternative works well when the areas to be preserved are

There are several common elements in any plan for historic preservation that should be considered. The first step is to decide whether to establish the historic district on either the federal, state, or local level.

It may be possible to set up a National Register Historic District that would qualify property owners for special grants and loans from the National Park Service, National Trust for Historic Preservation, and the Heritage Conservation and Service, all in the the Department of the Interior. While the register is a valuable tool, especially in providing tax incentives to owners of historic buildings, such a designation carriers with it strict regulations governing the use of federal funds within the district.

Many States have provisions for establishing local historic districts that are financed by state funds. These districts tend to be less restrictive than the federal programs, but funds are often quite limited.

Local historic districts are usually established by a city ordinance which designates special zoning or performance standards for the proposed district. Certain tax incentive programs may also be included as part of the specifications of the ordinance as an incentive to preserve existing structures.

In many cases, a special management organization is established to guide the redevelopment of the the historic district. The management group may be private non-profit, public, quasi-public or some other arrangement. Usually, the orgnization is involved in obtaining funds for restoration projects in the district, either by diretly financing projects or by facilitating loans and conducting funding drives. The Historic Savannah Foundation in Savannah, Georgia and the Historic Charleston Foundation in Charleston, South Carolina are two successful examples of these management organizations.

rights from designated granting parcels. The rights were then to be sold to land owners on nearby receiving parcels. Because of a depressed development market, which made some of the development's rights difficult to sell, a large portion of the rights were not immediately sold. Recently an insurance corporation announced plans to construct a high-rise office building a few blocks away at an estimated cost of $65 million. They plan to use a significant amount of the remaining development rights for this project.

Results

To date, the transfer of development rights approach has been successful in protecting many of the historic structures at South Street Seaport. In addition, the Fulton Fish Market and adjacent restaurant are functioning and many shops now occupy rehabilitated buildings on Front and Water Streets. The State Maritime Museum also occupies a portion of the district.

The experience of city officials has shown development rights transfer to be a useful planning tool, which when properly applied, can be effective in preserving the nature of historic neighborhoods. They caution, however, that the mechanism should be used on a site-specific basis, with the local government exercising a high degree of control over the location and amount of development rights that are transferred.

Historic Districts

There are a number of successful applications of the special district concept in Historic Preservation. Many communities have preserved the unique character and aesthetic quality of their historic areas and have upgraded economic conditions throughout their communities using this technique.

In 1963, WHALE acquired financing for a survey of the historic area, and three years later, gained approval for the district's inclusion on the National Register. Under this National Landmark designation, property owners in the district qualify for a variety of benefits.

Organization

After several years it became clear that the economic situation in New Bedford was not sufficient to keep the historic structures occupied and properly maintained. In 1970, WHALE began purchasing property using a revolving fund, and soon became the largest land owner in the district. Other significant land owners are the Old Dartmouth Historical Society, Bedford Landing Taxpayers Association, and the New Bedford Redevelopment Authority.

Together, these private and public groups have played a guiding role in the redevelopment of the waterfront historic district. In 1972, the city established an Historic District Commission to regulate structural design changes. Guidelines for redevelopment have been established in order to provide direction for adaptive changes of building facades and structures. In 1974, a coalition was achieved between the Old Dartmouth Historical Society, The Taxpayer's Association, and WHALE, which was named the "Ten Acre Revival."* The goals of this organization are to influence planning, coordination, and economic revitalization in the New Bedford Historic District. Soon after the agreement, Ten Acre began a program of attracting public and private investment to the district.

*Named after the original tract established by Joseph Rotch in 1765.

Historic Preservation In New Bedford, Massachusttts

New Bedford has made a commitment to preserving its rich maritime heritage. Most of the effort has occurred in the waterfront historic district which occupies approximatly 15 acres between the central business district and the city wharfs. This area was once the focus of a flourishing whaling industry, and in subsequent years housed textile manufacturing and a variety of other commercial activities.

There are three major aspects of the historic preservation effort in the city which are of importance for the guide. First is the New Bedford Historic District itself, which is included on the National Register of Historic Places. Second is the importance of public and private cooperation in the planning and management of the district. Third is the emphasis placed on combining historic preservation with economic revitalization in the waterfront area.

New Bedford Historic District

With the passing of the whaling industry, the waterfront area began slowly to decline. Manufacturing took over for a number of years, but it too faded under the pressures of suburbanization and changing technologies. By the early 1960s, the city's urban renewal agency began making plans for major physical alterations in the historic area.

