7. Phasing and Feasibility Analysis

This section establishes a phasing plan for the proposed initial solutions plan to build on the momentum of current projects and ability to manage costs of future projects. The phasing proposed also creates synergies of smaller, complete projects that can drive new improvements and investment.
7.1 CATALYTIC PROJECT PHASING

7.1.1 - Phase 1
Phase 1 implementation reinvigorates League Park and the adjacent intersection of Main Street and Park Avenue. Phase 1 will catalyze redevelopment on all sides including a reconstitution of Perkins Station as a retail and restaurant destination; appropriately scaled infill housing to create more vitality; repositioning of certain buildings to be used more effectively in terms of local serving businesses; and a market-building capacity for such longer term projects as a community market across Main Street.

First Steps for Phase 1 are to:
- Design Main Street from Houston Avenue to Michigan Avenue
- Design Park Avenue from Main Street to Walker Street
- Design and develop the gardens in League Park along Main Street
- Design and develop the access and context between League Park and Perkins Station

More detailed steps may include:
- Replace the hedges that separate Perkins Station from League Park with a more transparent decorative fencing.
- Redesign and replace the access path between Perkins Station and League Park
- Relocate basketball courts to the proposed public park at League City Elementary School along Park Avenue.
- Develop and implement a wayfinding concept and plan that is unique to the Historic Creekside District.
- Use a City transportation model to determine the proposed option for redesign of Main Street that is most appropriate and redefine Main Street as a destination rather than just a regional throughway.

7.1.2 - Phase 2
Phase 2 implementation includes reconstruction of Main Street and related local infrastructure. Phase 2 gives the ability to focus future investments in a responsive way to market opportunities and establish a governance capacity to maintain and manage the area as a coordinated destination.

Full implementation will require the following steps to be taken:
- Providing either general fund or bond-source funding for funding through value-capture to complete Main Street as a destination spine for the area, as well as creating a special district such as a Tax Increment Reinvestment Zone (TIRZ) for more modest investments in infrastructure through reimbursements for site specific projects that would benefit from public infrastructure such as plazas or other public improvements. Further funding options are discussed in Section 7.2.3.
- Design and Develop the full plan for League Park, Park Avenue and surrounding city property.
- Position the city to acquire space near the intersection of Main Street and Park Avenue for a permanent community market as the time and market becomes appropriate. In the interim, consider a temporary market on Park Avenue along League Park.
- Improve zoning in the Historic Creekside District to make it easier to develop appropriately scaled urban residential and other development types consistent with the catalytic vision.

Additional implementable options include:
- Redesign the public realm of Perkins Avenue to treat the edge of Perkins Station to encourage redevelopment within that neighborhood.
- Plan for redevelopment of large properties at Park Avenue and Walker Street.
- Incorporate “Smart Streets” and Intelligent Transportation Systems (ITS) technology into Main Street in a context sensitive manner.
- Air Quality Testing Options
  - The costs associated with the use of reversible lanes as part of an intelligent transportation system are highly variable. The lane control demarcation can vary from simple static signage hung from wire attached to wooden poles mounted on either side of the roadway to an electronic system connected to a control center monitoring traffic in real time and adjusting signalization mounted over the roadway on steel masts. City staff has indicated they would prefer an electronic system that could be monitored and adjusted as needed.
  - The segment of Main Street that would utilize this type of system is approximately 7,000 feet in length from State Highway 3 to Iowa Avenue. Lane Control Gates would need to be spaced approximately every 500 feet resulting in about 15 total gates to make sure that all drivers going through and entering the roadway from the numerous side streets or driveways would have proper signage and avoid confusion. Utilizing cost information from the US Department of Transportation the capital cost of this system can range from $500,000 to $2.2 million.
- Air Quality Testing Options
  - Since the study area is relatively small and to be able to calculate the reduction in Nitrous Oxide (NOx), Volatile Organic Compounds (VOCs) and Carbon Monoxide (CO), a separate detailed study with Synchro analyst has to be done in order to calculate the travel time saving with signal optimization, revised street section and improvement in the level of service on Main Street. A revised travel demand model is also required to calculate the changes made (i.e. construction of new streets, revised street section, and improved intersections at railroad and other cross streets etc.) in the thoroughfare network within the study area.
- Air Quality Testing Options
  - A less technically challenged tool based on simple mathematical calculation could also be introduced. Calculations of the vehicle miles travelled (VMT) on the Main Street corridor before the roadway, intersection and signal improvements would be acquired. Based on VMT, calculations of the VOCs, NOx and CO content as a by-product can be determined. Based on this information, a simple calculation of what the reduction in VOCs, NOx and CO can be found if improvements to the free flow speed and a reduction in travel time through the FM 518 corridor occur. A conservative 5%, 10% and 20% increase in free flow speed can be used to calculate approximate air quality improvement within the study area.
7.1.3 - Estimated Cost of Implementation:

