



**Downtown
Revitalization
Action Plan**



OUR MISSION & VISION

City Centre Freeport is a collaborative movement of downtown business and building owners, entrepreneurs, and dyed-in-the-wool Freeport enthusiasts who are on a mission to transform downtown Freeport into a residential, commercial, shopping, and entertainment destination in beautiful Northwest Illinois.

We envision a new Freeport neighborhood that is filled with lofty living places and inspiring work spaces. We envision a revitalized and recharged business district that offers our residents, guests, and visitors boutique shopping, delightful dining, and artful entertainment experiences that are uniquely Freeport.

OUR BIG IDEA

City Centre Freeport proposes to begin the process of turning our vision for a new downtown into reality by focusing on developing downtown Freeport into a neighborhood once again. A place where people not only shop and eat, but where they also live and where they play.

Our initiative proposes pursuing three separate, but complementary, strategies. We propose pursuing a strategy that repopulates downtown with new urban dwellers living in new urban living spaces—giving Freeport’s city centre, literally, new life.

Additionally, we propose to pursue a more aggressive, intense, and intentional strategy to retain, improve, and attract new boutique shopping and unique dining, recreation, and entertainment experiences—making Freeport’s city centre a destination for residents and visitors alike.

Finally, we propose pursuing a ‘project-based’ streetscape amenity improvement strategy that will enhance the experience of being downtown and will set the stage for continued growth and development

STRATEGY ONE: REPOPULATION

THE CHALLENGE Traditional downtowns in communities the size of Freeport all across the country were hit hard by three phenomena that began in the post-World War II era of the 1950s and 1960s. The government’s GI bill helped the returning servicemen from WWII and Korean War and all veterans of that era to access low-interest housing loans which exacerbated very quickly the development of new housing subdivisions. As a result, it became very affordable for families to move from rental housing—largely in apartments in downtown business districts—to single family, owner-occupied homes. Downtowns slowly became depopulated.

Additionally, as subdivisions sprang up on the outskirts of downtowns, so did retail shopping



centers. Big box stores as anchor tenants in these shopping centers soon made the scene as well. Downtowns slowly lost their major retailers and then began to lose their smaller ones.

Finally, during this time when America was entering into the modern age, the balance between a downtown store owner's business and his living accommodations changed. Again, because of the availability of relatively low-cost new housing in subdivisions, store owners—who once lived above their downtown businesses—moved out as well, adding to the depopulation of downtowns. Eventually, the upper floor living units above their stores were taken out of the rental market place and were all but abandoned. For the most part, subsequent building owners did not maintain the living units on the second, third, and even fourth and fifth floors of their buildings either.

As most of us were born in the Modern Era, few remember the dynamic makeup of Freeport's downtown, not only as the sole commercial district of the community, but also as a vibrant neighborhood where many people, not only worked, but lived and played.

Over the past 20 years, downtown revitalization efforts in Freeport have been largely focused on the retention of current retail and commercial interests, the recruitment of new small businesses in the central core of downtown, and the development of the Rawleigh complex as a new business and commercial incubator.

Understandably, our past focus on downtown has been on what we have known and what we see today. We argue that we should focus on what will work.

THE OPPORTUNITY Our first mission in building this new downtown and turning our vision into reality is to repopulate downtown beginning with the strategic redevelopment of upper floor living spaces. We believe that once new life is breathed into downtown with a new and energetic population base, new retail, commercial, and entertainment interests will follow.

We also believe that—despite the relative stagnation of our local economy and changing demographics of our population base—there is a market in our immediate region for this type of living space.

A recent downtown housing study done by Vandewalle & Associates in 2013, indicated there is a market for an additional 82 upper-floor and higher end living units in the downtown area.

Additionally, we also know that most downtown living units in the market place today are filled and there are seldom vacancies, so downtown is at capacity today.

THE FINANCE CHALLENGE From what we know today from building owners and downtown property developers is that there are four main challenges or barriers to developing upper-floor residential units to the scale that we need to revitalize downtown.



First, the private sector—ie lending institutions—has been largely absent from participating in these projects, but, truthfully, for good reason: these projects by their nature have much more risk than any one particular bank is comfortable in financing. The high risk is driven by the relative high cost of renovations per unit—which leads us to our next challenge.