At this time, the Waterfront Historic Area League (WHALE) formed as a private, non-profit corporation. This group was a spin-off of the Old Dartmouth Historical Society, which has operated a popular Whaling Museum since 1903.

National Historic Preservation Act 1966

Since the 1966 National Historic Preservation Act, a nationwide program of matching grants-in-aid has been established for preservation, acquisition and development of National Register properties.

Applications for grants to establish historic districts, and preserve individual historic properties must be made to each State Historic Preservation Officer, who in turn, submits the application to the National Register of Historic Places, State Historic Preservation Officers, Office of Archaeology and Historic Preservation, Heritage Conservation and Recreation Service, Department of Interior, Washington, D.C. 20240. This office publishes a variety of documents to assist interested parties in the application process. Particularly useful is the guidance paper, "How to Complete National Register Forms" published by the National Register Division of the Historic Preservation Office. For a complete "How To" guide, that discusses all aspects of the federal program and includes several case studies, consult "Historic Preservation and Federal Projects" by Harbridge House, Inc., for the Advisory Council on Historic Preservation, 1522 K Street, N.W., Washington, D.C. 20005.

Preservation and Tax Reform Act of 1976*

The Tax Reform Act of 1976 establishes important tax incentives for the preservation and rehabilitation of historic, commercial and income producing structures. Signed into law October 10, 1976, the Act contains provisions designed to stimulate rehabilitation of historic buildings and to encourage donations of partial interests, such as facade easements in significant properties.

*Portions of this discussion are excerpted from "A Preservation News Supplement" National Trust for Historic Preservation, 740 Jackson Place, N.W. Wash., D.C.

The organization represents 85 percent of the district's residents, and the group has been very successful in working with the New Bedford Redevelopment Authority to effect change in the area.

Economic Revitalization

One aspect of New Bedford's historic preservation effort is its strong emphasis on active commercial use of the historic district. From the outset, members of the community have felt strongly that preservation was compatible with existing industries, such as the large fishing fleet based in New Bedford. "This continuity of preservation and waterfront commercial activity was seen as an essential ingredient in the vitality of the area."*

The city and private groups have launched a major revitalization program. In 1975, public improvements for streets, sidewalks, utilities, and landscaping were begun. Since that initial investment, over $5 million in public and private funds has been invested in the district. Many structures have been rehabilitated, piers refurbished, gardens planted, and a variety of commercial activities, such as hotels, restaurants, shops, a candleworks, and glass museum have appeared.

Improvements just underway are expected to push the private investment figure towards $4 million. Also important are the 200-plus permanent jobs that have been created, and over $250,000 in additional property value generated since 1974, an increase of 40 percent.

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*Summary of WHALE, p. 1.

Mixed-Use Development

Mixed-use development is a relatively new approach offering private developers and public officials advantages in the planning and implementation of revitalization proposals. The use of this technique marks a significant change from the parcel-by-parcel pattern of development that has been characteristic of urban growth in American cities. Mixed-use developments provide an opportunity to combine a variety of land uses in one, master-planned unit that allows greater control by both government officials and the developer over the nature and location of various project elements. Well-known examples of such developments are Rockefeller Center, N. Y., the Charles Center-Inner Harbor in Baltimore, and Century City in Los Angeles.

The Urban Land Institute defines mixed-use development* as relatively large-scale real estate projects characterized by:

- o three or more significant revenue-producing uses (such as retail, office, residential, hotel/motel, recreation) which are mutually supportive in well-planned projects,
- o significant functional and physical integration of project components (and thus a highly intensive use of land) including uninterrupted pedestrian connections, and
- o development in conformance with a coherent plan (which frequently stipulates the type and scale of uses, permitted densities, and related items

One of the primary applications of the mixed-use development concept has been in revitalization of inner-city areas in both large metropolitan centers and medium-sized communities. Its use allows coordinated, appropriately-scaled, and innovative urban designs that can be used to overcome public perceptions about the blighted, decaying central city. In addition,

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* Mixed-Use Development: New Ways of Land Use Technical Bulletin #71. p.6

Section 2124 of the Tax Reform Act provides major tax incentives for rehabilitation by owners of commercial or income-producing historic structures, and tax penalties for those who demolish such historic structures and replace them with new construction. The act allows an owner of a "certified historic structure" to deduct for federal income tax purposes over a 60-month period the costs of "certified rehabilitation."

