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The Vision for
Greater Downtown Waco
Waco residents, property owners, business owners and other stakeholders have shown a renewed interest in downtown Waco. One way this interest is exhibited is through the investment in new housing and businesses, mixed uses and infrastructure. This downtown investment has long-time Waco residents remembering a time when Downtown Waco was a bustling center of activity – with thriving businesses, shops, restaurants, close-in housing and lively street activity. Residents remember sitting on porches and visiting with neighbors, going downtown to the department stores and for dinner. The downtown area and its close-in commercial areas have declined from their previous role as the focal area of the region, as retail uses and businesses moved to the suburbs beginning, some say, after the 1953 tornado ravaged the city.

“ImagineWaco will revitalize our Greater Downtown for future generations to enjoy, in the way that its residents remember doing years ago.”

~ Former Mayor Virginia DuPuy
Greater Downtown has, like many urban areas, lost buildings to surface parking lots, experienced a decline in housing and has seen a marked increase in empty buildings. The intent of this Greater Downtown Waco plan is to capture the interest and momentum in the downtown area and create a vibrant core that evokes memories from the past while guiding growth into the future.

Waco's public and private sectors have initiated and supported this renewed focus on Greater Downtown and have reacted by forming a strong public-private partnership to lead Greater Downtown Waco into a vibrant future. The partnership recognizes Greater Downtown's many assets – the river, proximity to the region's leading university, the diverse neighborhoods, committed advocates and a community enthusiastic to have a strong downtown core. These assets are a springboard for revitalization. The result of this interest is ImagineWaco, the planning effort to capture the community’s vision of how Greater Downtown Waco should look and prosper in the years to come.

This vision describes how Greater Downtown Waco will develop, function, and feel over the next 20 to 40 years. This vision is the guiding document for creating and prioritizing the strategies that will shape our future as a sustainable and important center of community and commerce. The vision is based on a wide range of input and interests from across the community, and includes ideas and suggestions we have heard from our consultants based on their work in leading communities across the nation. Together – citizens, public and private sector leaders, the planning team, our consultants and the steering committee – we have created a picture of how the Greater Downtown can recapture its place in the region as a thriving, lively center of activity.

**The ImagineWaco Vision includes a description of:**

- How Waco will look and feel in the future
- The planning process
- Guiding principles
- Summary of plan chapters, including land use, economic and transportation analyses
- Strategic actions needed to achieve the vision

**VISION STATEMENTS**

Community leaders and stakeholders express their goals in these vision statements:

Greater Downtown Waco is well-rounded and diverse, and is supported by a coalition formed among leadership groups from many segments of the community.

All areas of Greater Downtown prosper as we reach across the river and are unified behind a common goal.

The Brazos River is the center of activity with new and revitalized commercial developments on both sides of the river. This riverfront development draws people downtown – both locally and from out of the area.

East Waco is vibrant and is centered on a revitalized Elm Avenue and Martin Luther King, Jr. Boulevard and a waterfront that has come alive.
How will Waco look in the future?

A community’s downtown and close-in commercial and residential neighborhoods are a barometer of its overall quality of life. Residents and visitors are attracted to an active and attractive downtown for shopping, dining, employment and as a gathering place for events. Employers find that a vibrant urban core significantly increases a region’s ability to attract and retain high quality employees — whether or not the business is located in downtown — enhancing the city’s human capital and minimizing turnover.

Many concrete goals emerged from the ImagineWaco Vision process, as stakeholders and residents envisioned all that Waco can become. If the goals and aspirations of Waco’s stakeholders and residents are achieved, and the momentum to create a strong, vibrant Greater Downtown Waco continues, we will see a Greater Downtown Waco area that is characterized by easy access, a vibrant riverfront, convenient transportation choices, new housing, enhanced links east to west, a commitment to sustainability, and renewed activity at the core.

The new Greater Downtown Waco will…

**Be Designed for People and Be Walkable, Convenient and Accessible**

Greater downtown Waco is an attractive and convenient place for people to be because the focus is on accommodating people. Residents and visitors have many transport options — foot, bicycle, the river or transit, as well as the automobile. Pedestrians — both residents and visitors — spend time walking around downtown and along the river because the destinations draw them there; however they linger and wander further because the streets are comfortable and inviting. Shady sidewalks, benches and public spaces to sit, interesting buildings, art work, street life to look at, and easy, safe street crossings encourage future visits and an increased length of stay. College students and young adults think of downtown as their primary destination for a quick dinner or an elaborate evening out.

**Have a Vibrant Riverfront as a Centerpiece of the City**

The Brazos River is a local and regional amenity that connects neighborhoods on both sides of the river and draws people from across the state to Greater Downtown. People visit the riverfront for a breath of fresh air, for scenic views and a quick respite in the city; people linger at the riverfront for the
terrific restaurants, hotels and the high-quality housing it offers. The various segments of the riverfront provide different attractions. In the urban core one might rent a boat, ride a water taxi, see an event in the amphitheatre, eat at a restaurant overlooking the river or take a lunchtime break from work to enjoy a walk. In other areas one might enjoy the wilderness of trails in Cameron Park, a bike ride along the river path or a picnic. For people living along the river, the riverfront becomes their backyard and they continue to invest in making it a better place to live and play.

*Provide Effective Transportation Choices and Linkages*

Residents are excited at the opportunity to have new convenient options for modes of travel that allow a shift away from reliance on the car. As housing and amenities grow downtown, residents and visitors will walk to appointments, attractions and stores along tree- and awning-shaded streets. For longer distances, people will board streetcars and shuttle busses. To cross or travel down the river, water taxis will be the mode of choice. Baylor will be seamlessly connected to downtown by convenient and frequent transit service. Residents will also use transit to attend Baylor sporting events and students will use transit to shop downtown and enjoy arts and cultural events. Trails and pedestrian bridges provide transportation alternatives along the river while the river itself offers new transportation options, such as water taxis. With plans in motion for a great transportation system, Waco is poised to become an important stop on the statewide passenger rail network.
Offer New Housing Choices in Greater Downtown
There is nothing that activates a downtown more than having people around at all hours of the day. To achieve an “18-hour city” and a goal of 100,000 residents in Greater Downtown, a range of new housing options are created. New condominiums, apartments, town homes, live-work lofts and mixed-use communities will expand housing choices. Renewed interest in urban living is a national trend, and Waco is no different. Waco will capitalize on this trend and encourage young professionals and empty nesters downtown. Housing downtown provides ready customers for businesses and supports walking, biking and transit. The surrounding single-family neighborhoods that border the urban core will see improvements and infill and develop their own nodes of local service.

Boast Seamless Connections Between East and West Waco
Greater downtown Waco is characterized by destinations and activities on both sides of the river. At the east end of the suspension bridge, gateways invite people into a revitalized Elm Avenue District. High capacity transit conveniently transfers people between east and west Waco with connections to other parts of the city. While west Waco remains the core business center, east Waco is alive with historical, cultural and arts facilities, farmers markets, art shows, mixed-use housing and retail and restaurant destinations.
Be a Leader in Sustainability
Waco citizens embrace the idea of becoming a leader in “green” and sustainable strategies that create an urban environment built for people that reconnects residents to the natural environment and reduces our collective ecological footprint. The city and private sector partners support sustainability; great walking, biking and transit access as alternatives to driving; high-efficiency building practices; and smart land-use design. Reduction of energy use and waste are part of business as usual in Waco, and residents and businesses are well informed about ways to increase sustainability.

Offer an Active Commercial Core with a Range of Activities
Downtown Waco offers many and unique activities throughout the day to create energetic liveliness and providing something special. Desirable employment opportunities, shopping, restaurants, theatres, and housing draw people downtown. Austin Avenue alone will not have the capacity to fulfill the restaurant and retail demand as this lively core of activity expands to adjacent streets and across the river to create a core of activity. New mixed-use buildings provide several functions in one place to create an 18-hour city. Waco builds on a rich history of the arts by creating diverse new art spaces, galleries, museums, performance events and public art that add to the historic arts and cultural amenities.
Vision Map
The vision map is an illustration of Waco’s future, as shaped by ImagineWaco participants and stakeholders. This map depicts key elements of the plan including a vibrant urban core, mixed-use areas of varying densities, urban residential uses, as well as gateways and river amenities. New street types including urban boulevards, main streets and multimodal corridors are also depicted.

This map is a conceptual document and does not have a regulatory function. Instead, it provides ideas, direction and focus for crafting the downtown’s development program and transport improvements, and serves as a visual guide for the recommended strategies to achieve the ImagineWaco Vision.
A Vision for Greater Downtown Waco

Picturing Land Use Types...

**MIXED-USE CORE**
The mixed-use core incorporates a diverse mix of residential and employment uses and serves as a significant source of employment and essential services. The land use mix is predominately multi-family and office with supportive retail. This development type is walkable and easily accessible via multiple modes of transportation. Since floor area is at a premium, mixed-use core may require structured parking.

**MIXED-USE FLEX**
Mixed-use flex is a mix of housing and employment with densities that are less intense than the core. Live/work units that support an emerging creative class are characteristic in this development type.

**MIXED-USE COMMERCIAL**
Mixed-use commercial is walkable because of its mix of uses and interconnected street network. It may be a center, a main street, or integrated into a neighborhood that includes retail and office. Buildings include low-to medium-density mixed-use, retail, office, duplexes and townhouses.

**OFFICE/INDUSTRIAL FLEX**
Office/industrial flex areas are comprised of low-to medium-density office and light industrial buildings with adequate surface parking. Generally located near highways for easy auto access, transit and walking options are limited. Office areas lack residential space, however, can be located close to residential neighborhoods.
CITY NEIGHBORHOOD
City neighborhoods are typically the most compact type of neighborhood with mainly housing. These areas are walkable, easily accessible to transit and usually include a mix of apartments, condos and townhomes in both mixed-use and single-use buildings.

TRADITIONAL NEIGHBORHOOD
Traditional neighborhoods include areas with single-family homes, townhomes and rowhouses which are relatively compact, walkable and transit-oriented.

SINGLE-FAMILY NEIGHBORHOOD
Single-family neighborhoods include a mix of single-family, detached homes and duplexes. Street networks can be typical of post-World War II suburbs or a more walkable grid.

SCHOOLS AND UNIVERSITIES
Schools and universities include: public and private elementary; middle and high schools; private and public universities; community colleges and technical schools.

PARKS AND OPEN SPACE
Parks and open space provides many different functions. There is a hierarchy of open space based on the neighborhood context. Open spaces will range from small, active, hardscape plazas in urban areas, to large regional parks and trail systems.
The Planning Process

This vision and master plan are a result of a rigorous planning and public involvement process that emphasized the involvement of area citizens and business leaders on several levels – through public meetings and workshops, advisory committees and in-depth interviews and focus groups. The following section describes how the plan was developed and the process that informed the vision, recommendations and strategies.