Second, decades of lack building inspections and enforcement of building code upgrades and changes have left most of these buildings woefully out of compliance with today's building codes. The cost, today, to get back into compliance with today's building codes is considerably higher than it would have been if they had been done along the way over the past many decades. Additionally, the city does not have comprehensive adaptive reuse policies and amendments to its building codes for historic buildings of these types.

Third, like the woefully out-of-building-code-compliance status of the interiors of these buildings, the underground and overhead utilities running into many of these buildings are as well out of compliance. Unfortunately, though electrical and water pressure requirements coming into commercial buildings have changed dramatically over the past 50 years, the effort to upgrade these connections through code enforcement was not made. Obviously, cutting into streets and sidewalks to upgrade utility connections to accommodate new upper floor residents, is expensive and adds greatly to the cost of these projects. What is unknown is what types of utility service—old and new—are coming into core downtown buildings from public right-of-ways.

And finally, one of the great unknowns, is how stable and safe these buildings in downtown Freeport are today. I think it's safe to say that 2012—with the unexpected collapse of the Sacia building and the Germania Club and the exodus of city government from its own turn-of-the-century City Hall building—was a wake-up call that these poorly maintained and inspected buildings have the potential for collapse. Knowing the structural integrity of the downtown building stock is important because no prospective developer wants to buy a building that is unstable or buy a building that is next to an unstable building.

City Centre Freeport believes that unless these four challenges can be addressed effectively, repopulating the downtown with new urban dwellers will be very difficult.

THE SOLUTIONS The challenge of attracting private sector investment into the cause of upper floor renovations, by reducing the financial institutions' risk exposure and reducing the overall cost per unit, can be accomplished by establishing a gap financing tool in the form of a Tax Increment Finance-backed Revolving Loan Fund that leverages tax credits, private sector RLF monies and commercial lending.

As the Downtown TIF fund is set to expire in 2029, the opportunity to leverage that TIF to attract significant private investment into downtown narrows every year. We propose taking advantage of what years remain in the current Downtown TIF to leverage the private sector to



create an investment pool of no less than \$2 million for an upper floor renovation Revolving Loan Fund that will be made available to developers wishing to convert the upper floors of downtown buildings into high-end residential living spaces. We envision that this gap financing package include a variety of programs needed to address (a) the structural integrity of buildings; (b) the cost to upgrade underground and overhead utilities coming into the buildings; and (c) the actual upper-floor interior renovations of the buildings themselves.

In addition to overcoming the challenge of financing upper floor renovations, we know that the city's current building codes do not account for the historic nature and unique challenges a developer will face in adapting and/or renovating these buildings. But we also know that other communities, such as Rockford, Moline, and Effingham, have added a number of adaptive reuse exemptions and amendments to their building codes to make renovations and restorations of older buildings feasible. We believe we need those types of adaptive reuse exemptions and amendments as well.

Additionally, we know that we need to understand the condition and capacity of the underground and overhead utilities coming into these buildings and then develop a plan with the utility providers to upgrade them to today's standards.

Finally, we also know what we don't know. What is unknown is the relative condition of the buildings that make up the core retail section of downtown. Knowing the conditions of the buildings in downtown—particularly those that share common interior walls—is important information for prospective developers to have as it helps create a realistic redevelopment plan and cost analysis. We believe an analysis of the current condition of downtown buildings in the central retail core of downtown would be useful.

STRATEGY TWO: RETAIL

THE CHALLENGES—There are a number of challenges facing Freeport's downtown district today. Retail has become somewhat stagnant throughout the community over the past few decades. With downtown so heavily reliant upon retail, this trend has impacted this particular commercial district in a very negative way. Very simply, downtown retail businesses do not see either the traffic or types of customers they once did and the prospect for future success seems slim.

In addition, we anticipate that a number of longtime and established retailers and business owners will retire over the next ten years and will not choose to or be able to sell their businesses. Without an aggressive approach to rethink, revitalize, and rebrand downtown, we foresee more buildings going dark over the next decade.

