

2. VITAL BUSINESS DISTRICTS



BRIDGE TO OUR FUTURE

Business districts serve many vital roles. They are critical components of complete neighborhoods, where residents can find most of what they need locally in terms of goods and services. They generate local growth and opportunities, vibrant neighborhoods, stronger communities, and more viable local businesses. In many cases, these locations also provide community gathering places and contribute to the identity of the surrounding community.

Neighborhoods and business districts depend on one another. People need close access to personal and essential services while businesses need a strong customer and client base to succeed. Growth in these areas should not only mean an opportunity to attract new businesses and investment but support the identity of these places for years to come. The recommendations in this chapter support essential elements and functions of vital business districts that will enhance them as anchors of complete neighborhoods.

VITAL BUSINESS DISTRICTS

GOAL

A network of unique and diverse businesses in all neighborhoods.

Vital business districts will provide a variety of products, services, amenities, and safe, walkable places that attract people of all ages.

KEY TAKEAWAYS

PUBLIC INPUT

- **Residents want to see better walkability and more public space.** Participants noted opportunities for public areas, green spaces, or amenities that benefit the community as a whole. There is general support for the creation of more pedestrian-friendly environments and walkable neighborhoods that increase economic activity, improve public health, and foster a stronger sense of community.
- **There is support for reduced parking in business districts.** Walkable neighborhoods are often associated with increased economic activity, improved public health, and a stronger sense of community. Less emphasis on parking allows for the creation of more pedestrian-friendly environments. By minimizing parking requirements, cities can encourage higher-density developments, and reduce surface parking. This leads to more efficient land use, fosters vibrant urban spaces, and supports economic growth in a smaller footprint. By removing stringent parking requirements, smaller businesses that may not be able to afford extensive parking facilities can establish themselves in urban areas.

COMMUNITY PROFILE

- **Density is a significant driver of the local economy.** More compact developments produce higher revenues for cities than other patterns. This is especially true when each parcel's revenue is compared to the associated infrastructure or amount of parking provided. Low value per acres often correlates to underutilization of land since this measure is assessed by dividing the assessed value of a property by the total amount of its uses. Grand Rapids has several corridors characterized by large lot sites and multiple owners. While it is not necessary to maximize value-per-acre with each development or site, developments with a strong financial impact help to support developments that have a strong community value but lower revenue generation. For example,

places like Downtown, the Medical Mile, and neighborhood nodes create more taxable value per acre than commercial corridors like 28th Street. As a result, there are opportunities to develop more efficiently and create more dense commercial areas citywide to strengthen local land value.

- **The Grand Rapids area is ranked 9th among US large metros for small business employment.** According to the US Census, over half of Grand Rapids workers (50.4%) were employed by small businesses in 2020. Small businesses are defined by the Census Bureau as having fewer than 500 employees. Nearly 40% of Grand Rapids residents are either in management occupations or work in production or logistics occupations, while health care and social assistance and manufacturing remain the two largest employment sectors by industry.

OBJECTIVES

2.A SUPPORT COMPACT CENTERS THAT PROVIDE A MIX OF USES.

Business districts range in scale from downtown Grand Rapids to small neighborhood centers that provide local access to services. Vital business districts anchor complete neighborhoods with retail stores, civic amenities, housing options, health clinics, daycare centers, employment centers, plazas, parks, senior centers, or other public gathering places. The Community Master Plan supports a range of business districts across the city to enhance local, equitable access to services and expand housing opportunities.

2.B IMPROVE THE ACCESSIBILITY OF ALL BUSINESS DISTRICTS.

Business districts and corridors vary in character, services provided, and primary purposes. The CMP recommendations work to enhance the function of business districts to improve neighborhood livability and accessibility, to create a more walkable and inclusive city.

2.C BROADEN AND ENHANCE OPPORTUNITIES FOR LOCAL SERVICES, AMENITIES, AND CULTURAL ASSETS.

Policies that strengthen and expand cultural and neighborhood assets can bring vitality to these districts. Stable and thriving districts, that celebrate and promote neighborhood assets, give new and long-time residents more vibrant places to work, shop, play, learn, and do business.