Workshop Process and Purpose

Waco residents participated in several public workshops to help envision the future. A passionate crowd showed up for two evenings in October 2009. The workshop provided an opportunity to better understand what Waco’s residents value most about their community, what aspects could be improved and where these improvements should occur. During the workshop, participants were asked specifically how they would like downtown Waco to change. In thinking about downtown, participants were asked to consider what transportation and riverfront improvements they would like to see.
The workshops included interactive, hands-on exercises in which residents were asked to think about future downtown development and transportation choices. Working in groups of eight to ten people, workshop participants communicated their vision for the downtown by creating two maps. Each table was given a large map of Greater Downtown and asked to place “chips” (small stickers that represent various types of development) on the map.

The result was 44 maps showing where residents would like to see amenities such as parks, stores, restaurants, housing, and transportation improvements. Each group had the opportunity to present their map to all participants and share their vision. All comments made at the workshop were recorded and helped inform the plan. The maps produced at the workshop were digitized, and the map images synthesized, to be able to identify patterns and similarities between the different table’s maps. Several themes emerged that were important to a majority of participants. These common themes from the workshops had a significant role in informing the recommendations of the Greater Downtown plan.

Over 350 workshop participants created 44 maps for Greater Downtown and 29 urban design maps for the riverwalk.

Waco residents came out to share their visions and hopes for the future of Greater Downtown Waco. On average each group placed 7,000 households and 6,700 jobs on the maps.

These are example maps from the workshop. After the workshops, each map was digitized and helped inform the final vision map.
Strong themes emerged from the workshops. Participants were clear in their desire for improved public transit opportunities in Waco. Besides increasing general livability downtown, residents expressed an interest in creating stronger connections to the river and enhancing development along the river. A riverfront makes a great place to live, and participants communicated that by visioning high-density housing along the river.

What we heard at the workshops…

- Improve public transit options
- Create riverfront development such as paths, parks, restaurants, boat rentals, and amphitheater
- Improve sidewalks and pedestrian safety
- Create bike lanes and bike friendly streets
- Improve and create parks, open spaces and recreation trails
- Focus on Elm Avenue redevelopment
- Create a farmers market in Waco
- Create youth attractions and activities
- Make Waco attractive to young professionals
- Develop arts and cultural attractions
- Build new housing options downtown
- Design additional river crossing options
Stakeholder Interviews
At the beginning of the project, over 100 people participated in stakeholder interviews and focus groups. These stakeholders represented a wide range of interests from community development advocates to educators and landowners. Across the board, the stakeholders recognized Greater Downtown Waco’s many assets and felt that they have been underutilized in recent times. People spoke passionately about the past as well as future opportunities, and expressed support to see the community’s vision realized. Input from these stakeholders provided the initial information used to develop the Guiding Principles that are the foundation of this plan and its strategies.

Some of the input provided by stakeholders includes the desire to:

• Restore commercial prosperity to the downtown area
• Create a vibrant environment that provides for the shopping, eating and entertainment needs of the community
• Enhance transportation options
• Foster prosperity for residents from all areas within Greater Downtown and build bridges and coordination between diverse communities
• Beautify the downtown area
• Integrate parks and plazas into the fabric of downtown
• Integrate housing into and around the downtown core
• Improve the quality of life of all areas of Greater Downtown equally
• Provide the best educational opportunities possible to students – from preschool to higher education
• Be a leader in sustainable initiatives – from efficient buildings to streets to parks
• Create a high quality environment that is livable, walkable and sustainable
Stakeholder Committee Driving Process

A community stakeholder committee has overseen the preparation of the planning process – from participating in initial interviews and fact-finding meetings to developing guiding principles, facilitating and participating in the workshops, and reviewing draft materials. This committee, made up of Greater Downtown stakeholders, has been a key sounding board for ideas and has guided plan recommendations and strategies.

Guiding Principles

The Guiding Principles reflect Waco citizen’s values, priorities and aspirations. The Guiding Principles serve as the foundation for future planning efforts and help to ensure that the planning process moves forward in a predictable manner and that the plan remains consistent with the shared vision of the citizens of Waco. These Guiding Principles were first developed from stakeholder input gathered at focus groups, interviews and community meetings and workshops. They were then refined and elaborated upon by the Citizen Stakeholder Committee.

Guiding Principles are divided into five topical categories and provide direction on elements important in achieving the ImagineWaco Vision.
ImagineWaco’s Guiding Principles:

**Economy**
- Focus on and develop both sides of the river and provide convenient river access.
- Have an excellent K-12 school system that makes people want to live in Waco. Support the city’s tremendous educational assets (Waco Independent School District, McLennan Community College/University Center, Texas State Technical College Waco, and Baylor University Research Center) with the goal of having an educated and trained workforce in all segments of the community.
- Restore Greater Downtown’s vitality and capture a large share of the region’s future growth.
- Promote new business growth in all areas of downtown; support new and expanding entrepreneurs and small business owners.
- Foster cooperation among civic, business, and government stakeholders for continued economic success in all parts of Greater Downtown.

**Equity & Opportunity**
- Revitalize the Elm Avenue corridor to its potential by capturing and preserving its strong historic presence.
- Celebrate and build off of the strength of Greater Downtown’s diversity.
- Build a unified city that is connected by the Brazos River.
- Support business development on both sides of the river.

**Environment**
- Be leaders in sustainable design and development.
- Ensure that parks and open spaces are easily accessible to residents in every neighborhood in Greater Downtown - consider open spaces, parks, and trails as essential infrastructure.
- Make Waco known for recreational activities that attract to young professionals – river, trails, biking, boating, and boat races.

**Community, Culture & Housing**
- Revitalize downtown by strengthening the array of cultural and arts destinations. Create an arts district with shops and restaurants focused around museums and performance venues.
- Increase density for sustainability, livability, walkability and cost-effectiveness. Create an alternative to suburban living with places that offer a high-density urban environment with around-the-clock activity.
- Preserve downtown’s historic fabric; protect historic buildings and promote compatible infill.
- Provide accessible cultural, entertainment and public gathering spaces.
- Maintain safe neighborhoods and create safe and comfortable settings.
- Provide a range of housing of different types and styles for people of all ages.
- Integrate Waco’s many educational facilities into Greater Downtown activities.

**Transportation**
- Increase transportation options by creating a system that includes multiple modes of transportation – walking, biking, river and transit in addition to auto. Integrate land uses and transportation to improve Waco’s accessibility and livability.
- Have a transportation system that connects workers to jobs and students to educational facilities. Structure the transportation system to provide needed service so that all segments of the community can meet daily living requirements.
- Make Greater Downtown walkable with pedestrian-friendly streets in an urban environment.
- Clean up and improve streets, curbs and gutters; finish sidewalks; provide lighting for safety.
The Plan for Greater Downtown

**Land Use and Urban Design**

Healthy, successful downtowns have common design elements such as lively street life, a mix of uses, housing and interesting amenities. In revitalizing Greater Downtown, Waco’s urban core will want to think about filling in the “gaps” created by surface parking, building new housing and mixed-uses, boosting adjacent neighborhoods with infill development and restoring and renovating historic buildings when possible. The Waco urban core should initially target people who typically choose to live in downtowns – young professionals, empty nesters and the creative class. Long term, the goal is to have a downtown that is attractive to all demographics. Success in attracting these new residents will require adding amenities. Waco has taken a lead in sustainable development practices – from energy conserving programs at the city level to building the first LEED chamber building in the United States. This emphasis will also help attract new residents desiring to live in the Greater Downtown.

Development scenarios tested potential futures and visualized what Waco could look like. The scenarios demonstrate phasing of new development and show the type and location of development required to reach 10,000, 20,000 and 60,000 new people, living in Greater Downtown. While this will occur over 40 years, with a shift in policy direction and strong public-private partnerships, growth in Greater Downtown is expected. The Land Use and Urban Design section describes the changes to expect in each phase, from sidewalk improvements and new transit types to new mixed-use buildings.
**Economic Assessment**
Greater Downtown Waco's place in the county has been defined by slow, but steady growth in population that has resulted in a decline in share relative to the region's suburban communities. Greater Downtown Waco has some distinguishing demographic features that set it apart from the Waco metropolitan statistical area (MSA) overall. The downtown core of Waco has a relatively young population and a greater share of rental housing, partially attributable to Baylor University. Currently, the average income for households downtown is lower than the Waco MSA. To attract higher-end housing downtown, Waco will need to also attract higher-income households and potentially an older demographic.

Greater Downtown remains a major employment center for the city with 40 percent of Waco's office space. However, most industrial and retail space is currently outside of the Greater Downtown. Though Waco’s economy has historically been driven by the manufacturing sector, this plan as well as the community economic development efforts, helps to diversify to new emerging industries. These sectors include: education; health care services and equipment; advanced manufacturing and aerospace; professional and financial services; supply chain management and government. Over the next 10 years the sectors with the strongest projected annual growth include leisure and hospitality (3.6%); construction (2.5%); professional and business services (2.3%); and education and health services (2.3%).

**Housing Profile/Housing Need**
According to U.S. Census data analyzed by the Brookings Institution, smaller households have demonstrated a preference for downtowns and other urban neighborhoods, where denser housing types typically predominate. The two population segments that are fueling this growth are baby boomers and the younger cohort known as Generation Y. Many of these households, especially baby boomers, are becoming increasingly interested in simplifying their lifestyles and place increasing importance on convenience. Among the simplifications many are considering is their residence, with increasing numbers opting for townhouses, small lot single-family homes and rental apartments; all products appropriate for town center locations. In Waco, this is likely to represent a shift in housing demand from existing households as well as a potential influx of new residents.
Based on the growth in smaller households as well as growing preferences for higher-density housing among all households, it is likely that the coming decades will witness increased overall demand for higher-density housing. Nationally, there may be as much as a 140 percent increase in demand for higher-density housing (over levels calculated by using the 2005 American Housing Survey distribution). Approximately half of these units will likely be demanded in dense, mixed-use, walkable neighborhoods.

**Transportation System**

Getting people around safely and efficiently is a task each city faces. Whether by automobile, bicycle, mass-transit, or walking, Waco’s transportation system should ensure that each type of traveler has a safe and pleasant traveling experience. To achieve this, four different strategies are proposed: gateways; critical intersections; urban design and streetscaping; and increased transit infrastructure and pedestrian connections.

**Gateways** welcome visitors and orient them upon entering a different section of a city, at intersections or neighborhood boundaries.