**Phase 1: Catalytic Project**

<table>
<thead>
<tr>
<th>Area</th>
<th>3-Lane Section</th>
<th>4-Lane Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>League Park</td>
<td>$ 379,060</td>
<td>$ 379,060</td>
</tr>
<tr>
<td>Main Street*</td>
<td>$ 1,526,600</td>
<td>$ 1,532,600</td>
</tr>
<tr>
<td>Park Avenue (reverse-angled)</td>
<td>$ 416,460</td>
<td>$ 416,460</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,322,120</td>
<td>$ 2,238,120</td>
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</table>

**Phase 2: Completion of Catalytic Project (in addition to phase 1 estimate)**

<table>
<thead>
<tr>
<th>Area</th>
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<th>4-Lane Section</th>
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</thead>
<tbody>
<tr>
<td>League Park</td>
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<tr>
<td>Main Street*</td>
<td>$ 1,134,300</td>
<td>$ 1,139,600</td>
</tr>
<tr>
<td>Park Avenue (reverse-angled)</td>
<td>$ 467,500</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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</tr>
</tbody>
</table>

**GRAND TOTAL** .................. $ 4,741,476 $ 4,662,776

*Additional cost for integration of Intelligent Transportation System (ITS): $500,000 to $2,200,000. Amounts are estimates and a full scope for all required technologies is required for an exact cost.

For detailed break-down of the cost estimates see Appendix in this plan.
7.2 CATALYTIC PROJECT FEASIBILITY

7.2.1 - Fiscal & Economic Impact

The analysis indicates that the new activity revenue from the projected development and redevelopment in the District will enhance the local tax base, as the combination of property and sales taxes should equal almost $100,000 ($2011) annually at full implementation. Other jurisdictions will also benefit, as the total for all affected local governments (including the ISD) should approach $300,000 each year. Additionally, increased activity can be expected from existing businesses in the context of this new activity. Increased cost and revenue from increased League Park programming is not included in this analysis and will create more activity in addition to this amount.

This activity will translate into jobs. Based on the applicable industry ratios of 225 square feet/employee for office, and 550 square feet/employee for commercial, the total estimated direct employment will be approximately 56 permanent workers. Using conservative assumptions on the multiplier effects, the total job impact could easily surpass 100 permanent jobs.

7.2.2 - Conclusion of Market Study and Fiscal Impact

The combination of the strategic and catalytic nature of the proposed overall plan for downtown League City argues for the commitment of municipal resources to facilitate development/redevelopment. The “return on investment” associated with the infrastructure improvements outlined in Section 3 likely will be fairly modest in the near-term, but could serve as a catalyst for future development analogous to that seen in the area around the Dallas Farmer’s market over the past twelve years. If that were the case, hundreds of housing units and tens of thousands of square feet of additional commercial space could be developed, in the process creating economic activity and taxbase that would be well worth the resources invested.

7.2.3 - Funding Options

It is critical that the implementation of the proposed catalytic projects and long term redesign and reconstruction of Main Street not rely on a “silver bullet” solution. The key will be attracting private investment and business growth. The only way to do that is for League City to provide incremental investment in infrastructure for a destination that creates a predictable pathway for ongoing private investment.