DEVELOPMENT PATTERNS

More compact, infill projects produce higher revenues than other development patterns.

Suburban Development Pattern.

Large lots with frequent curb cuts, buildings set far away from the street, and parking in front creates a suburban development pattern that prioritizes the automobile and large-scale development.

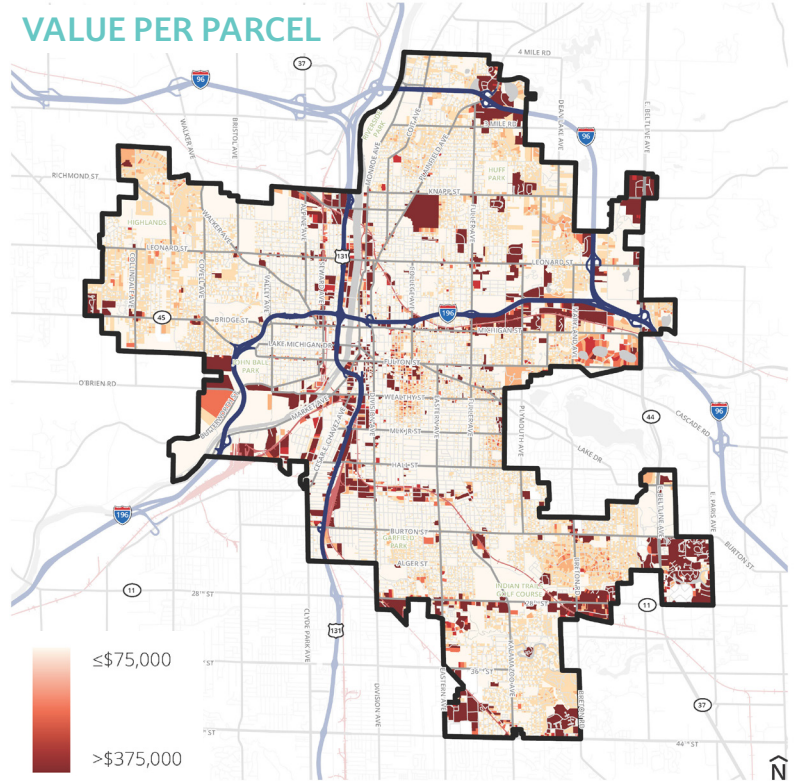


Urban Development Pattern.

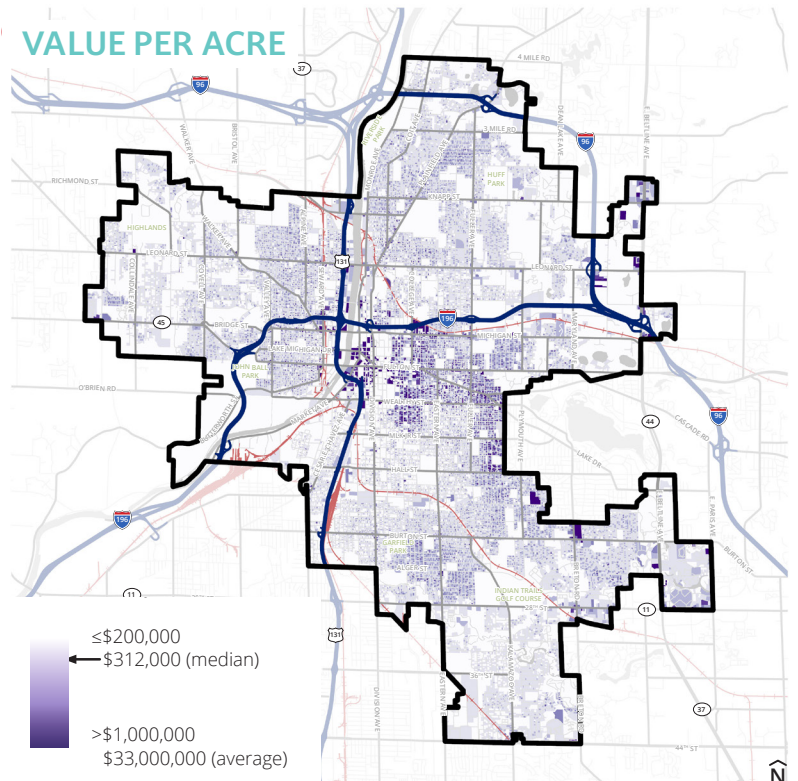
Narrow lots with alleys, buildings that are close to the street, and parking that is hidden behind the building work together to create a high-value development pattern that supports walkability.