**Critical Intersections** are usually located on an important transit route, a heavy vehicular traffic route, or a pedestrian corridor. To ensure the success of the full multimodal system, these intersections must function well in the design of downtown Waco.

**Urban Design and Streetscaping** techniques transform streets to appeal to pedestrians by adding street furniture, trees, sidewalks and intersection improvements.

**Increased Transit Infrastructure and Pedestrian Connections** in Waco can increase the capacity of the total transportation system and give people a comparable choice between driving and riding transit. Transit investments have the potential to spur the development of adjacent successful businesses, resulting in much needed revenue for the city. Throughout all the transportation system improvements, pedestrian connections remain a key component.
How Do We Achieve Our Vision?

While creating the vision is an important first step, effective implementation will be the measure of the plan’s success. Throughout the planning process, community input has emphasized a need to revitalize East Waco, a desire to create a walkable environment in Greater Downtown Waco, and a keen interest in seeing streets and development look different from what has occurred in the recent past.

First Steps
Strategic first steps to reshape fundamental aspects of Greater Downtown Waco’s approach to land use, transportation and economic development will build and sustain the vision. The following first steps will demonstrate how the vision can be accomplished:

1. Enhance the riverfront as a focal piece of Greater Downtown Waco
2. Create a development/redevelopment strategy to incentivize prototype demonstration projects
3. Take first steps to revitalize East Waco, focusing on a catalyst site
4. Target two central downtown locations for possible development and redevelopment
5. Encourage, emphasize and develop linkages with educational institutions
6. Prioritize transportation initiatives
7. Encourage neighborhood revitalization
1. Enhance Riverfront as Centerpiece of Waco

The ImagineWaco Vision sees the Brazos River as the Greater Downtown’s heart of activity. Both sides of the riverfront come alive with new commercial development, hotels, residences, events and recreation opportunities. The riverfront serves as a regional and statewide destination for both local residents and visitors. Diverse activities and attractions draw people young and old with a variety of interests and reasons for visiting the riverfront. Whether walking, biking, riding transit or driving, the riverfront is easy to access from all over Waco. Everyday life in Waco includes a focus on the riverfront and it contributes to Greater Downtown Waco by becoming a desirable neighborhood in which to live, work and visit.
Actions:

- Bring new buildings to the riverfront to accommodate such uses as cafes, restaurants, residences, hotels and boat rentals
- Develop safe and seamless connections on either side of the suspension bridge for pedestrians
- Open up linkages and access to downtown, tie city hall and heritage square to the river

Development Opportunity:

Form a cooperative partnership among various landowners in the area between Washington and I-35 along the west side of the river to create a transformative development project for Greater Downtown. Coordinate actions between landowners, both public and private, to best capitalize on the potential of the site to be a defining part of Greater Downtown.

Benefits of Site:

- Large, undeveloped key site to be developed in strategic phases
- Opportunity to incorporate civic or arts uses such as a signature theatre or museum attractions
- Opportunity to deliver residential units along the corridor linking downtown and Baylor University
- Potential to shape future urban development in the area
- Ability to use a portion of the site for a convention center or hotel to serve downtown

Rendering do not accurately portray actual elevations. Area in red represents opportunity site for development.
2. Create a Development/Redevelopment Strategy To Incentivize Prototype Demonstration Projects

The ImagineWaco planning process has developed several innovative mixed-use building models that are market driven and illustrate how infill development can take place in Greater Downtown. These prototype projects represent the types of new development Waco residents have supported through the public input process.

In the first three years following the adoption of the Plan, construction of two to three of these prototype demonstration projects will show Waco citizens, the development community, and property owners what can be built to move downtown towards the ImagineWaco vision. The city should form strategic partnerships with the development community and area foundations to locate and build several of these prototype models. The locations should be carefully chosen to ensure success and build momentum for future development. Consideration of sites should include: ownership conditions (public vs. privately held land), locations within Greater Downtown, and proximity to key near-term infrastructure improvements recommended in the plan.
Actions to Achieve the Vision

Visualization of 6th and Austin Avenue

Actions:
- Create a Downtown Development Corporation
- Develop an organizational structure to lead implementation (see appendix for description of potential structures)
- Reach a consensus on which parcels are priorities, both privately-owned and publicly-owned
- Utilize the ImagineWaco Plan to educate landowners about opportunities on their respective parcels
- Develop detailed, market-supportable development programs and pro formas and identify any gaps that may exist with respect to project financing from a developer’s perspective – utilize available financing tools and incentives, in conjunction with the recommended structures to attract development to the sites
- Explore use of some of the financing tools and programs identified in the “Economic Incentives Matrix” (see appendix) as a means to achieve development goals
- Ideas for initial projects are included in the next two proposed strategic actions

What is a Pro Forma?
Pro formas are used to test the feasibility of prototype buildings. Developers use pro formas to assess whether the market can support the building of specific projects by inserting local numbers and costs into a return on investment model.
3. Take First Steps To Revitalize East Waco

Elm Avenue has infrastructure in place as well as historic development patterns that make it easy to envision this area regaining its place as a vibrant downtown main street. The first step in moving towards East Waco revitalization is to make improvements in the riverfront area around the Suspension Bridge and to target the development of mixed-use projects at the corner of Martin Luther King Jr Blvd that will function as gateways into the Elm Avenue District.
Actions to Achieve the Vision

Site 1 = 1 acre
Martin Luther King Jr. Blvd and Bridge Street

Site 2 = 1 acre
Martin Luther King Jr. Blvd and Elm Avenue

Actions:

• Work with property owners to explore use of property for prototype development

• Implement improvements and prepare plan for public plaza/park attraction/or other amenity

• Develop detailed, market-supportable development programs and pro formas designed to identify any gaps that may exist with respect to project financing from a developer’s perspective – and utilize available financing tools and incentives, in conjunction with the recommended development structures, to attract development to the sites

• Explore use of some of the financing tools and programs identified in the “Economic Incentives Matrix” (see appendix) as a means to achieving development goals

Benefits of targeting this area include:

• Key intersection and anchor of the proposed plaza on Bridge and Elm Avenue

• Could catalyze further development along the Elm Avenue corridor

• Sites are available for development

Constraints of Site 2:

It is anticipated that the existing business will continue to operate at this site but the plan suggests that a portion of the site would be suitable for redevelopment in the near term. If desired, over the life of the plan, the entire site may be redeveloped.

Proposed market-driven program:

• One-acre projects

• 50 dwelling units above 5,000 sq. ft. of ground floor retail/restaurants

• Average rents of $1.40/sq. ft.

• Supports land value of approximately $20/sq. ft.
A Vision for Greater Downtown Waco

Actions to Achieve the Vision

4. Target Two Locations in the Urban Core for Possible Development/Redevelopment

View down riverfront and University Parks Drive

View down Mary Avenue from the river
Actions to Achieve the Vision

**Benefits of Site 1:**
- Located across University Parks Drive from proposed transformation of Mary Avenue
- Near-term opportunity in a larger assemblage of riverfront land discussed in Action 1: Enhance Riverfront as Centerpiece of Waco
- Serves as anchor to the Franklin Avenue Bridge side of downtown
- Creates a more active presence on the waterfront
- Willing owner/developer

**Proposed market-driven program:**
- Hotel and retail/restaurants or residential units. Retail opportunity is stronger if this site, combined with site to the south, can be connected directly to Mary Avenue improvements, already a strong retail/restaurant concentration. Potential for mixed-use entertainment such as upscale bowling alley or movie theater.
- 40–50 units/acre in the near term (five years)

**Benefits of Site 2:**
- Proximity to other catalyst locations makes this an important near-term development site. This site is across the street from the transformative riverfront development discussed in Action 1: Enhance Riverfront as Centerpiece of Waco. Programming will depend upon what happens first in the area and how nearby sites are developed.
- Located on future high capacity transit corridor
- Currently undeveloped

**Proposed market-driven program:**
- Mixed-use residential building with a maximum of 50 units per acre or 100–120 total units on this site
- 5,000–7,500 sq. ft. of retail/restaurants on ground floor below residences
- 50 structured or podium parking spaces
- Average rents of approximately $1.45/sq. ft.
5. Emphasize, Encourage and Develop Linkage with Baylor, McLennan Community College, Texas State Technical College Waco and Waco Independent School District Facilities

Ongoing Communication and Coordination

Baylor, McLennan Community College (MCC) and Texas State Technical College (TSTC) are major employers and activity generators. It is essential to build on the existing communication and coordination framework to maximize benefits of joint planning activities. This communication and collaboration must occur in the first phases of development to capture the opportunities that are currently emerging both downtown, on the Baylor Campus, through the Research Center, and on the MCC, TSTC and Waco Independent School District campuses.
Actions:

- Partner with Baylor to ensure that plans are integrated and that clear connections exist between campus planning and the city’s efforts.
- Accommodate the growing needs of Baylor, MCC and TSTC and supply high-quality housing and supporting businesses and services for employees and students.
- As campus plans are developed, encourage institutions to share their operation and expansion plans with the city and neighbors.
- Develop mutually supportive policies to encourage and support the development of attractive, high-quality housing and supporting businesses and services around campuses.
- Leverage the economic activity generated by educational institutions such as demand for housing, services, retail, lodging and office uses nearby, as part of or in coordination with, campus planning efforts.
- Coordinate campus planning activities with transit planning and investments.

Transport System Coordination

A second piece of coordination with Baylor, MCC, and TSTC is building connections and transportation linkages with all the campuses and downtown via a seamless transportation system. Specific to linking the Baylor Campus is the need to improve bicycle facilities on 4th and 5th and in the short-term to improve the DASH shuttle service (both described below) to greatly enhance the connections, while planning new transit connections.
6. Prioritize Transportation Initiatives

There are economic and quality of life benefits that result from redesigning many of Greater Downtown Waco’s streets to provide a balance of auto, pedestrian, bicycle and transit spaces. The resulting multimodal transportation system will be an intricate network that functions as a seamless system. The development of such a system will happen incrementally, from a current five-year capital improvement plan, to a 40-year transportation plan period.

The priority projects for the transitional period leading up to a fully functional system are described below. Pilot programs and feasibility studies are necessary to ensure confidence in the benefits of multimodal travel. Planning alone will not suffice in this period of intense competition among communities to entice new businesses, investment and residents. The pilot projects allow the city to calibrate national best practices in multimodal design to the unique characteristics of Waco in a safe and predictable manner.

Priorities for the first phase to attract and retain 10,000 residents to downtown can be organized into four categories:

• Transit system improvements
• Bicycle improvements
• Streetscape improvements and redesign
• Improved connections to the statewide transportation
Transit System Improvements

Transit plans can be used to strategically identify core projects, leverage local funds with federal funds and make incremental transit service changes. Communities are demonstrating their interest in improving transit and linking it to economic development and livability. The following steps should be considered to move toward implementation of a development oriented transit system for Greater Downtown.