Also of significant is the Revenue Act of 1978 which offers a 10 percent investment tax credit to encourage the rehabilitation of older buildings. This new incentive applies to buildings in use for 20 years or more, that will have 75 percent or more of the external walls remaining after rehabilitation.

Mixed-use zoning is another possible legal means of incorporating projects combining varied uses into the framework of city government and the private development process. Cities such as Washington, D.C., Pittsburgh, and Detroit all have incorporated a version of mixed-zoning into their municipal codes.

projects of this nature often have spill-over effects that encourage further redevelopment activities in surrounding areas.

Urban waterfronts are prime candidates for mixed-use development projects because of the substantial amenities offered by the waterfront, and the diverse nature of the activities that can be accommodated there.

Several of the case studies presented in this guide, such as Freemason Harbour and South Street Seaport, are excellent examples of mixed-use development. For details, including over 20 individual case examples, as well as an in-depth examination of the entire concept, the following publication is recommended:

Mixed-Use Developments:
New Ways of Land Use
Urban Land Institute
1200 Eighteenth Street, N.W.
Washington, D. C. 20036

Planned Unit Development (PUD)

The interest in mixed-use development has encouraged local officials to consider new legal structures that can accommodate the integrated land uses and unique designs that are characteristic of such projects.

Planned unit development ordinances have been suggested as one means of encouraging mixed-development, while still retaining public control over the types of land use that occur, and the size and scale of projects. Although planned united development ordinances have traditionally been tailored to residential developments, the concept could be easily applied as a means of increasing flexibility in the use of land in mixed-use development projects.

Chapter VII - LAND AQUISITION

There are numerous difficulties in addition to high costs in acquiring urban land. These include fragmented ownership of properties, restricted property rights, such as easements and deed restrictions, and problems identifying and locating the actual owners. These types of problems are not unique to urban waterfronts, however, waterfront locations have tradtionally been used heavily for railroad, utility, and highway rights-of-way which severely complicates attempts to assemble land. In addition, factors special to waterfronts may present problems in terms of eroding shorelines, migrating beaches, ownership of submerged lands, and legal questions regarding riparian water rights.

Most of the acquisition techniques described below are standard and do not have different applications because of their waterfront locale. Therefore, the discussion is brief. The land aquisition techniques can be used by governments and as well by private interests or non-profit organizations. Detailed information on the aquisition topic should be readily available from a variety of technical publications, and through local governments, realtors or development companies and their attorneys.

In addition to outright fee-simple purchase, by which is meant total owner ship, there are a number of less-than-fee-simple techniques discussed that can be employed to obtain use of land. Several major publications are readily available that cover these techniques in detail. The following is a brief description of these land acquisition techniques that serve as an introduction to readers not familiar with the nature of urban land acquisition.

Lease-Back

A fee-simple technique that has often been used to both encourage redevelopment projects, and control the manner in which they are implemented, is the purchase/lease-back arrangement. Under this procedure, a local government purchases property for rehabilitation of existing structures or creating new development. The property is then leased-back to private interests under a standard lessor/lessee agreement to accomplish the designated reuse.

Lease-back is an incentive for redevelopment, because the local government may lease the property at a relatively low rate, creating a desirable climate for private investment interests. Additional public benefits can be obtained if the local government chooses to attach restrictions or covenants to the deed, including public access, set-backs, landscaping, etc.

Lease-back arrangements are beneficial to both public and private interests for several reasons. For the local government, high aquisition costs can be defrayed by revenues from the lease-back arrangement. Also, much of the upkeep and improvement costs are assumed by the private, tax-paying, developers. Benefits for private interests are in avoiding high intitial capital outlay, and the advantage of deducting rent from taxes as a business expense.

Inverse Lease-Back

A unique variation of the lease-back arrangement has recently been approved by the Baltimore City Council. This program, probably the first of its kind to be applied in a major metropolitan area, uses a three-pronged contractural arrangement between the city, a newly-formed Industrial Development Authority,

Fee-Simple Aquisition

Purchase of fee-simple title is the most direct means of obtaining property, because all that is involved is the outright purchase of land by state or local governments or private interests. This tool involves aquisition of complete ownership in property, the "fee-interest", by outright purchase, gift, condemnation, or purchase with donated funds. Maximum flexibility is obtained since the subsequent use of the land is unencumbered by legal restrictions, such as easments or deed restrictions. Ownership is, however, restricted by government regulation. It is also the most expensive method of obtaining land, and this often becomes a limiting factor in acquiring necessary properties for urban redevelopment.