VALUE PER PARCEL



VALUE PER ACRE



VALUE THREADS

CULTURE



EQUITY



SAFETY



SUSTAINABILITY



VIBRANCY



RECOMMENDATIONS

2.A SUPPORT COMPACT CENTERS THAT PROVIDE A MIX OF USES.

- 2.A.1 Update the zoning ordinance to encourage density in areas that serve residents and businesses.** Evaluate the zoning within areas designated as Activity Centers on the Future Character Map to ensure the assigned districts match characteristics discussed in the Plan. Activity Centers are mixed-use areas, typically along transit corridors or major roadways, that provide, or aspire to provide, access to goods, services, dining, entertainment, and residential options. Continue to zone centers to provide a broad range of services and higher-density housing to support a critical mass of demand for commercial uses and more walkable access for customers.
- 2.A.2 Direct dense development downtown and in areas and corridors served by regional transit routes.** The GR Forward Downtown & River Action Plan, adopted in 2015, called for increasing the downtown residential population to 10,000 people. Evaluate and update this number to significantly increase the new downtown population goal. Increased density, particularly concentrated downtown and along major corridors, can set the stage for future transit improvements such as light rail. Coordinate land use with broader regional transit efforts to ensure that enough land is available to accommodate projected growth. Consider setting minimum Floor Area Ratio (FAR), residential densities, and/or number of stories on sites within a certain distance of regional transit routes to ensure these areas are developed to an appropriate density.

2.A.3 Support infill development at an appropriate scale. Infill development is critical to building commercial areas and neighborhoods to create vibrant mixed-use places. More intensive infill is appropriate in the downtown, along major road corridors, at key intersections, and adjacent to other development concentrations. Large-scale infill developments will generate economic vitality and sustainability, provide additional housing options for current and future residents, and provide environmental impacts (e.g., increase green space, support food access, support transit and walkability, increase the efficient use of land, and provide certain public service efficiencies). Lower-scale mixed-use and multi-family, development should be compatible with the surrounding character. Such developments support local neighborhood businesses, reinforce walkability, are an efficient use of land, create additional housing opportunities in neighborhoods, and reduce traffic impacts.

2.A.4 Support two-story commercial buildings in commercial districts. An amendment to the zoning code should be explored to consider raising the maximum height of commercial buildings in the MCN and MON neighborhood classifications and NOS district to encourage densification in these commercial districts. Mixed-use approaches to these new buildings are supported as well.

2.A.5 Update the zoning ordinance to address the impacts of continued growth on business districts. Businesses often seek active locations with nearby amenities for their workforce, such as housing, dining options, retail stores, and service providers like dry cleaners and childcare. A growing population and changing economy necessitate flexibility to respond quickly to changing conditions and demands, allow for experimentation, and support affordability. This may include:

- additional guidance for self-storage facilities when integrated within active-use buildings,
- additional guidance on fulfillment centers, gas stations, and other auto-centric uses,
- amenity requirements (e.g., bike rooms, locker rooms, showers, electric vehicle charging station, or package lockers) for developments over a certain size, and
- more expansive and flexible temporary use allowances in commercial mixed-use zone districts to activate underutilized sites.

2.B IMPROVE THE ACCESSIBILITY OF BUSINESS DISTRICTS.

- 2.B.1 Set maximum block sizes within Activity Centers identified on the Future Character and Land Use Map.** Consider additional requirements for walkways, landscaping, and plazas on sites over a certain size in Activity Centers. These incremental changes to auto-dominated areas can help improve bicycle and pedestrian circulation and access to available transit.
- 2.B.2 Require a plan to encourage people to use modes of transportation other than driving alone when large developments are proposed within Activity Centers identified on the Future Character and Land Use Map.** Transportation and parking demand management encompasses a variety of strategies to encourage more efficient use of the existing transportation system and reduce reliance on the personal automobile. Consider requirements for new development or alterations to buildings over a unit count threshold to provide a TDM plan. Provide a standard agreement in lieu of a custom plan to account for small and local developers with limited resources.