**DASH Service Improvements**

Invest in the Waco Transit’s DASH route to increase transit ridership in the short-term and prepare for fixed-guideway transit, such as streetcar. The following short-term improvements to DASH will improve ridership in the current transit system and establish programs, facilities and technologies that will be used in future transit vehicles. They also demonstrate Waco’s commitment to integrate transit into community and economic development, thus better positioning them for future federal funding.

1. **Increase stop frequency**
   - Add global positioning system (GPS) capabilities to bus and synchronize with traffic signals to reduce delay
   - Add intelligent transit stops that display departure times and other rider information

2. **Create a rider information system**
   - Integrate GPS information in a website and mobile phone application
   - Create a frequent rider program and solicit local businesses to offer discounts and rewards for riding the DASH
**Actions to Achieve the Vision**

**Transit Feasibility Study**
The City of Waco should engage in a transit feasibility study for implementing the transit improvements illustrated on the vision map. The study will determine the best transit routes and technologies for complementing Greater Downtown Waco’s growth. Additionally, a corridor study for University Parks should be performed in coordination with Texas Department of Transportation (TxDOT) to examine the flexibility in design that is needed for urban revitalization and fixed-guideway transit.

**Travel Demand Forecasting and Analysis**
Travel demand forecasting and analysis that considers multimodal transportation in its trip assignments is vital to applying for Federal Transit Administration funding. As part of this feasibility study the Metropolitan Planning Organization’s travel demand model should be expanded to evaluate transit ridership.

**Economic Assessment**
The economic assessment should evaluate the potential to leverage both new development and existing businesses in the area to support the transit through ridership and value capture mechanisms. Special attention to evaluating the value added to the surrounding businesses by the various transit technologies from streetcar to rubber tire bus must be taken into account.

**Transit Implementation**
Hosting 10,000 new residents in Greater Downtown Waco in the first phase will require an investment beyond the DASH. Fixed-guideway transit systems, such as streetcar, do not themselves promote development, but they do fundamentally change the character of the development market. Fixed-guideway transit enables development sites to be less dependent on automobile parking requirements and large roadway access. Easy pedestrian access increases desirability of real estate, and streetcars expand the market area. For Waco to realize its aspirations, a greater investment in transit must be made in the next five years in the form of strategic high-frequency and fixed-guideway transit connections to neighborhoods and destinations within a three-mile circumference of the urban core as illustrated by the vision map.
Bicycle Improvements

While not as significant as transit in fostering downtown development markets, bicycle facilities do activate streetlife and inspire greater economic activity. Dedicated bicycle facilities in the form of bicycle lanes, cycle tracks (median-separated bike lanes) and off-street trails have many benefits. Bicycle facilities encourage increased bicycling which reduces parking and traffic congestion, activates streetlife, and extends the reach of transit. The following improvements will add to the current bicycle experience in Waco.

**Bike Lanes and Cycle Track**

Conduct a pilot project on a series of streets to test the success of re-purposing auto traffic lanes for dedicated bike travel. Begin by removing one auto lane on each of the following streets: 4th, 5th, Washington and Franklin and shifting its use to dedicated bike use. Colored asphalt paint, the application of texture on the pavement and signage will designate dedicated bicycle use. It is possible to retain on-street parking and use it as a protective barrier between the bike lane and the auto traffic. This is called a cycle track. Cycle tracks provide increased comfort for bicyclists and have been shown to increase ridership. Bike boxes are another street design tool to increase the safety and comfort of bicyclists in intersections where cars are turning right. Bike boxes are a colored area painted on the pavement that allows bicyclists to pull in front of waiting traffic, making them more visible to automobiles.

**Neighborhood Bike Connections**

Conduct a neighborhood street pilot project that creates bicycle boulevards on 15th Street and Bridge Street. Bicycle boulevards is a designation given to shared roadways. These are streets that use traffic calming and traffic reduction, signage and pavement markings and intersection crossing treatments to welcome cycling environments for cyclists of all ages and skill levels. These traffic calming treatments discourage through trips by nonlocal motorized traffic, but still maintain access to properties along the route.
A Vision for Greater Downtown Waco

Actions to Achieve the Vision

Streetscape Improvements and Redesign

Create A Mixed-Use and Pedestrian/Bicycle/Transit Friendly Community in Greater Downtown Based on Context Sensitive Principles that Successfully Connect to the Current Circulation Network

Fourth and Fifth Streets are key streets to begin implementation of redesign strategies. The following actions can be relatively low cost but have the potential to transform the street into a place people want to be.

Actions:
• Plant trees to reduce weather exposure
• Re-stripe lanes to include 8’ parking and 5’ painted bike lanes on the south side
• Add curb extensions and colored/textured crosswalks at intersections
• Improve sidewalks and landscaping
• Add benches and street furniture

Example of streetscape improvements
Create a Festival Street
A great street may have many functions. A “festival street” describes a street that is walkable and centrally located that can be closed for events. Farmers markets, art fairs, and cultural celebrations are some of the potential activities on a festival street. Mary Avenue is a perfect candidate for a festival street.

Actions:
- Install removable bollards that can be used to close the street
- Install permanent bollards on street corners to separate travel realms
- Amplify streetscaping with permanent overhead street hanging lights
- In coordination with an enhanced transit system project, resurface street to have a flat curb, centerline drainage and electrical/water boxes installed for temporary vendor use
Connectivity to Statewide Transportation

TxDOT is committed to finishing the widening of I-35 (Main Street Texas) to six lanes from San Antonio to Hillsboro. Promises of a signature bridge, modern on and off ramps and aesthetic improvements will make Downtown Waco more attractive and accessible. I-35 will be transformed from a dividing line in the community to a unifying element. To leverage this investment the local street system must evolve to accommodate all modes of travel and invite people to bike, walk, ride transit and park once along and perpendicular to I-35. This plan recommends transforming 4th and 5th Streets, first with bicycle lane striping and then reinventing the streets with a complete streetscape and cross section change. University Parks should transform in a similar manner with minor striping changes now to accommodate bicycles with future efforts for a complete remake with streetscaping, dedicated transit accommodations and a unified pedestrian frontage.

The I-35 corridor is not the only statewide asset that Greater Downtown has access to. The vision of connecting communities along the I-35 corridor with passenger rail service is being fulfilled by the Lone Star Rail District (LSTAR). LSTAR is a coalition of city, county, transit authorities and private interest groups that are performing the necessary studies and building momentum for passenger rail service from San Antonio to Dallas Fort Worth Airport. LSTAR has advanced the studies to gain support of the Texas Legislature and the confidence of Union Pacific (owner of the rail) to conduct engineering and environmental studies for use during federal funding grant applications. LSTAR anticipates final design of the line to be initiated in 2011.

The Obama administration recently announced the initiation of a high-speed rail program for the nation. While the LSTAR line did not receive funding in the current round of grants, it is expected to be a strong candidate in the future. Anticipating this, communities are identifying how to host and leverage new transportation investments to accommodate growth and fuel the local economy. The plan identifies an intermodal passenger rail terminal, a separated river crossing and a rail corridor in the urban core. This rail line denoted on the transportation vision map will serve in the short-term as a transit connection between the urban core and the new Baylor Research and Innovation Collaborative (BRIC).
7. Encourage Neighborhood Revitalization

Reaching Greater Downtown Waco’s goal of 100,000 residents will require appropriate infill in the adjacent neighborhoods as well as growth in the urban core. The key aspect of these neighborhoods will be accessibility, both within the Greater Downtown and to the city’s overall transportation network. Over time, nearby main streets and major arterial streets will be enhanced with sidewalks, bike lanes and better transit service. These corridors will also provide shops, restaurants and other amenities within walking distance of neighborhoods. Great neighborhoods require the creation of attractive, affordable, and desirable housing opportunities. Increasing homeownership opportunities will also provide neighborhood stability and personal investment in these residential areas.

Actions:

- Allow small-lot single-family homes and cottages to be built on infill lots that are smaller than 5,000 sq. ft.
- Direct reinvestment programs to assist in repairing and revitalizing older homes
- Energize small neighborhood commercial centers to attract homeowners. Decide on good locations for neighborhood centers to foster commercial development. Invest in intersection improvements and sidewalks at these locations and where appropriate, evaluate and implement zoning changes
- Adjust development codes to ensure that small-lot, single-family, townhomes and duplexes are allowable uses in the residential neighborhoods
- Identify vacant lots and educate and encourage developers to build new product types
- Explore home-ownership programs to encourage personal investment in existing homes and new residential building types
### A Vision for Greater Downtown Waco

#### Actions to Achieve the Vision

#### Feasible Near Term Prototypes

<table>
<thead>
<tr>
<th>Prototype</th>
<th>Lot Size</th>
<th>Unit Size</th>
<th>Building Height</th>
<th>Units/Acre</th>
<th>Range of Unit Sales Price</th>
<th>Ownership</th>
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<td>Small-Lot Single-Family</td>
<td>4,000 sq. ft.</td>
<td>1,700 – 2,000 sq. ft.</td>
<td>2 stories</td>
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<td>$230,000–$270,000</td>
<td>Owner /For sale</td>
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<td>Townhome</td>
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<td>1,500 sq. ft.</td>
<td>2 stories</td>
<td>17</td>
<td>$180,000–$220,000</td>
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</tr>
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<td>Duplex</td>
<td>5,500 sq. ft.</td>
<td>1,200 – 1,300 sq. ft.</td>
<td>2 stories</td>
<td>18-19</td>
<td>$1,400–$1,600</td>
<td>For rent</td>
</tr>
</tbody>
</table>

#### Three categories...
A Plan for Greater Downtown Waco
A Plan for
Greater Downtown Waco

What the Plan Is
This plan provides a guide for development decisions in Greater Downtown over the next 40 years. The plan should clearly spell out the necessary strategies to achieve the community’s shared vision as outlined in the ImagineWaco Vision.

How the Plan is Used
• Developing work programs for the City and its associated and supporting nonprofits
• Providing input into operating budget priorities
• Guiding capital budgets
• Enabling partnerships with public and private partners
• Prioritizing expenditures
• Realizing outcomes and concrete achievements
The plan contains two sections. The first section is a description of Waco today and tomorrow. The second section contains implementation strategies.