Because of tax considerations land is sometimes donated to a community, or sold below the fair market value. Donations or "bargain sales" of land by private groups both non-profit and profit, have been important in many redevelopment projects. For non-profit groups, such as land conservancies, charitable donations of land to local governments have been used a means of insuring that the donated property will be developed in a manner which maximizes public benefit. For private, profit-making groups, a gift or sale below the estimated market value (a bargain sale) will result in substantial reductions in the need for initial investment capital, and may offer the developer tax advantages on the low-priced land.

Land Write Downs

Land write downs have been widely used by local governments as an incentive for private investment in urban renewal projects. This procedure involves purchase of blighted properties by the local government, clearance of any delapidated structures at public expense, and resale of the land to private development interests. The incentive for redevelopment of these properties occurs because the land is sold by the local government either below the purchase price, or at a level below the appraised land value after clearance.

The goal of land write downs is to reduce the amount of capital needed by developers to finance local redevelopment projects. This in turn reduces their equity requirement and amount of debt service on loans. In addition, sale of the property at an attractive price may allow the local government leverage with the developer in providing amenities, such as public access, open space, or other provisions that can be included as restrictive covenants attached to the land transaction. The theory is that the tax revenues generated by the new development will eventually cover the public's investment expense.

and private interests. The goal is to entice commercial and industrial operations back into the central city.

The basic procedure involves the city selling newly renovated buildings to private investors, and leasing the property back from them at relatively low rates. Lease payments are set at levels according to the owner's costs for items such as taxes, debt amoritization, and investment premiums. The Industrial Development Authority's role is in financing the initial purchase of the property by private investors. Because of its special legal status as a quasi-public, non-profit corporation, it can borrow money at tax-exempt arrangement rates and in turn loan it to private investors at low interest rates. This allows the private party to borrow at a low interest rate from the IDA, purchase usable property from the city, and lease it back to the city at a rate that just covers the debt service on the loan and some other expenses.

The main advantages of the program are that private interests can quickly obtain large amounts of capital to purchase space at a low cost and relatively small risk. In addition, investors will be able to deduct building depreciation from their taxes, because technically they are the owners of the buildings and property. Eventually, all properties will revert to the city. The primary advantages for Baltimore are that inner city revitalization becomes feasible without increasing the city debt, issuing municipal bonds, or providing tax incentives to individual owners.

and subsequent development.

Land banking provides local decisionmakers with a tool to control or forestall development within a community, to accomplish goals such as revitalization, containing sprawl or providing open space.

Land banks may operate on a large scale, covering broad areas, or in small localities, such as urban waterfronts. Historically, these programs have not been implemented in American cities, because they require initial capital outlays that are excessive for most municipal budgets. Large-scale land banks are usually long term programs (20 years or more) that serve to control much of local land use decisionmaking. Indirectly, they influence land values, location and timing of development on privately owned lands. Large-scale land banking is often a politically unsatisfactory approach, because public opinion believes it improper for government to take full control of land ownership and use.

Small-scale land banking programs, however, are less expensive, and generally are more politically acceptable. These are usually labled "advance acquisition programs" and are implemented by local governments as a hedge against inflation in land values or to obtain optimal locations for future public facilities. This technique is used in Maryland to preserve space for energy intstallations.

Short-term, land-banks can be especially useful in redevelopment of blighted areas. In these cases, land banking consists of purchasing existing delapidated structures, possibly rehabilitating them and then disposing of the property at a rate which best meets the goals of the community at the particular time. With this degree of control over land disposition, local governments can integrate other incentives, such as provision of public facilities, in timely fashion.

Conservation Easements

Conservation easements are restrictions which land owners place on the property voluntarily or for payment. When the owner places a conservation easement on a parcel of land, certain rights specified in the easement document are relinquished. As a matter of form, the rights are transferred to a recipient (such as a conservation organization or governmental body) in a legal document. When the document is properly drawn, signed and recorded, the owner and future owners of the property can no longer exercise those rights given up in the easement document.