2.C BROADEN AND ENHANCE OPPORTUNITIES FOR LOCAL SERVICES, AMENITIES, AND CULTURAL ASSETS.

- 2.C.1 Evaluate strategies to protect significant community structures.** Encourage the adaptive reuse of significant community structures, such as former schools, meeting halls, and places of worship for arts, cultural, and community uses that continue their role as anchors for the community. A delay ordinance could be considered and applied by use, zoning district, year built, or additional thresholds. These policies require public notification and time for community groups to organize alternatives.

REIMAGINING AUTO-DOMINATED CORRIDORS

Across the United States, cities are looking for ways to become more attractive to investors, competitive for new businesses, livable for residents, and exciting to visitors. They aspire to be vibrant, equitable, and sustainable places, with a mix of uses and a variety of transportation options.

However, nearly every community across the country is challenged by the presence of automobile-centric commercial corridors. These corridors typically feature a wide road with multiple lanes; high-speed traffic; nonexistent or limited transit service; buildings separated from the street by large parking lots; a lack of trees and vegetation; and sidewalks that are narrow, in poor condition, interrupted with driveway curb cuts, and unbuffered from the travel lanes.

Streets with large parcels and many property owners do not develop all at once. Changing an auto-dominated corridor takes time and coordination – infrastructure improvements, land use policies, and sustainable financial support are all important elements for success. The zoning model is particularly important. Sections of the corridor may be better situated to support residential, while key intersections are ideal for concentrated commercial areas. This prevents over-zoning for use as the development pattern gets denser. Further, capital improvement programs that upgrade infrastructure for large sections of the corridor can help prevent islands of urbanism as the corridor develops.

Example: Columbia Pike in Arlington County, Virginia stretched more than three miles, lined with fast-food restaurants, drive-through restaurants and banks, convenience stores, and strip malls. In an effort to change the character of this major road, the County adopted two codes that were designed to kick-start development along Columbia Pike. Within the codes are requirements for street planning and standards for building envelopes, streetscapes, and architecture. For example, within commercial areas, buildings are required to have street frontage, first-floor retail space, and built-in bicycle amenities. The Columbia Pike Tax Increment Financing (TIF) Area was also established as a funding mechanism. The TIF dedicates 25% of incremental new tax revenue generated by new development and increasing property value to affordable housing along the corridor. Columbia Pike is now the busiest bus transit corridor in Virginia, with bus lines that have increased ridership and frequency and that connect to the nearby transit station. The corridor also features two walking loops, “bike boulevards” on adjacent streets, bike racks, and six bikeshare stations.

BEFORE

Before code changes, strip malls and other developments along auto-dominated corridors catered to drivers.



AFTER

Parking relocated from the front to the back of developments helps create a better environment for pedestrians and bicyclists, while roadway improvements create safer space for people.



Photos: Urban Land Institute

Photos: Arlington County

TRANSPORTATION DEMAND MANAGEMENT (TDM) IN PORTLAND, OR

TDM is the practice of providing residents, employees, and visitors information and incentives to walk, bicycle, ride transit and carpool while discouraging drive-alone trips. Common TDM tools include subsidized transit passes; bike commute reimbursements; and providing encouragement information to residents and employees.

There are several benefits that come along with TDM strategies, including reduced transportation costs and enhanced mobility options for residents, mitigation of neighborhood parking impacts, and greenhouse gas emission reduction citywide.

As part of a zoning code update, the City of Portland adopted a new TDM requirement that applied to a subset of development within the newly designated Commercial/Mixed Use Zones. A development in this zone that includes more than 10 new dwelling units and is close to transit, is required to have a TDM Plan approved prior to the issuance of a building permit.