On its own, this corridor will likely not generate a significant amount of taxbase to justify the creation of a special district such as a TIRZ relative to the overall long term infrastructure plan for the reinvention of League Park and Main Street. Protection of the suburban village character and cultural integrity of the area limits additional activity to a low scale development scenario with high quality retail and appropriately scaled infill residential. In this context, as discussed above, the fiscal impact at buildout will be approximately $100,000 per year from sales tax and property tax. Because the level of fiscal impact will not provide a direct capacity alone to service the multi-million dollar estimated cost of redoing the entire package of recommended infrastructure, the overall impact on the District and League City as a whole from an economic development perspective justifies the investment in the proposed infrastructure over time. In other words, the lack of potential “one-for-one” tax base return directly within the Main Street corridor should not preclude consideration of economic benefits resulting generally to League City from a vibrant Historic Creekside District, which may make the difference, for example, in a recruitment effort.

Nevertheless, the creation of a TIRZ, or alternatively, Chapter 380 Agreement (Economic Development) should be considered for modest reimbursements of particular public infrastructure improvements associated with prioritized private investments in new destinations in the Main Street Corridor. In this context, additional funding for the majority of the reinvestment needed in Main Street and the larger reinvestment of League Park will require additional support.

Given these circumstances, an initial seeding of the catalytic project with a general obligation debt or general fund commitment will be necessary for the first phase of investment of the intersection of Main Street and Park Street, along with the Phase 1 reinvention of League Park relative to the leveraging of Perkins Station as true retail/entertainment destination. Based on public input and interest, such an initial public investment would result in significant private investment in businesses in and around League Park and Perkins Station.

Building upon the initial momentum created from the phase 1 project will require a second round of funding to support the long term reinvention of the park and Main Street. Potential sources to achieve this second phase of investment include:

CIP & Bond Program

A policy decision needs to be made by the community and the City Council as to whether any future bond programs should include sufficient funds to complete the reinvention of Main Street. As the ownership of the corridor is fractionalized, the private sector is not in a position to provide upfront funding with a traditional reimbursement through a TIRZ, even if the level of increment that could be generated by a TIRZ would be sufficient. Therefore an overall general obligation investment should be strongly considered.

Public Improvement District (PID) or subdistrict of the League City Municipal Improvement District

A PID or subdistrict of the MID could allow for a portion if improvements to be funded by an assessment on the property owners within the Historic Creekside District. If so, a PID or subdistrict of the MID should be created sooner than later at an assessment rate that is low enough to avoid any disincentive for investment in the corridor but that can raise over time sufficient funds to provide an level of maintenance and management that will provide sustainable quality and shared public realm that will attract visitors and investors alike. This funding would need to be deployed through the coordinated management entity in order to make sure that it is not spread too thin across too many obligations that fail to add up to any significant impact.

Given the local desire to establish a viable and marketable destination, the property owners in the Main Street Corridor may welcome a modest assessment if they believed that it would complement significant investment from other public sources such as funding through bonds or other general obligation sources, as well as increased private investment. The sooner a PID or subdistrict of the MID is considered and created, the more receptive such a vehicle will be as a modest assessment now can be established and justified with minimal impact. This will enable the vehicle to be available as new development occurs over time, avoiding a perception of anti-competitive impact as the market turns up over time.

HUD – USDOT – EPA Partnership

The Department of Housing and Urban Development, the U.S. Department of Transportation and the Environmental Protection Agency have created a partnership around the following principles:

• Provide more transportation choices. Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation’s dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.
• Promote equitable, affordable housing. Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
• Enhance economic competitiveness. Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.
• Support existing communities. Target federal funding toward existing communities—through strategies like transit oriented, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.
• Coordinate and leverage federal policies and investment. Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
• Value communities and neighborhoods. Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

The Main Street Implementation Plan, as established through the Livable Centers program sets up effectively with the six principles above. Accordingly, as additional grant application opportunities are announced, especially from HUD and EPA, the
Implementation Plan becomes a framework for grant applications. HUD and EPA have provided funding for extensive community investments in planning and infrastructure. In particular, the HUD Community Challenge Grants, if another round is funded, can provide assistance in the second phase of reinventing the corridor, the development of a community market (with a focus on local food and other local goods), and other related elements that lead to improving the walkable mixed use environment of the Main Street area.