The description of Waco today and tomorrow includes:

EXISTING CONDITIONS
Describes the location, governance and previous plans

LAND USE AND URBAN DESIGN
Provides information about what makes good downtowns, how Waco will look in the future, the impact of different scenarios, recommendations for prototype development, and a description of catalyst demonstration projects

ECONOMIC ANALYSIS
Includes a demographic and economic profile, a description of Waco’s place in the region, and economic and employment trends

HOUSING PROFILE AND HOUSING NEED
Describes real estate trends and Waco’s anticipated demand and housing market

TRANSPORTATION SYSTEM
Describes design and function of gateways and critical intersections, urban design and streetscaping, transit and pedestrian connections

Implementation strategies are organized into five groups:

1.) URBAN DESIGN
2.) ORGANIZATIONAL STRUCTURE
3.) TRANSPORTATION
4.) BUILDING CONNECTIONS
5.) SUSTAINABILITY
Waco Today and Tomorrow

Existing Conditions

Location
Waco has an advantageous central location in Texas. It is 100 miles south of Dallas and 185 miles northwest of Houston. Waco covers 95 square miles and is the county seat of McLennan County in Texas. Downtown Waco is bisected by the Brazos River, creating East and West Waco. The historic Waco Suspension Bridge helped to put Waco on the map in the late 1800’s by attracting cattle drives to cross the river. This crucial crossing of the Brazos River translated into immigration and great population growth for Waco.

Governance
Waco operates under a Council-Manager form of government. Six elected City Council members represent the citizens. One of these six is the mayor – who is elected at-large. Each of the other five represents a different district. Each council member serves a two-year term. The City Council’s responsibilities include the legislative functions of the city, setting the tax rate, approving budgets, planning for capital improvements, and adopting ordinances. The other city officials, the city manager, city attorney, city secretary and municipal court judge are appointed by the city council.
Previous Plans, Activities and Regulatory Structure

COMPREHENSIVE PLAN – 2000 DRAFT
The 2000 Waco Comprehensive Plan followed three previous major plans for the city. The purpose of the plan is to establish goals and objectives that will shape and direct Waco’s growth and development for the future. The vision of the plan is to “establish Waco as a progressive and safe community, dedicated to maintaining and improving the quality of life for all its citizens, to preserving its unique character and natural resources, and to promoting excellence in education, through economic development and orderly growth.” To achieve this vision the plan includes chapters on transportation, housing, public facilities, infrastructure, parks and open space, land use, community image guidelines and annexation and growth management.

STRATEGIC ECONOMIC DEVELOPMENT PLAN – NOVEMBER 2005
The five primary goals of this plan are: grow and strengthen Waco’s economy; build a competitive workforce; retain and attract more businesses, residents and visitors; revitalize strategic community areas and build the resources and leadership needed to be successful.

BRAZOS AND BOSQUE RIVER CORRIDOR MASTER PLAN
Goal of this master plan is: “To plan and advocate for high quality, balanced enhancements representing multiple, sustainable uses with resources that also nurture, preserve, and improve the knowledge, accessibility, natural charm and habitat of the Brazos and Bosque River Corridor.”

MCLENNAN COUNTY FUTURE LAND USE STUDY – DECEMBER 2007
The project helped refocus the Metropolitan Planning Organization’s (MPO) planning efforts on the synergy between land development patterns and mobility. It sought to address the county’s transportation needs through a comprehensive analysis of desired future development patterns and associated transportation investments. By combining a series of public workshops with in-depth analyses of existing conditions and potential growth scenarios, the study provided valuable guidance to the Waco MPO as it embarked upon an important update of its Metropolitan Transportation Plan.
ELM AVENUE IMPROVEMENT PLAN - JANUARY 2002
The Elm Avenue Improvement Plan covers an area along Elm Avenue from Martin Luther King Boulevard to Clifton Street. The goal of the plan is to “set a vision for public improvements, specifically streetscape enhancements that can support development along Elm Avenue.” The plan recognizes Elm Avenue’s current state of transition and ability to create a desirable destination in Elm Avenue. The plan recommends retaining the main street character and improving it with streetscaping, rehabilitation of buildings, infill and better connections to the river and downtown.

NORTH CENTRAL WACO NEIGHBORHOOD REVITALIZATION STRATEGY AREA PLAN – DECEMBER 2009
The North Central Waco Neighborhood Revitalization Strategy Area Plan was drafted to document the conditions, needs, and strategies for revitalizing the area bounded by 18th Street (west) Colcord Drive (north), the Brazos River (east) and Waco Drive (south). The plan’s main objectives focus on restoring and enhancing the community’s attributes, image and identity, rebuilding neighborhood stability, safety and security, and increasing housing options. Strategies will include catalyst economic development projects and private-public partnerships.

CONNECTIONS 2035: THE WACO METROPOLITAN TRANSPORTATION PLAN (MTP)
The current MTP recommends increasing the percent of resources devoted to bicycle, pedestrian, public transportation, and Intelligent Transportation Systems infrastructure.
What Makes a Good Downtown?

One of the primary goals of this plan is to enable Greater Downtown to capture a significant share of the region’s population and employment growth between now and 2050. Successful downtowns are often those that have much support and affection from citizens and community leaders. Waco residents are proud of their city, and many have roots in the city that go back generations. With its rich history, architectural bones and access to the Brazos River, and residential neighborhoods, Waco has all the makings of a great city with the potential to capture future regional growth.

Currently a large amount of land in downtown Waco is covered by surface parking. These open lots detract from the “urban feel” of downtown and leave gaps in the streetscape, making downtown less walkable and appealing. A downtown with a shortage of parking often is an indicator of a healthy and bustling downtown. As Waco develops and becomes more desirable, land will be too valuable to use for surface parking and the introduction of structured parking will make sense.

Successful downtowns have multiple traffic generators to create activity. Baylor is a major destination in Waco, in addition to arts attractions and jobs. New mixed-use development will be integral to building on the activity downtown. Multiple destinations work best at energizing streetlife when the connections between them are walkable.

The prevalence of strong, adjacent residential neighborhoods in walking distance to downtown increases downtown activity. As the downtown improves there is a premium on living within an easy walk of downtown and all the amenities it has to offer. Waco has great neighborhoods to expand into west of downtown as well as neighborhoods with potential for redevelopment in east Waco.
Historic buildings in Waco provide restoration and renovation opportunities. Significant, historic structures serve as iconic features in a downtown. In moving forward with redevelopment it is important to identify which historic buildings are worth preserving to maintain and reflect the history of Waco. New projects on infill sites must complement older buildings, with such considerations as scale, design, materials and the building’s interaction with the street.

Who Tends to Live in Downtown Areas?

A robust downtown has residents. People who choose to live downtown differ in age, household composition and education from those that choose to locate in suburbs or other parts of the region. As shown, 90 percent of households living downtown do not have children whereas that number decreases to 65 percent in the suburbs. To boost new residential uses in the downtown area, Waco must attract workers in the professional, technical and information fields (Figure 2). However, Waco’s current employment profile shows less representation in these fields.
How will Waco look in the future?

Creating Scenarios

Scenarios are stories about what might be and what is possible. Waco envisions a future in which there are 100,000 residents in Greater Downtown by 2050. To ensure that this plan is well grounded and feasible, a series of short- and long-term scenarios were developed. The scenarios show a possible future of increasing population, jobs and activity throughout Greater Downtown area. The scenarios “paint” the map with different colors representing development types such as mixed-use, compact neighborhood and office park. They are based on what already exists, on trends that are evident, and on the values and preferences of Waco residents. The essential requirement of any scenario is that it be plausible, within the realm of what exists and what is now known.

While long-range predictions are difficult, in the short-term, it is fairly straightforward to make predictions of how general trends will affect the future. However, planning is about more than simply accommodating expected trends. Instead, the plan for Greater Downtown is clear in envisioning a future that is better than predictions made on yesterday’s trends. The plan’s economic analysis describes the amount of the city-wide growth that can likely be captured by Greater Downtown. The vision describes how that growth should appear and where it should locate.
The First 10,000 New People

The first 10,000 new people locate close to downtown and along major corridors such as Elm Avenue. Pockets of residential infill neighborhoods throughout Greater Downtown.
10,000 New People in Greater Downtown

Sometime during the first new 10,000 people we'll see some major street retrofits and even a new transit circulator. These improvements will become the focused areas of the next wave of growth. The first 10,000 people will be pioneers. A fair number of them will be singles and young couples that see the opportunity to help create an exciting urban environment.

One of the most important steps in attracting these newcomers is creating more housing options within the urban core. The urban core is already home to shopping and dining. The places that are currently most successful are places such as Austin Avenue or old loading docks backing up to Mary Street. More of these venues are needed to draw additional residents to live close-in and increase vitality.

**The first transformations will be characterized by:**

Expansive parking lots start to sprout food carts for lunchtime customers. This is a good place holder use until the population density of downtown raises the value of the lots to where entrepreneurs want to convert them to buildings.

The east side begins to transform, starting with key partnership buildings, storefront improvements, public investments in the streetscaping and a plaza.

First uses and businesses may include a coffee shop, newsstand, bike shop, home and garden store, bars, restaurants, yoga or exercise studio, clothing or jewelry stores.

A few public-private partnerships to develop key anchor establishments occur in the urban core.

Main street activity is restored to streets like Austin. Following that, context sensitive design on the couplet (Franklin/Washington) and the conversion of some older auto-oriented uses to storefronts or residential.

Close-in neighborhoods are key to the success of downtown's service businesses – food, drinks, entertainment, and retail. In both healthy neighborhoods and those that are in need of attention, there are opportunities for infill on vacant lots and rehabilitation. Housing rehab, replacement, infill of small single-family homes and townhomes will help to solidify the neighborhoods of East and West Waco.
**20,000 New People**

With the addition of 20,000 new people, transit routes spur redevelopment projects and increased investment. Growth continues to radiate further from the urban core.

First 20,000 New People Scenario Map

First 20,000 New People Scenario Intensity Map
20,000 New People in Greater Downtown

The next 10,000 people will be similar to the first, but we’ll start to see more diversity in new residents, including young families. Young people currently have limited choices of where to live. The conventional wisdom says that they’ll buy a starter house in the suburbs or out in the county. While many indeed aspire to this, an active percentage want something different. They will see what is happening downtown and recognize the opportunities. Their housing and transportation budget will go further.

The transformations will be characterized by:

At this point, new and rehabilitated housing starts to drive the economic change. Properties along the streetcar or Bus Rapid Transit are prime locations for new restaurants and cafes, and the supporting population. Mixed-use buildings are constructed that combine housing with other commercial uses.

A streetcar is running between the urban core and Baylor campus. New hotels are constructed on University Parks. Customers board one direction for a ball game and the other to sample the cuisine or nightlife of Mary, Austin or Elm Avenues.