An easement holder, such as a local government, has the right to ensure that the restrictions on the land are observed. The easement does not allow the public access to the land unless that is specifically provided for in the easement document. The owner of the property retains all other rights. Unless the easement document provides otherwise, the owner can, for example, sell the property, live on it, or bequeath it. Also, taxes must still be paid, but often a consideration will be given in return in return for the easement restrictions. Conservation easements can involve such things as allowing the public to cross a property to reach the shore, to restrict building height to protect a view or to agree to maintain a garden or planting that is a community amenity.

Land Banking

Land banking has been suggested as a means of directing the nature and timing of urban development in local communities by keeping land out of the open marketplace. In this approach, land is purchased by a local government and held in reserve until such time as conditions are right for its resale

Gradually, new technologies developed which transferred shipping to other waterways, such as the Hudson River, and allowed construction of the giant skyscraper office buildings which now characterize Lower Manhanattan's skyline. The East River docks fell into a slow decline, and with the advent of containerization in the 1950s, pier activity virtually came to a standstill in Lower Manhattan.

In the early 1960s a private group formed that was interested in historic preservation of several structures located near Pier 16 at the foot of Fulton Street. By 1967, the group was successful in creating the South Street Seaport Museum, a private, non-profit corporation officially controlled by New York University. The term "museum" applies to the area, not just an historic display building. The following year, this area was included in the Brooklyn Bridge Southeast Urban Renewal Area, which is an unassisted urban renewal district created by the City. Since that time, the Seaport has expanded to a membership of over 10,000 and is listed on the National Register of Historic Places.

Presently, the Special South Street District is engaged in many activities including historic preservation, recreation and economic development. Since it is included as part of an umbrella-like urban renewal area, it has broad authority over land use decisions made within the district and is eligible for a variety of economic assistance programs.

Special South Street Seaport District - New York City

South Street Seaport is a mixed-use commercial/historical area located immediately south of the Brooklyn Bridge along Manhattan's East River waterfront. In December 1973, the special district boundaries were established from Pier 15 northeast to Peck Slip, and inland to Water and Pearl Streets (See figure__). The district was designed as a tool for implementation of the Brooklyn Bridge Southeast Urban Renewal Plan, part of a broader proposal for Lower Manhattan waterfront development. This plan covers a large portion of the riverfront from Battery Park at the tip of Manhattan, north to the Manhattan Bridge, and includes a variety of measures for residential, commercial, and recreational development.

As stated in the municipal ordinance, the primary purpose of the special South Street Seaport District is:

> "to encourage the preservation, restoration, and in certain cases redevelopment of real properties and buildings thereon within the Brooklyn Bridge Southeast Urban Renewal Area into a south street seaport environmental museum having associated cultural, recreational, and retail activities."

Background

The wharfs and piers around South Street Seaport were the focus of New York City's vast shipping industry during the late 19th and much of the early 20th centuries. During this time, the city became the chief transit point for the passage of imported and exported cargos, and the entire area became a center of commerce and port related business activities.

Economic Development

Although the district was not created solely for economic development purposes, improving economic conditions, along with historic preservation, and recreational/cultural activities, are high priority goals for revitalization of the waterfront. Some of the specific project goals are:

- o Realization of the Seaport's full economic, cultural, and historical potential to strengthen tourism in New York City.
- o Diversification of Lower Manhattan's narrow economic base.
- o Revitalization of the local neighborhood and support of its growth into a viable community.
- o Protection and assurance of the future prosperity of the Fulton Fish Market.
- o Preservation and protection of the historic character of the district by generating sufficient revenue to rehabilitate its unique buildings and support to the educational programs.

A number of projects have been completed at the Seaport which relate specifically to these goals, and several others will soon be finished. Piers 15 and 16 have been refurbished, and presently five historic vessels are permanently moored there. Two museums are located in the district, the Seaport Museum and the State Maritime Museum in the Schermerhorn Row Block. The Fulton Fish Market is being improved. Plans call for extensive redesign of the goods movement system and extensive improvements to the structures, piers, and mechanical systems they contain. Substantial commercial redevelopment has already taken place at the New Fulton Market, and several galleries, a book and chart store, a restaurant and other enterprises are currently in operation. In addition, substantial office space footage has been provided

to adjacent properties via a transfer of development rights system created in 1974.

Millions pf dollars in federal, state, local, grants have been spent at the Seaport, including $8 million from the city's budget, $5.4 million from the Economic Development Administration's Federal Public Works Program, $5 million in Urban Development Action Grants (HUD), and a total of $6.3 million from the state for the Maritime Museum. In the future, private investment by the Rouse Company will include over 200,000 square feet for various retail and office purposes. The estimated cost of this development is in the range of $60 million.