However, these applications for funding are highly competitive and the City cannot rely on these alone. The extent to which the City can leverage other funds to supplement the request will make it more competitive.

Small Business Incubation and a Community Development Corporation

According to research, as high as 80% of the companies that “graduate” from incubation programs remain in their communities and are still in business. As confirmed in the market analysis, the level of national credit tenant retail will be modest relative to the burgeoning boutique/market-based retail that is consistent with the vision, scale and authenticity of the Main Street Corridor. Therefore, a focus on incubating and providing support through a governing entity, either directly, or indirectly with a non-profit by contract can provide the continuity of quality, operations and management that is often lacking from ad hoc “mom and pop” operations. In other words, the challenge for attracting long term destination traffic into the Historic Creekside District will hinge in large respect on the ability to facilitate coordinated operations, merchandising and a complementary tenant mix across multiple ownership. It is recommended that the City engage in recruitment of an NGO, university, culinary institute, business management program, art institute or other partner.

In this regard, the catalytic project of reinventing Perkins Station and, similar nearby buildings and sites could provide an opportunity for incubation and coordination of additional complementary retail, specialty foods, etc., which otherwise may not be able to complete and sustain initial startup on isolation.

This strategy should be complemented by the creation of a community development corporation (CDC) or similar non-profit development entity that can provide management, design and loan assistance for incubating businesses that demonstrate the promise of sustained operations and profitability. The availability of space that currently exists at Perkins Station could be negotiated with the owner through the non-profit CDC or other entity as a transitional commitment to attract and grow regional market share. As the market matures, the space can then be transitioned back to a market-rate structure. This strategy would both take advantage of empty space and also create momentum for the eventual repositioning of that space to a profitable state. In addition, the success of the reinvented Perkins Station in the context of the catalytic redesign of League Park and the intersection of Main Street and Park Street can position other sites, such as the Small Industries Building site and Founders Square to become the core of a regional draw.

Air Quality Sources

H-GAC receives an allocation of funds to help implement projects that can contribute to improving the region’s air quality through CMAQ funds. To be eligible for CMAQ funds, a project must be included in the MPO’s current transportation plan and Transportation Improvement Program (TIP). In general, there are three types of CMAQ eligible activities.

1. Capital Investment - CMAQ funds may be used to establish new or expanded transportation projects or programs that reduce emissions, including capital investments in transportation infrastructure, congestion relief efforts, diesel engine retrofits, or other capital projects.

2. Operating Assistance - n/a

3. Planning and Project Development - Activities in support of eligible projects also may be appropriate for CMAQ investments. Studies that are part of the project development pipeline (e.g., preliminary engineering) under the National Environmental Policy Act (NEPA) are eligible for CMAQ support, as are FTA’s Alternatives Analyses. General studies that fall outside specific project development do not qualify for CMAQ funding. Examples of such efforts include major investment studies, commuter preference studies, modal market polls or surveys, transit master plans, and others. These activities are eligible for Federal planning funds.

The following are some pertinent categories of projects eligible for CMAQ funding.

- Traffic flow improvements (e.g., traffic signalization); and
- Bicycle/pedestrian facilities and programs.

Local investment in reinvention of the intersection of Main Street and Park Avenue, leveraging the relationship of the potential on all four corners may position the district well for CMAQ funding for the larger reinvention of Main Street. The potential for investments in traffic signalization, improved flow during peak hour operations as proposed in one option for the new cross-section, as well as pedestrian improvements certainly advance the goals of CMAQ funding. A modest investment of CMAQ funding by H-GAC could leverage local investments through bonding or other general obligation funds to redesign and reinvent Main Street as a true destination that also improves overall traffic performance in the region.