

COUNTY OF YORK

MEMORANDUM

DATE: October 18, 2016 (BOS Mtg. 11/1/16)

TO: York County Board of Supervisors

FROM: Neil Morgan, County Administrator

SUBJECT: Proposed Route 17 Revitalization Property Acquisition Program

Improving the Route 17 Corridor has long been an important focus of York County's government and citizens. It is effectively our "main street" and is the focal point for much of our commerce and employment. It is also highly traveled and is experienced daily by many citizens and visitors alike. The Board of Supervisors confirmed the importance of this corridor when it identified Route 17 corridor redevelopment as a critical economic development priority in its 2016 Strategic Priority review. It's ongoing value from a tax base, employment, and community identity standpoint is clear. The completion of the VDOT project along a major portion of the thoroughfare creates new opportunities and brings new urgency to the necessity of revitalizing our commercial hub.

Consistent with the direction of the Board of Supervisors, the Office of Economic Development (OED) and the Economic Development Authority (EDA) Route 17 Revitalization Committee have been working on a program to accelerate quality commercial redevelopment in the Route 17 Corridor. The basic concept is to acquire targeted commercial parcels that have development potential when assembled with nearby property. High priority targets for this effort are often encumbered with dilapidated structures that hinder their redevelopment, and reduce the desirability of nearby properties along the county's highest value commercial corridor. By acquiring these parcels selectively at fair, but not exorbitant prices, the EDA will have the ability to improve the property's appearance (through demolition/lot clean-up) and offer them at competitive prices for desired development proposals. With limited public resources, we believe this strategy of targeted, opportunistic acquisition will allow the County to leverage needed private investment. The general goal will be to position acquired properties for higher end redevelopment in conjunction with the private sector.

OED staff and the EDA committee have narrowed the targets to six areas in the corridor. A "bucket map", providing basic property information, location on Route 17 and site photographs, has been developed for each of the six areas. Each bucket map also contains a narrative regarding the pros and cons of each area from an acquisition and future development perspective. A copy of each bucket map is attached. The locations were selected using a number of factors including, but not limited to:

- Property condition and potential to remove blighted structures
- Property's usefulness for future development in concert with adjacent/nearby parcels
- Environmental and/or utility constraints
- Property listed for sale or owner's expressed willingness to sell

- Presence or lack of occupants or tenants
- Property reasonably priced based on fair market value
- Potential affordability for acquisition

It is important to reiterate that this proposed acquisition program is strictly voluntary. No property owner would ever be obligated or pressured to sell and the EDA would be under no obligation to purchase any particular parcel. Potentially impacted property owners and interested commercial realtors would all have access to information regarding the EDA's efforts and rationale for this undertaking. For this long-term strategy to succeed, the county must be transparent, patient, and welcoming of follow-on private redevelopment proposals.

The Route 17 corridor has a strong commercial core, and some areas have development potential without public sector intervention. However, many parts of the corridor do not have a strong demographic appeal, particularly for chain restaurants and retail, which require minimum population densities within a certain radius. Additionally, the presence of older, dilapidated structures tends to dampen investment interest and increase development costs. The high median household incomes along the corridor could support higher-end, independent, retail and restaurant establishments. By offering locations that are prepared for development and available at a lower cost, we may be able to stimulate this type of investment. At a minimum we should be able to improve the corridor's appearance, which will benefit the existing commercial endeavors. In order to provide context for this program, the Planning Division has prepared an overview document entitled "Route 17 Corridor Revitalization Strategy" that is attached.

This program has been placed on the agenda for your approval and endorsement for funding. Based on market pricing in the Route 17 corridor and the specific areas that have been targeted, a budget of \$500,000 for the program's first year should allow us to make a significant property or multiple-property acquisition. The EDA endorsed this program and funding request at its August 30, 2016, meeting and highly recommends the Board's support of this program. In that the County has reserves identified for Economic Development; no appropriation is needed to support this program at this time. When a voluntary purchase is successfully negotiated by the EDA consistent with their program, I would advise the Board and request an appropriation on a parcel specific basis.

The EDA is also taking a hard look at resurrecting the Route 17 Property Improvement Grant Program as another tool to accelerate commercial improvements. The proposed property acquisition program, coupled with our existing tools like the Demolition Loan Program, should enable us to work more effectively towards a significantly upgraded York County "Main Street".

Tom Anderson, EDA Vice Chairman, and EDA Member Vern Lockwood comprised the EDA Committee for this effort, along with former EDA member Brad Berrane. Mr. Anderson and Mr. Lockwood plan to present this program proposal to the Board at the November 1, 2016 work session.

JNoel/3318

Attachments