A recent event is the reopening of the Fulton Street Ferry, to begin operations in September 1979. The ferry will travel between South Street Seaport and Fulton Ferry landing on the Brooklyn side of the East River at the base of the Brooklyn Bridge, primarily serving commuters and tourists.

CONTACTS:

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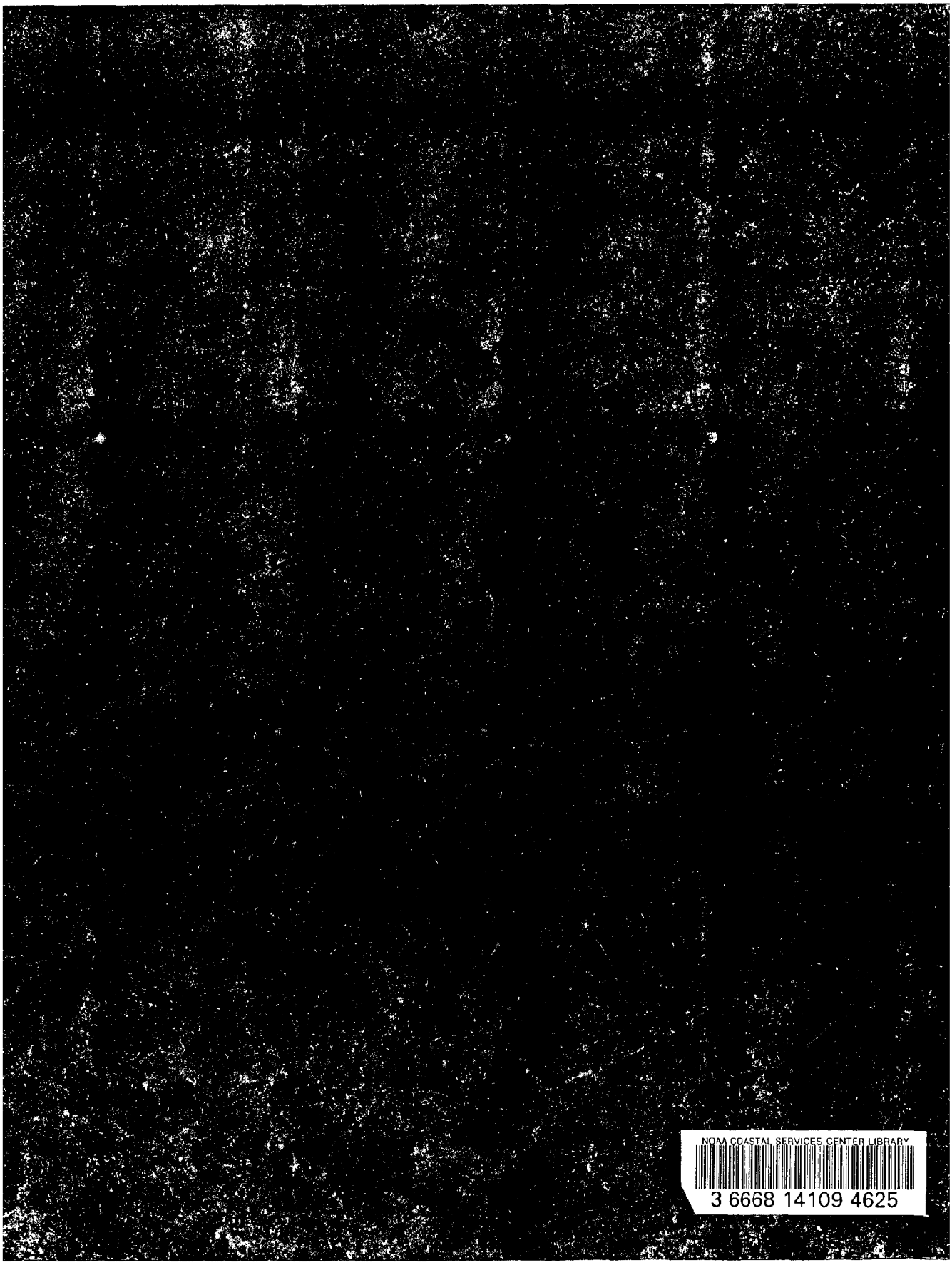
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