

Incremental Development Along West King Street, and Beyond: A Model For Revitalizing The City Surrounding Downtown

City re-development projects are often assumed to be multi-million dollar, large-scale renewals, affecting whole blocks at a time and bringing major changes. We expect to see demolition, deep holes in the ground, and “bright and shiny” new construction. We think of out-of-town developers and money, along with sophisticated urban development “miracle workers,” bringing something big and new to the area. Things like hotels, conference centers, high-rise corporate offices, sports or cultural performance facilities, multi-unit apartments, or even luxury condominiums, often priced at the top of the local market. We may guess that many of these “deals” are incentivized by federal, state or local tax policy enticements.

However, another form and scale of redevelopment is already happening in downtown Lancaster — exciting and important, but seldom publicized. These are small-step projects, funded by owner resources, adapting the charm of individual historic buildings and re-purposing them to a perceived local need. Continuity with the past is often maintained, sometimes even honored. Resources are saved and the life of the neighborhood can be invigorated. This smaller-scale approach isn’t costing multi-millions, doesn’t involve elaborate public-private partnerships, tax incentives, municipal bonds, or elaborate funding schemes; it isn’t demolishing historic buildings, or forcing major changes to local architecture. Many may not even know it’s happening.

Around West King and Grant Streets and on a few other sites, small businesses, property owners, and small-scale real estate developers – like us – are slowly revitalizing left-behind parts of our city. Just across Prince Street from downtown Lancaster’s booming central downtown, a few small-businesses are working with their own limited resources on the very important, but seldom publicized “incremental development” of our city.

A national organization of small-scale developers, architects, urban planning and development specialists, and builders, the Incremental Development Alliance, explains:

“Today, real estate development mostly happens in big, expensive chunks --- picture large scale subdivisions and condo towers. You need to be a professional development firm to be a part of that action. But the cities we love most were built in little pieces. That’s the way great cities work — places are way more loveable and flexible when many people have been a part of building them. That is what we mean by incremental development: city-building in small steps.”

Urban regeneration on West King Street

Since 2008, our architecture and development companies, Community Heritage Partners and Community Design Works / Living City, LLC, have been gradually rebuilding an independent business presence on West King Street in downtown Lancaster. By re-creating new retail and commercial space in some of the area’s oldest buildings, we are reconnecting this block of West King to the heart of Lancaster’s increasingly successful downtown. While rehabilitating our own properties, we’ve also been advising and encouraging others to adapt and reuse nearby historic buildings. Looking back now over eight years, change for the better is increasing after a decades-long period of decline and inaction west of Prince Street. More than simply repairs or rehabilitation, this growing new foundation of reinvestment has the potential to start a collective regeneration of the formerly solid urban activity that used to characterize older city blocks. It’s happening, but it could use the community’s broader backing.

Where buildings were boarded up and windows painted over for an entire generation, we've reopened street level storefronts, restored leaded glass, and replaced leaking roofs. Where mercantile activity had died out over the preceding 75 years, now dozens of customers are coming and going six days a week at the new Tone Tailors guitar store and instrument repair studio (<https://www.facebook.com/tonetailors>). Just behind that storefront, a new recording studio is bringing bands into downtown Lancaster from out of state and beyond our region to create and produce new music. Nearby in another of our own buildings, Peter Kovalec, an experienced local pastry chef — our tenant for nearly five years now — is creating desserts which Lancaster diners enjoy at many of our downtown restaurants.

Our own design, planning, development, and property management businesses anchor a rear studio-office space in a former furniture warehouse fronting on West Grant Street. An international ballet academy (<http://vyballet.com/index.php>) has been headquartered in the floor above our studio for more than five years now. This draws many Lancaster families from the suburbs to the center city every week to give their children an extraordinary opportunity for training with a Russian Ballet Master in dance, performance art and physical artistic expression.

Several other storefronts have re-opened just up the street over the last three to four years, and other properties are changing hands:

- In the King Street storefronts of the Stevens House building, boarded up for nearly a decade, four storefronts are reopened and active. Dreams Collide Tattoo Studio (<http://www.dreamscollide.com/>) and PhotOle Photography (<http://www.photole.com/>) are among the new shops there.
- Just across King, the Fulton Opera House Foundation has acquired the short block of historic buildings extending along King Street from Prince to Water Streets, with hopes of new activities that will support expanded programming at the Fulton Theatre. One of their tenants in the Water and King corner is a small soul food restaurant named "Willie James." (<https://www.facebook.com/WillieJames113/>)
- Just across Water Street on the next corner, a new Child day-Care facility has recently opened in what was a used furniture shop for over 30 years.
- A few steps away on West Grant Street, a former tobacco warehouse has been purchased, renamed Warehouse 210, and now provides office and gallery space for more than a dozen small companies doing all sorts of work there. (<http://www.warehouse210.com/>)

Small-scale development is generating economic vitality, but who cares, and who's helping ?