New transit extensions support neighborhood access to the urban core and other districts such as the Elm Avenue district. At the same time, the neighborhoods will continue to see more small-site infill – single-family homes, cottages, townhomes and a few garden-style apartments or condo buildings. Close-in neighborhoods will be seen as great investments and neighborhood revitalization will be in full swing. Small commercial nodes currently sprinkled around the downtown neighborhoods transform into neighborhood serving shops, restaurants and offices.

East Waco and Elm Avenue continue to fill in. The historic buildings are renovated and decrepit structures are replaced with 2 to 4 story buildings. A few vacant lots may remain, but will be mostly a block or two away from either Elm Avenue or Bridge Street.

The Baylor research park will lead to employees seeking out East Waco addresses for quick access to work in addition to the great food and entertainment options.
**60,000 New People**

With an additional 60,000 people by 2050 in Greater Downtown Waco, the urban core is active and robust with jobs, shopping and housing. The adjacent residential neighborhoods have filled in with new housing opportunities and small commercial centers.
60,000 New People in Greater Downtown

The region is expected to grow to 100,000 by 2050. The scenarios for 10,000 and 20,000 people described above will provide a foundation for continued growth towards the goal of 100,000 residents. Expect at this time that additional strategic plans were developed to build on the success of this Greater Downtown plan, and to redirect efforts that have fallen short.

The transformations will be characterized by:

To realize a Greater Downtown with 100,000 people will mean that virtually all vacant and underutilized lots will be developed. In the urban core new buildings will usually exceed 6 to 8 stories, with some passing 10 or 12. Most new buildings are mixed-use, with retail and storefronts downstairs and housing or offices above. Many of the older warehouses and industrial buildings will convert into residential or mixed-use. Some are rehabbed to retain original character, while lesser quality structures are removed and replaced by housing and office buildings.

The transit system is fully realized with fast and smooth connections.

The downtown core area is recognized as the primary location for the region’s quality restaurants and nightlife. The arts and live theater are almost exclusively a downtown urban core attraction.

East Waco has used up the last of its vacant lots. The urban area’s of the district have been developed to a comfortable scale in the 3 to 4 story range.

The neighborhoods are characterized mostly by small homes, but at this point in time, townhouses, duplexes and garden apartments will dominate new construction. These close-in neighborhoods will be highly desirable. Existing homes will climb in value, while new construction begins to target the upscale buyer on infill parcels.
The Prototype Process: Prototype Buildings for Downtown Waco

Building prototypes were created to gain a detailed understanding of the market and regulatory dynamics at play in Waco. To create prototypical building envelopes and basic pro formas, a Return on Investment (ROI) model was used. Ultimately, these building prototypes informed the scenario building process described above and are the building blocks that make up each of the development types.

The ROI model provides a way to test the development feasibility of a building in particular areas. Building prototypes are analyzed to determine if the rent, lease, or sales prices would outweigh the associated costs and risks and produce a return that is suitable for development. The ROI model considers a range of factors including parking, height and use requirements. In addition, area developers, merchants and council members were interviewed to confirm assumptions about construction costs, loan rates and timelines. These interviews were conducted with the goal of creating a “realworld” reality check that the assumptions and inputs used in the model were accurate.

The downtown Waco prototypes reflect building types that are both common in many successful downtown infill projects and were supported by feedback in the workshops. Modeling the buildings helps the City to better understand the regulatory and financial challenges and opportunities that may exist. Additionally, the extent to which the prototypes are successful gives us an understanding of what policy changes are necessary to create a regulatory environment that supports desirable building projects.

Lessons Learned

Since about 24 percent of the land within the Greater Downtown is vacant, we know that there will be many opportunities for new development. The process of creating and adjusting the building prototypes placed the building types in three categories: building types that are most feasible in today’s environment; the prototypes that may not be feasible today but may be in the near future; and the prototypes that are more likely in future phases of implementing the plan.
19 Prototype Buildings Were Created for Greater Downtown Waco

Three categories...

**MIXED-USE**
- 3, 5 and 10 story mixed-use residential with ground floor retail
- 3, 5 and 10 story mixed-use office buildings with ground floor retail
- One live-work building which includes townhouse-style living with flexible commercial space on the ground floor

**RESIDENTIAL**
- A small-lot, city-style, single-family home that would fit well into Greater Downtown
- 2-story duplexes, townhomes, garden apartments with a landscaped courtyard
- 5-story apartments and condos more likely to be located along corridors or in the downtown itself
- Loft residential in a renovated warehouse

**COMMERCIAL**
- 8-story hotel
- Mid-rise (5-story) office building
- Main street-style retail
- Renovated building to serve as a restaurant or theater use
- Arterial commercial
- Industrial and flex space
The biggest challenge is to deliver urban development products that are reasonably priced for the Waco area. Parking, both in terms of amount and style, in particular is an important consideration in any development. For Waco, surface and some structured parking generally is market feasible while underground parking is not. The lessons from these prototypes guide many of the policy recommendations in this plan.

**Prototypes That Are Feasible Today**

Many of the new buildings in Greater Downtown are similar to these prototypes and would help move downtown Waco toward a more urban future. In each of these cases, expected market rents or sales prices could be reasonably expected to offset the cost of developing the project.

- Low-rise, mixed-use residential and office (2-4 stories)
- Rehabs of existing warehouses and other underutilized buildings
- Main street retail
- Single-family homes
- Duplexes
- Townhomes
- Industrial
- Arterial retail

**Prototypes Which May Be Feasible in Some Areas**

These buildings are becoming increasingly feasible as the downtown develops, but could require some assistance or be developed in the second implementation phase.

- 8-story hotel
- The office-only buildings
- Garden apartments
- Live-work units

**Prototypes Which Are Not Financially Feasible in Waco Today**

The combination of higher construction costs and the yet-to-be developed high-end, urban housing market in downtown Waco make these types of mid- to high-rise mixed-use and residential building projects difficult to build now and in the near future, but could be feasible in the long term.

- Apt/Condo Mid-Rise (5 - 10 stories)
- Mixed-Use Residential Mid-Rise
- Mixed-Use Residential High-Rise
- Mixed-Use Office Mid-Rise
- Mixed-Use Office High-Rise (10+ stories)
Catalyst Demonstration Projects

With Waco’s momentum, private and public initiatives, and land availability, it is easy to imagine how Greater Downtown can begin to change to reflect the community’s vision. The following demonstration areas show how, with implementation from the public and private sectors and through public-private partnerships, desired changes can occur. Catalyst projects such as these show how incremental changes can make a big difference in the downtown.

Revitalizing a Neighborhood District

East Waco has a robust history and historic structures, an advantageous location and a street grid that lends itself to walkable neighborhoods. These elements make it a viable place to recreate a main street with a bustling commercial district. The images on this page show how a successful main street could be created where walking is safe and pleasant and there are destinations to walk to.

To transform a street into a bustling main street:

• Infill empty lots with new buildings that are consistent with the historic fabric in size, scale and massing
• Widen sidewalks
• Improve storefronts
• Connect the area to downtown with new transit and safe pedestrian routes
Transforming an Underutilized Street into a Festival Street and Providing Important Linkages to the River

Downtown streets that are underperforming and have limited activity can be transformed into festival streets – places that draw people from Greater Downtown, the city, and the region. Waco has several streets, such as Mary Avenue, that are wide enough to accommodate festival street amenities and still perform at desired levels of operation.

Amenities to improve a street to a festival street include:

- Provide sidewalk facing storefronts
- Install wide, shaded sidewalks
- Allow street to be closed for a festival or farmers market
- Provide clear connections to other streets, the river and future residential
- Designate a clear and safe connection that draws people to the river
- Create pedestrian alley connecting Mary and Franklin mid-block
Catalyst Intersection Redesigns for Downtown

*Reform downtown intersections that do not invite pedestrian crossing or offer pedestrian accessible businesses by:*  
- Locating an anchor building on at least one corner with visible storefronts  
- Shortening intersection crossings  
- Planting trees  
- Visually defining crosswalks  
- Infilling parking lots  
- Allowing food carts on parking lots or sidewalks to provide a shortterm, easy investment to activate the street

4th and Franklin Avenue

6th and Austin Avenue
Connect Austin Avenue Through to the River

Clear connections from downtown to the river are important in ensuring pedestrians can move easily throughout downtown.

*Providing pedestrians a route to continue on Austin Avenue through the convention center to the river will achieve this by:*

- Creating a clear pedestrian route with amenities
- Making the space around the convention center and Hilton active and usable with tables and chairs and shade trees
- Making buildings easily accessible from this pathway
Create Neighborhood Nodes

Small commercial centers serve downtown’s surrounding neighborhoods. They should be connected to adjacent medium-density and single-family neighborhoods and it should be easy to walk or ride bikes safely between uses. Neighborhood centers contain new restaurants, shops, and neighborhood services all within walking distance.

Enhanced neighborhood centers, as shown in the images, are developed by:

- Improving intersections to provide clear and safe routes for walking and biking
- Creating highly visible crosswalks
- Installing streetcaping
- Infilling with new small-scale buildings
Demographic Profile and Trends

Waco's place in the Region
Since the 1960s, Greater Downtown Waco (GDW) has seen “slow and steady” growth in population, but decline in share, relative to surrounding McLennan County. Most of the population growth in the county since the 1960 Census has taken place outside the city limits, shifting Waco’s share from 65 percent to 52 percent of the total (see Figure 3: Regional Growth Comparison).

The GDW growth rate trails the MSA largely because the urban core of downtown Waco has not traditionally been viewed as a residential location. The recent addition of several new multi-family developments (both rental and for sale) in the heart of the downtown area indicate that this might be changing. Creating a trend of growth downtown and capturing a greater share of the region’s growth is one of the primary objectives of this plan. According to population forecasts that anticipate annual growth of 3,100 to 2,500 people per year, and 1,500 to 1,800 new jobs per year, Waco is on the right track.

Figure 3: Regional Growth Comparison
**Greater Downtown Waco’s Place in the City and Region**

Greater Downtown Waco has some distinguishing demographic features that set it apart from the Waco MSA overall. Two of the distinguishing factors are related: a relatively young population and a greater share of rental housing demand, which is highly attributable to Baylor University. In 2008, nearly 36 percent of residents in Greater Downtown were aged 25 or younger, in comparison to only 11 percent for the Waco MSA. Additionally, the age brackets expected to exhibit the strongest growth over the next five years are the ages 25-34 and 35-44 brackets (Figure 4). The brackets should grow at rates between 1.9 and 5.3 percent, respectively, representing nearly 80 percent of the total growth by 2013. By comparison, the 25-44 age range in the Waco metro represents only 33 percent of the growth over the same period. In the GDW, in particular, this will drive demand for rental and entry-level ownership housing as a large percentage of households in these age brackets tend to be renters or first-time homebuyers.