Finally, successful downtowns are generally marked by their ability to create commerce—particularly small business and service commerce. Successful downtowns in communities of



Freeport's size typically have a strong core of boutique retailers, services, and restaurateurs that cater and market to a select crowd. These types of businesses thrive because they 'play' off the urban ambience that was developed and is hopefully maintained in a downtown setting. They understand that people shop to not only fulfill their utilitarian need to buy a specific product for a specific need, but that they also shop to be entertained. They understand their prospective customer, the types of products that their customers want, and the experience that their customers want to have when buying it. Successful boutique retail businesses and services are generally very adept in marketing, customer service, and product merchandizing—from the building's façade to the store's display case.

Unfortunately, the community lacks a dedicated resource to recruit new retailers and to assist existing retailers to improve and grow their businesses.

THE OPPORTUNITY—The good news is that, despite the wave of shopping mall and strip mall retail center development of the latter part of the last century, downtown shopping is still very popular and has seen a resurgence in the past ten years. In fact, some in the retail industry are predicting the slow collapse of the shopping mall retail experience and expect on-line and unique shopping experiences in downtowns to rebound over the next 20 years.

Though many retail shops have come and gone over the past 30 years in downtown Freeport, and though some of Freeport's retail selection in downtown could be improved, Freeport still has high quality retailers that serve as destination shopping experiences for people. Additionally, Freeport downtown has a number of high traffic commercial, eating, and entertainment venues, including the post office, the Lindo Theatre, Union Dairy, the public library, the FA Read Center, and This Is Eat Eatery. Bottom line: there are still a number of quality businesses that serve as a strong back bone for the downtown.

THE SOLUTIONS Implementing solutions to address the current and future challenges of downtown is of vital importance to our community as a whole.

First, prospering downtowns are important to the image and to the brand of a community. Vibrant downtowns help recruit new businesses, professionals, and people to the community. They help set the stage for growth in communities.

Revitalizing our downtown with new, unique, and exciting boutique retail, service, food, and entertainment businesses adds to the marketability of our community, both to those that are already located here but also to others outside of our community searching for a place to be.

City Centre Freeport believes that the community needs to create a local Small Business Development Collaborative that has the capacity and the professional 'know-how' to recruit new retail, service, food, and entertainment businesses to the downtown; to assist start-up businesses being created for the downtown; and to consult with current downtown shops to help



them improve their businesses.

The Collaborative would consist of our four economic development partners—NIDA, the Chamber, CVB, and FDDF. The Collaborative would pro-actively call on existing retail and personal service operators in the community to take their temperature, assess their needs, and deliver solutions either directly or through partners – i.e. banks, the Rock Valley College Small Business Development Center, HCC, Northwestern Illinois Community Development Corporation, the City’s Revolving Loan Program, and local business advisors, such as attorneys, accountants, and marketing/sales professionals.

Because the success of the downtown area is so dependent upon the retention and development of boutique retail, services, food, and entertainment businesses, City Centre Freeport believes it is imperative that a focused effort through a collaborative initiative like this be created.

STRATEGY THREE: STREETSCAPES

THE CHALLENGES—Streetscape amenities in downtown Freeport are long overdue for a make-over. While neighboring communities like Rockford, Lena, and even Orangeville continue to improve their downtown streetscapes (lights, benches, planters, trash receptacles, etc...), Freeport continues to cling to its circa 1970s streetscape look. In short, Freeport’s streetscape is out of date, out of style, and just doesn’t look that great and is inconsistent.

Additionally, opportunities to do a large scale streetscape project—like new light posts, brick paver crosswalks, etc...—have been missed in recent years.

THE OPPORTUNITY—Their aren’t many positives as it relates to downtown’s current streetscapes as the vast majority of the streetscapes are very antiquated and long overdue for a makeover. That said, there have been a few streetscape projects that have been done in the past few years. The Lincoln-Douglas Debate Square has had considerable improvements made to it over the past few years and some work has been done to improve the large municipal lot off of Douglas St.

In addition, the city’s municipal parking lot—located on E. Stephenson Street—is due for a makeover in conjunction with the property investment being done by neighboring Newell-Rubbermaid.

Additionally, over the past several years a number of festivals and events have begun to organically locate themselves at the old Myers Ford site that was generously donated to the Freeport Art Museum by longtime businessman and local philanthropist Jack Myers.



The site is now the festival home to Freeport's Cruise Night and the Pretzel City Brewfest. In the Spring of 2016, the Freeport Art Museum will host a one-of-kind art show at the location.

