

PSRC TOOLKIT WEBINAR SERIES

Addressing Commercial Displacement near Transit

11/1/2024





Planning and Community Development Department



Philly Marsh

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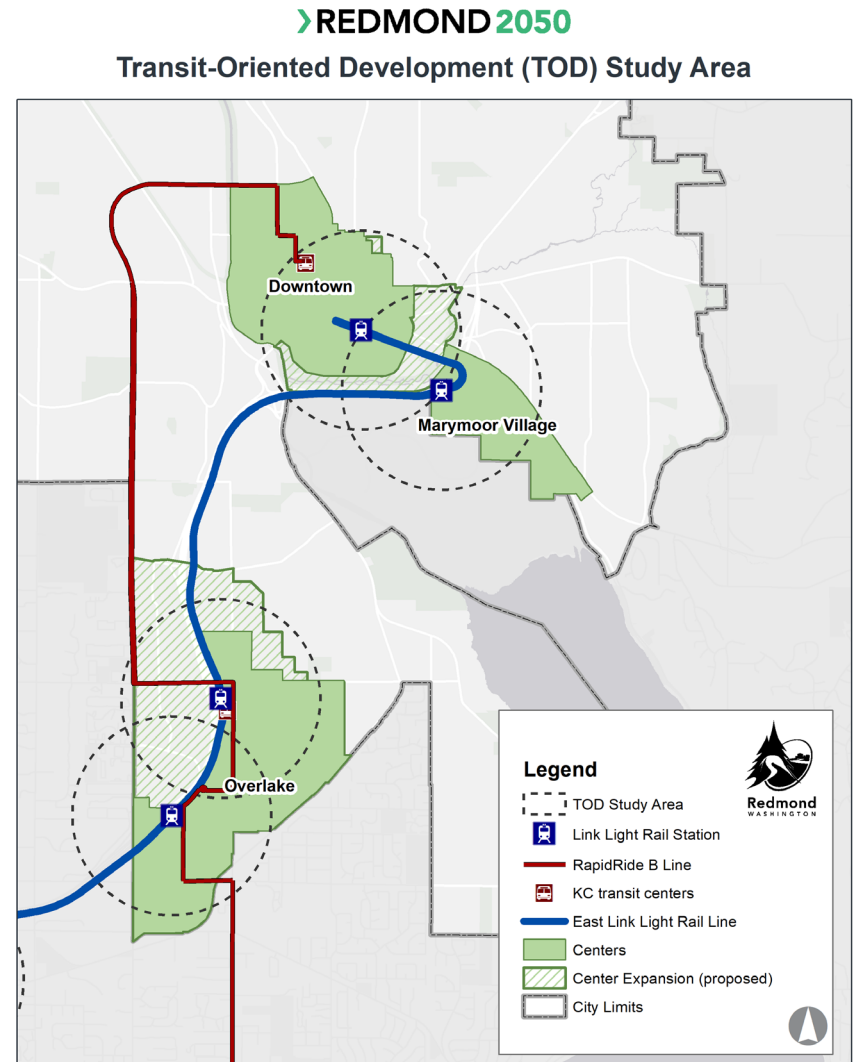


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- Adding 25,000 housing units and 30,000 jobs
- Implement transit-oriented development (TOD) on a large scale
 - Opening **4 new light rail stations**
 - Two of station areas expected to be rebuilt almost entirely
- Loss of retail as older strip malls and office become mostly housing with minimal/nominal non-residential on first floor
- Rising Costs even in areas not redeveloping








Community Vision

- Inclusive and Welcoming Community
- Sustainability & Resiliency
- Affordability & Displacement (housing and commercial)
- Local & Regional Accessibility
- Vibrant Centers & Neighborhoods
- Complete Neighborhoods

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Local Considerations

	Market	<p>Consider the unique dynamics in your market.</p> <ul style="list-style-type: none">• Why is displacement happening?• What is the time horizon?
	Meaning	<p>Consider the words you choose to describe the problem and solutions.</p> <ul style="list-style-type: none">• Anti-displacement or business retention?• Commercial v. Small Business v. brick and mortar retail? Retail = restaurant, services and retail.
	Metrics	<p>Consider what you are measuring and what is not being measured.</p> <ul style="list-style-type: none">• If you start to measure retail square ft– what do you discover?• How do you define need and set targets?
	Money	<p>Consider who is paying or has ability to pay.</p> <ul style="list-style-type: none">• Business, City, Developer ?• What opportunity costs and colors of money are available or not available?
	Motivation	<p>Consider intent and value proposition for different stakeholders</p> <ul style="list-style-type: none">• What are the city priorities and developer opportunity costs• Where is there expertise or need for additional resources and support

What we heard:

Appreciate and look forward to the changes in Overlake and with the coming of light rail, esp the increase in foot traffic and improved walkability.