Figure 4: Household Growth by Age 2008-2013
## Employment Trends

Greater Downtown remains a major employment center for the city with 40 percent of Waco’s office space. However, most industrial and retail space is currently outside of the Greater Downtown. Though Waco’s economy has historically been driven by the manufacturing sector, this plan as well as the community economic development efforts, helps to diversify to new emerging industries. These sectors include education, health care services and equipment, advanced manufacturing and aerospace, professional and financial services, supply chain management and government. Over the next 10 years the sectors with the strongest projected annual growth include leisure and hospitality (3.6%), construction (2.5%), professional and business services (2.3%), and education and leisure (2.3%).

It is projected that employment in the Waco MSA will grow between 1,500 and 1,800 per year, at an annual rate of 1.2 to 1.4 percent. This means that Waco is likely to add between 40,000 and 46,000 new jobs by 2035. Three analyses agree that education and health services will represent the strongest sector, mainly due to the large Baby Boomer Generation which will require more and better care as this cohort ages.

### Figure 5: Employment Growth by Sector 2009-2039 (Moody’s)

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*Figure 5: Employment Growth by Sector 2009-2039 (Moody’s)*
Also unique is the short commute that these workers have to Greater Downtown Waco. Even when compared with the state, workers in Greater Downtown have a relatively short journey to work, with over half taking fewer than 15 minutes. It is somewhat counter-intuitive, but this actually represents a challenge for the Greater Downtown in attracting future residents. If commute times are already so short from other parts of the city or region, there is less incentive for workers to want to move downtown in order to reduce their journey to work. Other attractions, such as urban services and shopping, access to the Brazos River, housing choices, and other amenities will have to play a role.

Figure 6: Employment Growth by Sector 2009-2039 (Moody’s)
Housing Profile/Housing Need

Across the country, large demographic shifts are currently taking place that will significantly affect future housing demand. The percentage of one and two-person households is increasing. According to U.S. Census data analyzed by the Brookings Institution, smaller households have demonstrated a preference for downtowns and other urban neighborhoods, where denser housing types typically predominate. RCLCO, a market research and real estate industry trends consultants, conducted research on economic, market and real estate trends in Greater Downtown Waco.

Much of this growth is being fueled by the aging baby boomers. As they become empty nesters, and eventually retirees, their lifestyle and corresponding housing needs change. This shift is significant as many of these aging households are becoming increasingly interested in simplifying their lifestyles and place increasing importance on convenience. Among the simplifications many are considering is their residence, with increasing numbers of baby boomers opting for townhouses, small lot single-family homes and rental apartments; all products appropriate for town center locations. In Waco, this is likely to represent a shift in housing demand from existing households as well as potential influx of new residents, many of them baby boomers.

Another major factor is Generation Y. This youngest cohort, the oldest of whom turned 30 in 2009, is larger in size than their baby boomer parents and appears to have much more pronounced housing preferences. Their most preferred locations are downtowns in inner-ring suburbs; they value the ability to walk over almost all else; they seek diverse communities; and they value location and
community over home. Within Generation Y there is still significant appetite for more suburban settings, however they want the suburbs to be different — more walkable and with more variety of products. This cohort is slightly underrepresented in the Waco MSA (relative to the nation) in the near term, but it will surely be an important market audience for Waco in 2015 and beyond as this group matures to prime home-purchasing and family-rearing ages.

Based on the growth in smaller households as well as growing preferences for high-density housing among all households, it is likely that the coming decades will be witness to increased overall demand for higher-density housing. Nationally, there may be as high as a 140 percent increase in demand for higher-density housing (over levels calculated by using the 2005 American Housing Survey distribution), approximately half of these units will likely be demanded in dense, mixed-use, walkable neighborhoods.

It is important to note that while RCLCO’s research and related research highlight a growing preference for high-density living arrangements, RCLCO’s data indicate that today traditional suburban-style development is still most preferred by almost 50 percent of potential homebuyers nationally, a trend that is slightly higher in suburban locations.

Figure 7: 2008 Household Income Distributions
Median household income in the MSA is $41,270, which is below the national median of $50,170, as well as, the Texas average. Although Waco’s incomes are moderate, it maintains a very low cost of living. Waco’s current housing affordability ratio (median home price divided by median household income) is 2.11. This figure is very low in comparison to the U.S. at 3.56 and the Austin and Dallas metros at 3.29 and 2.54, respectively. In fact, Waco, like much of Texas, has become steadily more affordable since 2003. The median home value is $90,700 for the Waco MSA and $109,200 for Texas compared to $178,600 for the nation overall. Of note is that even though Waco is very affordable relative to the nation, only 60 percent of Waco MSA households own their home, a figure that is lower than the U.S. overall at 67 percent. This figure is influenced by the high percentage of student renters residing in the GDW where owners only make up 27 percent of the total households and renters make up 73 percent, representing a total of 7,400 renter households.
Summary of Real Estate Trends

In order to measure the development opportunity for retail, office, hotel and residential uses, it is necessary to look at the Greater Downtown Waco through a market context and to evaluate its unique strengths and challenges based on various characteristics pertaining to its location and physical attributes. Gaining a solid understanding of the current market fundamentals in the area provides for a more informed analysis of likely future market demand and informs the creation of a successful land and development plan.

For-Sale Residential Overview

Waco’s central core has some of the most affordable homes within the Waco MSA, with the majority of single-family homes priced below $100,000. Generally homes are more valuable the further they are located from the downtown core, with the most expensive homes located on Lake Waco. Greater Downtown Waco is made up primarily of older single-family homes, many of which are clustered in the northern section of the study area. These older homes are rich in history and while some have been well maintained and updated, others need improvement. Incoming residents will desire a broader range of housing options.

Downtown Waco’s strengths include the proximity of the Baylor University campus downtown and all of the economic and cultural activity that surrounds it, sporting and arts venues, regionally recognized museums and attractions, the Brazos River and the parks and trails that surround it. However, historically Greater Downtown Waco has not been considered a prime residential location and has experienced limited residential development during recent years.

Anticipated Demand

Based on demographics and the current situation in the local for-sale residential market, there is a measurable opportunity for development of attached for-sale product over the next ten years. Initially, the purchasers of for-sale residential in Greater Downtown Waco will be mostly first-time homebuyers living in Waco or relocating to Waco. Over time, empty-nesters and retirees will begin to make up a more significant portion of for-sale demand as aging households in the local area seek housing that will allow them to “age in place,” while enjoying the all cultural and entertainment activities that downtown Waco has to offer.
In determining the depth of demand for for-sale housing in the GDW, RCLCO analyzed demographic data, age by income data, household turnover rates, as well as demonstrated home sales within the Waco MSA. Demand exists for approximately 39 townhomes or flats annually, priced from $110,000 to $375,000. Additionally, over the next ten years, demand exists for approximately 35–50 single-family homes annually, priced from $110,000 to $375,000 (with only 5 percent of the offerings priced above $250,000).

Rental Residential Overview

The apartment market in Greater Downtown Waco is very large and primarily targeted to Baylor University students. Baylor has approximately 14,500 undergraduates, graduate students, and professors, only 36 percent of whom are housed on campus. That means that over 9,000 students require off campus housing. In addition to single-family homes that are rented to students, this demand is met by three types of rental communities:

• Older (many more than 20 years old) rental communities located east of campus that rent for $0.60 to $0.90 per square foot. Consist of traditional apartment communities and individually owned condominium/townhome developments.

• New urban product such as Austin Avenue Flats and Praetorian Lofts that are renting for more than $1.00 per square foot.

• Student-only dorm-style apartments that are rented by the room. These are highly amenitized and carry hefty rents of $1.30 to $1.50 per square foot. Other new communities with the same quality of amenities but do not rent by room have rents around $1.00 per square foot.

In general, larger developments (more than 100 units) tend to have a very high percentage of undergraduate renters (often 100 percent), while some of the smaller loft buildings (including the Behrens Lofts, Praetorian, and Austin Avenue Flats), tend to attract more graduate students and young professionals. Historically, undergraduates have preferred locations with the most proximity to Baylor campus (on the south side of the study area), but over the last several years this has shifted slightly, with a subset of students choosing to live in the Heritage Square area in the heart of downtown.
The downtown opportunity for rental will benefit from many of the same locational attributes as for-sale residential. These are close proximity to downtown and Baylor University, regional access via I-35, proximity to riverfront activities, as well as urban charm. From a market audience perspective, the opportunity for rental is stronger than for-sale, as Baylor students represent a powerful driver for rental units. The challenges will be that there are several locational and physical factors that may present challenges for developing rental residential in Greater Downtown Waco. The lack of retail and services within walking distance of the downtown could deter potential renters seeking the convenience of a mixed-use environment. Additionally, it will be challenging to deliver new rental product within the GDW that will be affordable enough to compete with older apartment product.

Demand for rental apartments or flats in Greater Downtown Waco will likely come from students and young professional singles and couples. Based on demographic trends of these individuals coming into the area and propensities of those who wish to rent or buy, GDW could likely support on average, 70–100 market-rate units annually over the next ten years.
Waco’s Transportation System
How will we move around?

Getting people around safely and efficiently is a task each city faces when analyzing and improving a circulation network. Whether the mode is by automobile, bicycle, mass-transit, or walking, each type of traveler should be given adequate travel space, as well as an aesthetically pleasant traveling experience, where safety is given the highest priority. To do this, the use of Context Sensitive Design (CSD) must be implemented successfully. The transportation vision map illustrates key CSD streets that will be transformed in a manner that changes the psychology of the street. The transformation of key corridors into urban boulevards, multimodal couplets and festival streets will result in a downtown that is accessible by car, but is easiest to move around by walking, biking or riding transit. This will activate streets and create new opportunities for retail, restaurant and residential land development.

This section will address:
1. CONTEXT SENSITIVE DESIGN AND STREETSCAPING
2. GATEWAYS AND CRITICAL INTERSECTIONS
3. TRANSIT
4. PEDESTRIAN CONNECTIONS

STREET TYPOLOGIES

- Gateways
- Marina/Boat Launch
- Urban Boulevard
- Multimodal Arterial
- Multimodal Couplets
- Main Street
- Festival Street
- Neighborhood Streets
- Bike/Ped Connections
- Water Taxi
- Potential Grid Connections
Context Sensitive Design and Streetscaping

Creating unique vibrant cities and neighborhoods requires a holistic approach to their development and revitalization. Context Sensitive Design (CSD) and streetscaping are key to creating these unique places that are compact, have a mix of uses and rely on a variety of different means of transportation, all while having a strong sense of public space found between buildings, on the street and in plazas and parks.