There are two options for a developer to meet the TDM Plan requirement:

1. **Pre-Approved TDM Plan.** This administrative option requires a financial incentive equivalent in value to an annual transit pass per unit, due at building permit issuance. Owners/developers are required to provide transportation options information and an annual transportation options survey to their residents.
2. **Custom TDM Plan.** This option requires an applicant to develop a TDM Plan and implement approved TDM strategies. Plans are approved through a discretionary land use review process and the plan must demonstrate how the TDM strategies will contribute to achieving the City's mode share and residential auto ownership targets in order to be approved.

These TDM Plans are meant to prevent, reduce, and mitigate the impacts of the new development on the transportation system, neighborhood livability, safety, and the environment while providing safe and efficient mobility options.

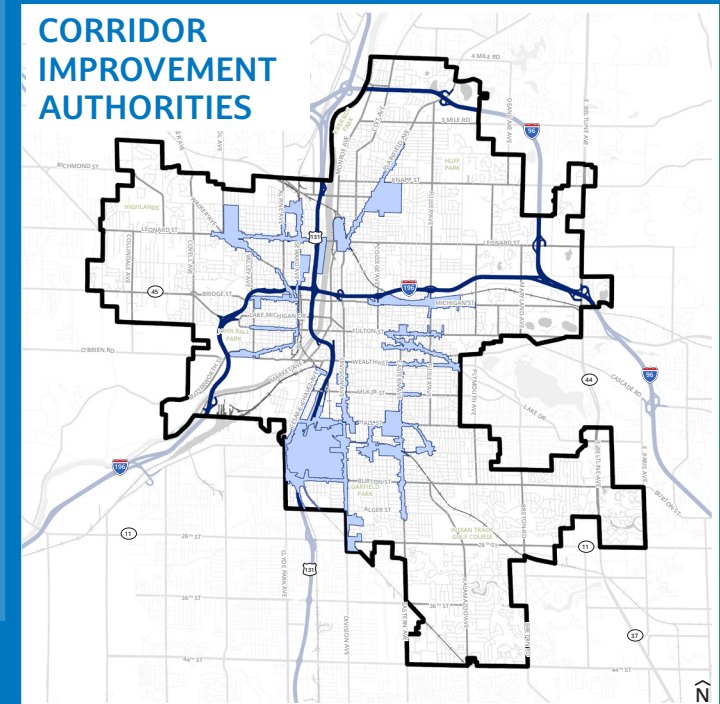
- 2.C.2 Increase the capacity of the City's Corridor Improvement Authorities to have meaningful impact in their districts.** A CIA uses tax increment financing (TIF) dollars to make capital improvements within established commercial districts and can be a powerful tool to empower the community's voice to guide and shape the success of business districts. As the existing CIAs revenues increase, they will have increasing opportunities to make impactful investments and should be provided with the necessary administrative and technical support to leverage these opportunities.
- 2.C.3 Continue to support private sector investments in green infrastructure.** Support efforts to create a City program that recognizes private entities that incorporate green roofs and other green practices into their buildings and developments. Provide grants to private entities to offset the costs of third-party verifications like LEED and Energy Star.
- 2.C.4 Continue to support public art championed by community organizations.** Enhance the public realm and encourage cultural expression and placemaking in activity centers, residential neighborhoods, parks, and other public spaces.

CORRIDOR IMPROVEMENT AUTHORITIES

The purpose of the Corridor Improvement Authority Act (Public Act 208 of 2005) is to help communities plan for and fund improvements along a corridor. The overall goal is to help support economic development and redevelopment of this area. Once created, a Corridor Improvement Authority may hire a director, establish a tax increment financing plan, levy special assessments, and issue revenue bonds and notes.

A corridor, as defined as a development area, must comply with criteria regarding amount of commercial space, location along a major road, and zoning for mixed-use and high-density residential. The municipality must also agree to expedite the local permitting and inspection process in the development area and to modify its master plan to provide for walkable nonmotorized connections, including sidewalks and streetscapes throughout the area.

CIAs can play a role in the long-term development of auto-dominated corridors by providing the leadership, funding mechanisms, and area-specific policies that push incremental development forward.



Recommendation 2.C.2