Would love to see more support for diverse small businesses by encouraging development of physical spaces that are attractive to small and BIPOC-owned businesses

Redmond's small and independent business community to its character and worry about growth edging out small businesses.

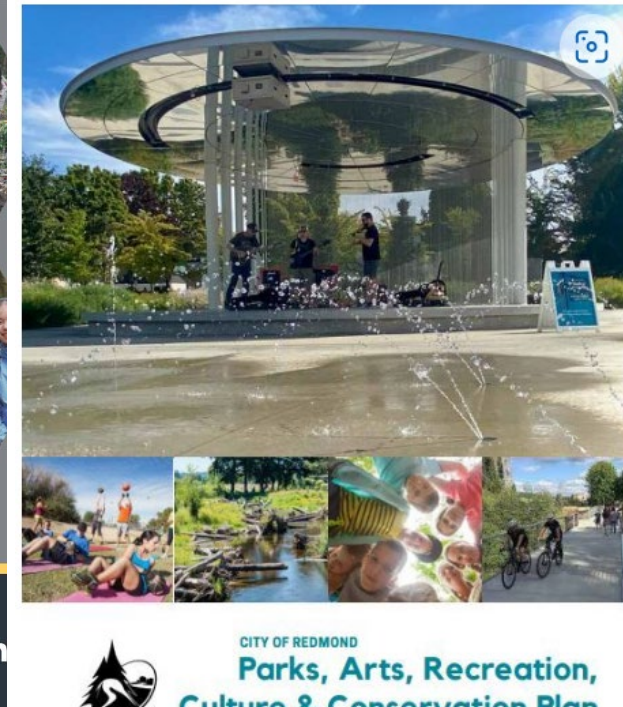
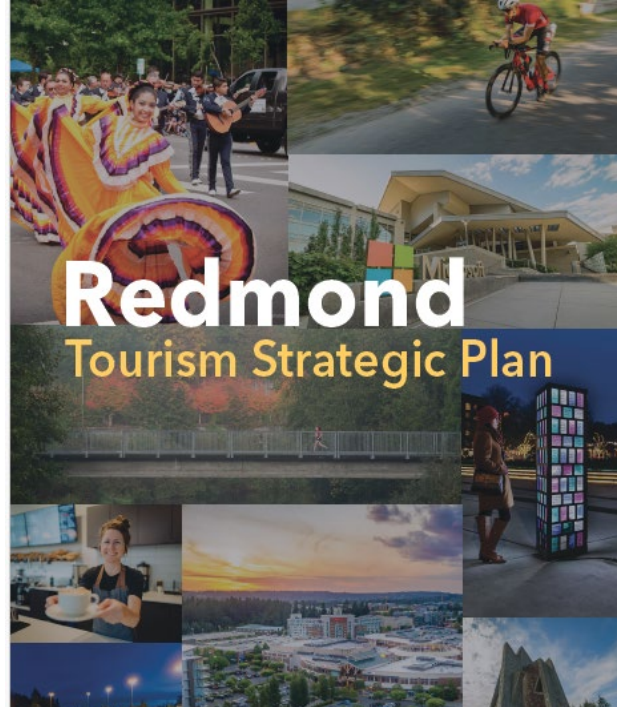
I am not sure I will be able to find a location for my business in Redmond, rent is expensive throughout the city even in areas that aren't redeveloping.



What is Redmond doing?

1. Intentional and Aligned Planning
2. District Development
3. Development Incentives
4. Creative Opportunities
5. Business Support





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Collaboration and Planning

- Interdepartmental communication & teams
- Shared definitions
- Data sharing
 - Qualitative and Quantitative
 - Retail Vacancy and Space shrinkage
- Shared solution identification

Cultural Districts

Redmond is committed to safeguarding the historical, social, and economic value of its neighborhoods to strengthen understanding and appreciation of our significant places and cultures, including partnering with local tribes.

As part of Redmond 2050, the City established Cultural Districts, including the new Overlake Intercultural District and the Marymoor Village Arts & Cultural District.



New Incentive Program

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**Points based
menu of
options**

**Stackable
bonuses based
on outcomes**

**TOD Focus
Areas have
different
priorities and
greater
incentives**

**Adds equity,
anti-
displacement,
and other
Redmond 2050
goals and
priorities**

**BIPOC business
protections,
preservation**



*First few years
get the most
benefit, highest
incentive*



Triple incentives for mass timber projects for first few projects,
hoping for mass timber tower in Overlake

Incentives

- Other incentives offered include:
- Support for BIPOC-owned businesses in Overlake Intercultural District and Arts and Cultural Businesses in Marymoor Village Arts & Culture District
 - commercial kitchens, food courts, farmers markets to help support alternatives for small business
 - inclusive design features to ensure spaces and places are accessible for all ages and abilities
 - arts & cultural related incentives as part of our inclusive and welcoming community goals