These projects may seem small, incidental, and unworthy of headlines or news stories. But most of this building-by-building reinvestment is happening here without the public communications and marketing budgets of the bigger projects; and also without public subsidies, public funding, or any other taxpayer concessions. No big tax breaks are enticing this reinvestment. The smaller budgets and longer project delivery timeframes may hide the new life that this development brings to the community and its neighborhood, but it is substantial and growing. With a little more help, it could bring many parts of the city back from financial disinvestment and the accompanying physical and social decline.

Done by local property and business owners, it may be the best kind of development for Lancaster, for several reasons. It's home-grown. It repairs and re-uses already-built resources sitting partially vacant and under-utilized for decades. These projects are preserving historic architecture by reclaiming spaces and recycling older buildings, adapting them to newly productive uses. The National Trust's Preservation Leadership Forum calls this "ReUrbanism." See their 10 principles for ReUrbanism (<http://forum.savingplaces.org/blogs/forum-online/2016/09/07/ten-principles-for-reurbanism-reuse-and-reinvestment-in-the-21st-century.>)

It's also important to note that rather than relying on high-concept market studies and high-powered projections meant to predict feasibility and profitability, this activity is happening gradually, and spaces are being built on results. Local owner-participants are watching and testing the market, then gradually enlarging on development opportunities as users become attracted to the area.

This is the way Lancaster and the other old cities and towns so many of us love were originally developed, from the beginning and into the early 20th century – not as big, elaborate commercially-driven “economic development projects,” but in little privately-owned pieces, often using family and other small capital sources, taking time to get things done, and with patience toward profit. This is a slow process. Today, most lenders have to be much more profit-driven than they used to be 100 (or even 50) years ago; there are many more extensive code improvements needed in buildings, and it is more challenging to make these projects feasible.

Looking just beyond the central downtown blocks of Lancaster, there are hundreds of such opportunities where big projects are unlikely to happen, and incremental development could be working to improve our city. West King is certainly not the only opportunity area; it is just the area in need which is closest to the heart of downtown. With a little co-operative engagement, it could be the first extension of the downtown Lancaster success story, even if in a slightly different style than the mostly up-scale trends we've seen taking hold around the Convention Center.

What would help ?

What cooperative efforts in Lancaster could help build momentum for incremental development all across the city ?

1. Façade and Roof Repair Loans and Grants

Lancaster has in the past had a program to address façade repair but only in a relatively small way. The city could use a program that would stimulate \$50 - \$100 million in these types of projects. This might require establishment of a principal fund of \$15 million, just as a suggestion.

Many cities have programs like this, but few are of this scale. Typically, a local or state government, a preservation organization, or a downtown development agency, appropriates or secures funding from sources such as local or national foundations, state government, prominent local or regional corporations, etc. In some cities, local and regional banks collaborate with the city or downtown development agency to organize a loan pool.

Adequate roofing is particularly critical to protecting buildings. Uncontrolled water is the single most destructive force in older building damage and decay. This issue is important enough to be addressed with financial assistance when needed, preferably when damage is detected early. A building in otherwise good condition can quickly deteriorate with unaddressed roofing problems. Out of view and easy notice, and without yearly inspections, roofing problems may not show trouble signs until they have become very serious and costly. This is especially so for vacant or partially vacant buildings. Although most of Lancaster's buildings are masonry, a deteriorating roof or built-in gutter can lead to loss of roof framing, cornice millwork, and even brick and mortar decay in just a few years. An emergency roofing fund could help forestall roofing problems from reaching further into architectural destruction.

Low- or no-interest loans or outright grants from that capital reserve could then fund qualified projects involving roof repair or replacement, façade and storefront repairs, or rehabilitation work. Typically, properties are eligible for the program through geographic districting or by categorization, which can include historic or architectural significance, critical need, and potential for positive impact on sur-

rounding properties. Whether these funds are low-interest loans, no-interest loans, or grants, many creative variations can be scripted.

2. Historical Research Services and Investment Tax Credit Assistance

Few property owners may see the need for, or have the skills to easily take on, the investigation of their property's history. Yet project planning, design, and construction budgeting can often benefit from knowledge of that history, gained from historical photos, early architectural plans, and descriptions of property configuration during various periods of ownership and construction. Unfortunately, most owners are un-equipped to do this efficiently themselves and unlikely to pay for this effort even if they realize it could yield some value. A local or state government, preservation, or historical association could provide these services to owners as a guide toward better project planning.

