Come Home to Downtown

Real Places 2019
Thursday, January 17

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Douglas Moss, AIA, LEED BD+C, AP

Moderated by Emily Koller and Caroline Wright, Texas Historical Commission
Overview and Introduction

• **Town Square Initiative and Tax Credit Program goals**
  - More downtown residential
  - Fill vacant buildings
  - Encourage high quality development
  - Use Tax Credit program successfully

• **Session Outcomes**
  - Cities learn how to attract and support small-scale developers
  - Individuals and downtown managers gain insight on navigating code and financing constraints
  - Access to resources to assist small-scale developers
Firestone Lofts, Amarillo, TX
2nd and Main Lofts, Taylor, TX
Challenges for Small-Scale Residential Rehab

• Outdated zoning ordinances (use and parking)
• Buildings codes more complicated for mixed use
• Expense of doing rehab
• Access to professionals
• Is the market ready to support downtown residential?
Residential Rehab Trends in Texas

86 Part B applications approved for State Tax Credit program 2015 - present

- 60% are small-scale less than 30 units
- 58% are beyond major metro areas

1-15 Units: 39
16-30 Units: 13
31-100 Units: 13
101+ Units: 21
Impact

- $222,000
downtown cost

Lost annually through rents, property taxes, utilities, supplies, services and salaries of an average commercial building.

Adapted from Getting Results: The Economic Impact of Main Street Iowa, 1986-2012, 2012 report by Place Economics

+$344,771
downtown benefit

Gained through rents, property taxes, utilities, personal expenses for a 13 unit residential building in Amarillo, TX.

Adapted from Making Downtown Revitalization Happen: Incentives at the Local Level, 2015 by Place Economics
1. Why did you “come home to downtown?”
+ Continue Redevelopment
+ Downtown Master Plan
+ Live/Work Alternatives
+ Historic Tax Credits
+ Strong Economic Case
HISTORIC ORDINANCE
Task force sets meeting

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The Taylor City Council has appointed a task force to look into developing an ordinance designed to protect Taylor's historic buildings and neighborhoods.

Over the last several months, the group, under the direction of Nancee Phillips-Burgess, has met with several groups, including Realtors, business owners and downtown property owners.

Now the task force is ready to present its work to the general public. "This ordinance will not require a building owner to do modify existing property," she told a large crowd of business people recently.

Phillips-Burgess said the lack of an ordinance or of any way to protect significantly historic buildings is what lead to the demolition of the Wedemeyer Hospital earlier this year, and the old city hall building and the train depot in years past.

Phillips-Burgess said the goals of the ordinance are to protect historical resources, prevent future losses, stabilize and improve property values, promote tourism and to provide a path for financial help with preservation.

The first of two public presentations is set for 6 p.m. Monday, Aug. 9 in the Taylor Civic Center.
An Amarillo original: Historic Firestone set to begin new chapter later this year
2. How did you meet your market?
3. What are the code and other regulatory constraints you encountered?
4. Who did you hire to help you?
Consultant List

Firestone Lofts, Amarillo
• Developer (self-performed)
• Historic preservation consultant
• Architect
• Construction management
• Attorney
• CPA
• Management Co.
• Marketing Firm

2nd and Main St Lofts, Taylor
• Developer (self-performed)
• Architect (self-performed)
• THC/NPS Tax credit applications (self-performed)
• Construction management (self-performed)
• MEP engineer
• Structural engineer
• Civil engineer
• Accountant for THC/NPS (TBD)
5. How did you attract investors and ultimately finance the project?
## TOTAL PROJECT COST MODEL

### CURRENT BUDGET (as of August 2018)

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Cost (Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Category</td>
<td>Budget</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Construction</td>
<td>$18,427,450</td>
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<tr>
<td>Equipment Purchasing</td>
<td>$67,706</td>
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<tr>
<td>Professional Services</td>
<td>$597,560</td>
</tr>
<tr>
<td>Miscellaneous Costs</td>
<td>$427,946</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$22,348,362</td>
</tr>
</tbody>
</table>

**Note:** The table above details the budget for different cost categories, including construction, equipment purchasing, professional services, and miscellaneous costs. The total project cost is $22,348,362 as of August 2018.
6. What advice do you have for cities to encourage these projects? What advice do you have for individuals interested in becoming small-scale developers?
Resources

• Federal and State Historic Tax Credit Programs
• DowntownTX.org
• Town Square Initiative Planning and Feasibility Studies
• Come Home to Downtown Project Models