With the prospect of building a new multi-million dollar art museum at the site increasingly fading, the Freeport Art Museum has indicated interest in further developing their site into a semi-permanent arts and festivals ground to accommodate the activities already taking place there, to facilitate the development of additional entertainment activities in Freeport, and to add to and complement the beautifully streetscaped Lincoln Douglas Debate Square located across the street from the proposed festival grounds.

Finally, we are anticipating that after a structural integrity analysis is completed on the downtown buildings, there will be a few of them that will be considered too far gone to feasibly renovate and the city will pursue the demolition of them. With the demolition of some downtown buildings will come opportunities for additional public places in the downtown, such as pocket parks, walk-throughs, etc... These spaces should be given an appropriate streetscape.

THE SOLUTIONS—As a large scale streetscape project is likely years away (as many of the downtown streets have been recently resurfaced), we propose a 'project-based' streetscape improvement approach. This approach would take into account what 'shovel-ready' streetscape projects—like the Freeport Art Museum lot and the City/Newell parking lot—are available to do and maximizing their impact to improve the totality of the downtown experience.

Freeport City Centre supports the city's initiative to improve their municipal lot that is leased by Newell Rubbermaid for employee parking. We encourage the city to be mindful of the aesthetic impact this project will have on City Centre as that lot sits on a major corridor that leads into the main retail district. A beautifully designed and landscaped lot could add greatly to the downtown streetscape.

Additionally, City Centre Freeport proposes a public/private collaborative effort between the city and the Freeport Art Museum to create an arts and cultural corridor that connects the heavily trafficked Union Dairy/Debate Square/Freeport Public Library area to the heavily trafficked Lindo Theater area. By using a new streetscape design, these two areas would be aesthetically connected down Chicago and State Avenues and through the main retail core of City Centre. Incorporated into this corridor, would be a new arts and festivals ground located at the former Myers Ford lot.

We advocate using tax increment finance resources as a grant match to leverage additional resources inside and outside of the Freeport area for the planning, design, and implementation of the arts and cultural corridor and arts and festivals grounds. To that end, we support FAM's efforts to secure a planning and design grant from the Citizens Institute for World Design and implementation grants from the National Endowment for the Arts.



Moving Forward

City Centre Freeport proposes that 2016 be the year that we begin and complete the planning stage for pre-development initiatives that must be completed before we can move forward with our objectives in repopulating the downtown through upper floor living space development; reinvigorating the retail base of downtown; and improving the streetscape amenities in downtown.

Those initiatives include:

1. A public/private gap financing 'tool box' for upper floor living space development
2. Drafts of adaptive reuse exemptions and amendments for older buildings
3. A detailed analysis of underground and overhead utility and technology connections into buildings located in the core retail district of downtown (Adams Ave.; Exchange St.; Galena Ave.; Spring St.) that indicates code compliance or non-compliance.
4. A building condition analysis of downtown buildings located in the core retail district of downtown that indicates levels of safety and condition.
5. A streetscape design and cost estimate for an arts & festivals grounds located at the former Myers Ford lot.
6. The development of a Small Business Development Collaboration between NIDA, the Chamber, CVB, and FDDF.

Assuming the 2016 initiatives are completed in a timely fashion (July, 2016), we recommend beginning implementation of the Downtown Revitalization Action Plan in 2017.

City Centre Freeport also proposes that Northwest Illinois Development Alliance be placed as the project manager for the six 2016 initiatives listed above. NIDA will be responsible for requesting bids and securing and managing contracts from the various contracted urban planning, civil engineering, streetscape architects, and structural architect/engineering services that will be required to complete the initiatives.

Finally, City Centre Freeport proposes using increment from the Downtown TIF fund through the 2016 Downtown TIF Expenditure Plan to fund Initiatives 1-5.



2016 Proposed Budget (estimated)

Gap Financing Tool Box	\$25,000
Adaptive ReUse Legislation Package	\$15,000
Downtown Utility & Technology Analysis	\$20,000
Downtown Building Condition Analysis	\$25,000
Small Business Development Collaborative	\$25,000
Arts & Cultural Corridor Streetscape Initiative	<u>\$10,000</u>
TOTAL	\$120,000