In many cities, this service is performed by a qualified non-profit organization in exchange for a new organizational membership, or at a reduced fee for service. Lancaster's Preservation Trust used to have the skills on staff to provide this 15 years ago, but they no longer do. Lancaster does have some qualified preservation architects who can provide this service, but this is not commonly known. The city could publicize those consultants so the public can find and engage them.

Historical research can also help owners determine whether a property is eligible for state and federal investment tax credits, which can produce a 20% or 25% effective discount for owners or investors on the cost of planning, design, and construction. Across Pennsylvania and the U.S., billions of dollars in investment tax credit rehab projects have been realized. Yet, Lancaster has had only a few of these, even though more than 14,000 buildings in the central city are eligible. This is due mostly to a lack of awareness, know-how, and confidence in following the application and certification process. Specialist preservation advisors and architects with these skills are available; the community could strengthen connections between these specialists and owners, helping to attract more investors because of the tax credit opportunities, and with that added capital producing more quality renovation projects.

3. Assistance with Architectural and Development Planning

For a relatively small up-front expense, architects can save property owners longer-term costs by identifying and averting troubles in advance, as well as creatively ensuring that plans are tailored to the specific property's needs and uses. Development planning is especially important in an urban area where a building's uses and access are intimately related to surrounding buildings, and high-degree of interactive design impacts should be considered.

Many property owners may not recognize the need or value of beginning a project with well-informed architectural and development planning services. Many assume a call to a contractor or the local building official will give them the information to build their project. A local or state agency can direct owners to appropriate architectural and development advisors and services, but this is rarely done in our region. If the City and County of Lancaster and some of the larger municipalities had more actively empowered public offices of preservation and heritage planning, or more active private sector preservation advocacy organizations, any of these could offer substantive help and advisory services to property owners. This could include referrals to qualified architects and contractors who have a working knowledge of these project types. In recent years, the city has begun requiring owners to engage a licensed architect to prepare plans for construction permits. Similar advice and requirements could help owners realize the value of engaging qualified professional project design and planning expertise.

4. Financing Assistance and Development Coaching

Very few property owners and their professional advisors really know the details of commercial project financing and property development techniques. Developers who already know are usually not willing to share the time it takes to properly advise others or to help guide someone else's project to success. The Incremental Developers' Alliance (<http://www.incrementaldevelopment.org/about>) is a national organization of architects, developers, and builders who specialize in small-scale development projects, offering education and training. Their offerings include: published learning materials, conference presentations, in-person and online workshops for groups at various stages of development proficiency, and custom assistance for cities or foundations to support small development in a targeted area. Owners can also use guidance and support on other topics, including project marketing and recruiting prospective new users to an area. The key requirement in any renovation planning is finding the right mix of new users. Without users, there is no revenue, and no prospect of revenue will certainly discourage new investment.

For some examples of policies and programs working in other places, we should take a look at Phoenix's Historic Downtown Development Incentive Program, in which the city sets money aside to defray the cost for needs like architectural fees and permitting fees and additional funding if a variance is required. (<http://www.bookweb.org/news/phoenix-adaptive-reuse-program-eases-way-downtown-development-34606>).

And, for a slightly different take, the city of Minneapolis and the Canadian province of Alberta have a community economic investment co-operative development program, which allows communities to own and develop their commercial spaces, when business districts are decaying, and controlled by distant landlords or faraway retail chains. (<https://ilsr.org/do-it-yourselfes-downtown-investment-cooperative-model/>)

Lancaster's urban vitality surely wasn't built in a day, or even in a century; it wasn't developed as a coherent whole by any partnership, wealthy individual, out-of-town developer, or prominent agency. Following certain planning fundamentals, including a grid of streets and a good mix of land and building uses in dense proximity, Lancaster evolved over nearly 300 years to become the architectural wonder and very livable city it is today. It is the product of thousands of individual property owners' choices, sometimes made parcel-by-parcel, or a half-block at a time, and built gradually over several years or decades. This approach produced the human scale and detailed architectural texture of the city, and spread the risk and skills among many. In the process, many individuals influenced the course of development, and some even made some wealth along the way. I think most would agree today, that as long as their real estate results added utility, good building stock, and quality of life to the place, their profits seem quite justified. We are all the richer for their success.

We can do this again, and extend the real success story of Lancaster – both historic and present-day – by encouraging and really supporting small and local development, and guiding it along the path to success. With a more thoughtful and cooperative approach to support development, progress in revitalizing Lancaster might happen sooner, producing better, more financially feasible results all across the city.