Small Business / Affordable Commercial Spaces
Small Commercial spaces (offers coop spaces or other varieties of spaces)
micro spaces - less than 600 sq ft
small spaces - 600 to 2000 sq ft
Small Commercial condo/ownership bonus
Affordable Commercial (20%+ non-res space at 20% reductions from market rents)
5-9 years
10 or more years
In perpetuity/ Life of building
Displaced Business Bonus
Shell building enhancements to Minimize TI Improvement Costs
Buildout for restaurant uses in shell (grease traps, venting, etc.)
Displacement Assistance
Displaced business relocation (includes design of spaces to limit tenant improvement costs)
Relocation package offering financial assistance to off-set the cost of moving, tenant improvements, and/or impact fees for a new business location
First right of refusal for new spaces offered to existing on-site residents/businesses
Community Services Co-location / Affordable Commercial Spaces
Childcare Facilities (10% reduction in market rents)
Co-location agreement with School District(s) or other educational organization/business
Co-location agreement with social services, cultural or art organizations, or other non-profit (with affordable commercial package)
Co-location of child-focused or child-friendly business (wordsmith this) - karate, dance, music, gymnastics, study/tutoring, indoor playground, children's museum, theater, etc.
Emergency Management Staging/Storage Agreement with city or other emergency management agency

Housing Developer Support: Encourage & Maximize Mixed-Use Potential



- Market Data
- Retail Real Estate Advising
- Displaced Business Matchmaking

Creative Opportunities

New Mixed-Use Zones / “No Net Loss” in UMU zone

Complete neighborhoods

Food truck / Pop-Up Retail Uses

Accessory Commercial Allowances

Matchmaking







Small Businesses and Entrepreneurship Resources

www.Redmond.gov/1935/small-business-support



Case Studies and Connections

	<p>In 1990, Together Center founders recognized the need for owned and controlled space to offer low-cost space to other agencies. The founders purchased a failing strip mall in downtown Redmond for \$1.6 million became one of the first nonprofit multi-tenant centers in the nation.</p>
<p>Overlake TOD</p>	<p>Nearly 10,000 sq ft of ground floor space dedicated to a coalition of partners serving businesses in East King County and beyond, including a space for business assistance providers, a shared commercial kitchen, incubation retail space and more.</p>
	<p>Supports jurisdictions in designing and deploying infrastructure investments in ways that support equitable development and benefit residents and businesses through a coordinated approach to connect transportation with other crucial investments like housing.</p>
	<p>The City of Redmond is promoting a “Passport Challenge” to encourage local holiday shopping & dining. The program’s goal is to support Redmond’s small businesses.</p>
	<p>The BCO Fund secures fixed, affordable rents for business owners. This financial stability keeps current neighborhood businesses in place and brings displaced business owners back to their communities</p>



SBAN includes policymakers, nonprofit advocates, technical assistance providers, real estate developers, financial institutions, scholars, and small business owners who work to prevent displacement of BIPOC- and immigrant-owned businesses. We share knowledge and collaborate to advance innovative policies and practices that keep small businesses in place.



Register now and join us **November 14**

The Summit on Community Ownership hosted by the Small Business Anti-Displacement Network, will be a virtual, day-long event focused on long-term solutions that allow community members and stakeholders to control commercial assets, land, and enterprises.

antidisplacement.org/2024-summit/





Helping small businesses learn
how to build and own their
spaces for long-term stability

Incremental Development grows the capacity of regular people to develop hard-working, loveable small buildings in their neighborhoods.

We offer **aspiring small business owners and developers** training and mentorship to help them take the first steps toward their small-scale real estate development projects.

We coach **civic leaders** how to cultivate patient, healthy real estate development at scale accessible to locals, starting with supportive regulation.

<https://www.incrementaldevelopment.org>

Incremental
Development Alliance

Upcoming Events

nov 05	Small Bites: Market Deep Dive for New Carlisle 12:00 PM - 1:00 PM CST Virtual Session Presented by Sharon Woods
nov 12	Southern Indiana: Small Scale Development Lecture 1:00 PM - 2:30 PM EST FREE Virtual Session
nov 14	Small Scale Development Workshop 9:00 AM - 5:00 PM Indianapolis, IN Englewood Community Development Corporation
nov 21	Small Bites: Cost vs. Value 12:00 PM 1:00 PM CST Virtual Session Presented by Jennifer Krouse
dec 03	Virtual Small Scale Development Workshop Dec 3rd - Dec 12th Four 2-hour sessions
dec 10	Small Bites: Mixed-Use Buildings 12:00 PM 1:00 PM CST Virtual Session Presented by Richard Price
feb 25	Virtual Small Developer Boot Camp February 25th - March 25th Five 3-hour sessions



<https://www.incrementaldevelopment.org/events>



Learn More and Connect

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