In Greater Downtown Waco, key intersections, streets, plazas, parks and architecturally significant buildings create this unique place. The transportation function of these intersections and streets should be to provide the pedestrian a safe and aesthetically pleasing entrance and environment, while accommodating other modes such as transit and automobiles.

Streetscaping transforms a primarily auto-oriented street into a pedestrian-friendly street capable of handling multiple modes of transportation such as transit users, bicyclists, automobiles, and walking pedestrians. Streetscaping produces beautiful “pedestrian realms” with design elements that include plenty of street furniture, lighting features, street trees, intersection improvements and wide sidewalks. Figure 9 shows the dramatic effect of streetscaping a particular section of roadway.

This visualization demonstrates the impacts of improved streetscaping on the pedestrian experience.
The pedestrian realm created by CSD has several zones that function together to create a pedestrian friendly environment. Figure 10 illustrates a pedestrian realm with each zone described below. Transportation Goal 2 in the Strategies and Action Items defines how many of downtown’s streets will be transformed to have a complete pedestrian realm.

**Frontage Zone**
Distance between the through-way and the building front or private property line that is used to buffer pedestrians from window shoppers and doorways. It contains private street furniture, private signage, merchandise displays, etc. and can also be used for street cafes. This zone is sometimes referred to as the “shy” zone.

**Throughway Zone**
Walking zone that must remain clear, both horizontally and vertically, for the movement of pedestrians.

**Furnishings Zone**
Area of the roadside that provides a buffer between pedestrians and vehicles, which contains landscaping, public street furniture, transit stops, public signage, utilities, etc.

**Edge Zone**
Area between the face of curb and the furnishing zone, an area of required clearance between parked vehicles or traveled way and landscaping.
Gateways and Critical Intersections

Gateways play an important role for cities desiring to attract new businesses and travelers. Gateways welcome visitors and orient them upon entering a different section of a city. Gateways are usually located at intersections and may include signage, roundabouts, and/or other visual cues that offer travelers a sense of change in boundary when traveling between a district, neighborhood, or thoroughfare. The Transportation Vision Map illustrates key Gateways to Downtown.

Critical Intersections are characterized by much higher traffic volumes due to being part of an important transit route, a heavy vehicular traffic route, a pedestrian corridor; or activity centers such as malls, strip malls, grocery and convenience stores, and office structures. These intersections need to function well when the multimodal design of Greater Downtown is built-out. Increasing pedestrian treatments and ensuring appropriate building scales will lead to successful operation and maximized aesthetic appeal within Greater Downtown. Table 1 lists all of the potential gateways and critical intersections within the Greater Downtown.

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Transportation System

**Transit**

Transit is an effective and efficient way to move people in a safe manner, particularly in urban and downtown areas. American cities across the country are increasing transit investment and infrastructure in their downtowns. Increased transit infrastructure in urban areas can increase the capacity of the total transportation system and give people a comparable choice between driving and riding transit. In many cases, the investment of transit has spurred the development of adjacent successful businesses, resulting in much needed revenue for the city. In Waco’s case, there are four transit technologies that have the potential to benefit Greater Downtown Waco and make it a more vibrant and accessible part of the city.

**Streetcar**

Streetcars (or trolleys) are fixed guideway transit systems, and are electrically powered vehicles that may share the street with other modes of transportation and operate in mixed-flow lanes.

**Bus**

Bus service operates at a fixed frequency that serves designated stops along a fixed route. Fares are collected onboard by the bus operator. Local bus service usually operates in mixed-flow lanes on urban thoroughfares. The typical average operating speed is low and is dependent on the operating speed of the urban thoroughfare.
Bus Rapid Transit (BRT)
Enhanced bus service that operates within its own right of way or designated lanes along the urban thoroughfares. BRT may utilize off-board fare collection to minimize boarding delays. BRT stops are typically spaced one mile apart and operate with high-frequency headways. The average speed of BRT is higher than that of rapid bus. BRT buses and stations are branded to distinguish them from local bus services. Stations frequently have more passenger amenities than typical bus stops. BRT systems use transit priority signal systems to improve headways, and queue jump lanes to bypass congestion at intersections.

Statewide Passenger Rail
Similar to Amtrak, passenger rail comes in many forms from large diesel commuter rail cars to smaller diesel mobile units (DMU), similar to light rail cars. Passenger rail speeds vary from 85 mph on a DMU to over 200 mph using a high-speed vehicle.
Pedestrian Connections

Waco offers plenty of sites and activities for both residents and visitors alike. Attractions include Baylor University, Cameron Park Zoo, Waco Convention Center, numerous museums and art facilities, and an array of pubs and restaurants. In a healthy downtown it is easy to move to, from and between these destinations without relying on a car. Pedestrian connectivity is the key to improving the circulation network within the downtown area. Pedestrian connectivity is achieved by decreasing crossing distance at intersections and providing signals for pedestrians, sidewalks and safe river crossings. The network should also accommodate bicyclists, and above all, the network should be safe for all users. Recommendations for locations of pedestrian connectivity are provided in the map below.
Implementation Strategies and Action Items

Urban Design
Organizational Structure
Transportation
Building Connections
Creating a Sustainable City for People
Implementation Strategies and Action Items

IMPORTANCE OF PARTNERSHIPS
There are many different pieces to pay attention to when revitalizing a downtown. Successful implementation of the plan requires the cooperation of the City of Waco, the Chambers of Commerce, the private sector, civic organizations, and other key institutions.

The ImagineWaco Vision boosts economic vitality, fills the streets with people, beautifies the parks and sidewalks and allows for people to live downtown. Realizing Waco citizens’ vision requires taking strategic steps to move it forward. Just as communities can no longer rely on a single economic engine to propel their future, neither can downtowns rely on a single project or initiative. Multiple efforts are required, including projects, programs and policies all designed to “ready the environment for investment.” What follows are the policies and actions to lead us in the right direction towards that vision. These strategies and actions include some that are specific to the city of Waco and its planning regulations; others will require public-private partnerships with public agencies and community organizations.

The Strategies and Actions are organized by topic and each strategy includes a goal, a description of the issue, a summary of the strategy, proposed timing and an estimate of needed resources.
Reenergizing Waco by capturing an increased share of the region’s projected growth, buildings and activity will be the result of coordinated planning efforts. Waco has the enthusiasm, talented team, and cooperative spirit to realize the community’s vision. Strategically identifying how and when changes may occur, which areas should be initially focused on, and where to start are key questions that need answered.

Phasing of Development

Several catalyst projects should be built in strategic locations throughout the city. The Waco metro area is expected to grow by 100,000 to 135,000 people by 2050 and this first wave of development will help the city to attract a large share of these new residents, and move Waco toward the goal of being the strong regional center that captures the large majority of the area’s future growth.

Target Areas to Kick-start Implementation

Greater downtown Waco has a number of recent development examples, such as new downtown housing and the Baylor Research Innovation Collaborative, that start to build the desired momentum. In addition, unique neighborhoods are found within every great city. These distinctive neighborhoods create place. It is important to target resources to accomplish several more demonstration projects that show that:

- The type of development desired is possible to accomplish economically.
- There are a range of small and large implementation measures that can start to reflect the community’s desired vision.
- There is a growing momentum and public-private interest in investing in Greater Downtown.
- It is important to address the entire Greater Downtown area to achieve a healthy downtown. The riverfront and Elm Avenue area need to see simultaneous efforts. The two sides of the river are synergistic and build on each other.
- Within every great city are unique neighborhoods. These distinctions create the place that defines the city.

Waco’s forecasted growth
**Urban Design Goal 1**

**Develop a Riverfront Improvement Plan**

The ImagineWaco Vision sees the Brazos River as the center of activity with new and revitalized commercial developments on both sides of the river. This riverfront development draws people downtown – both locally and from out of the area. The Brazos River is an important amenity for the city of Waco, valuable not only for recreation, but also as habitat for many types of wildlife. The area along the river provides a great opportunity for exploration, recreation and a venue for large outdoor events and entertainment. This open space and recreational area has the potential to be a world class urban destination.

However, today both the riverfront and adjacent park system are underutilized and do not capitalize on the tremendous potential that exists. Through the public workshop process, Waco residents indicated a strong desire for better connections to the river and more activity on the riverfront. Waterfront improvements will help make the riverfront a part of everyday life in Waco and can contribute to Greater Downtown Waco becoming a desirous neighborhood in which to live, as well as a regional, state and national urban recreational attraction.

**Strategy 1**

Improve the integration of the waterfront as a centerpiece in Greater Downtown Waco.

*Strategy 1 addresses one of ImagineWaco’s established Guiding Principles:*

*Develop both sides of the river and provide convenient river access.*

There is little interaction between downtown buildings and the Brazos River currently. Waco’s riverfront today primarily offers daytime recreation opportunities in a large park. The riverfront does not currently offer a diversity of activities or a diversity of times that the area is activated.

**ACTIONS:**

- Bring new buildings to the riverfront. Cafés, restaurants, residences and boat rentals and water taxis will further give people a reason to visit the river.

- Build a hotel with a river facing restaurant on University Parks between Mary and Franklin Streets should be a priority for near term development projects. The restaurant will provide both residents and visitors an opportunity to enjoy the river in a way not currently available in Waco. Outdoor seating can capitalize on a beautiful view of the river and the activity on the trail and park.

- Support implementation of the Brazos and Bosque River Corridor Master Plan.

- Design and construct new buildings to orient towards the river and adjacent streets. In riverfront areas that are being developed capitalize on the river’s recreation and scenic qualities by including patios, gardens, seating areas, and public spaces with river views and river access via trails.
• Expand public awareness of river-related issues through education and outreach, stewardship activities, and community celebrations.

• Allow temporary uses such as food carts and trailers and retail vendors along the river area to increase on-street activity.

TIMING:
Revitalizing the riverfront will be an ongoing process for the city of Waco - however first steps to show immediate results should occur within six months.

RESOURCES:
Create partnerships to encourage buildings on the riverfront. Identify strategically located land owned by the city or interested land owners and potential private developers to lead this effort. Foster partnerships with schools and community organizations to assist specifically with the education and public awareness strategy. Seek funds from public agencies, foundations and business sponsors to support river projects and programs.

Strategy 2
Improve recreational opportunities along the Brazos River.

Strategy 2 addresses one of ImagineWaco’s established Guiding Principles:
Make Waco known for recreational activities attractive to young professionals – river access, trail system, biking, boating, boat races, dog parks and green recreation.

The Brazos River provides passive recreational opportunities. Segments of trails and open space areas make up most of the riverfront area. Cities that
boast active riverfronts have a diversity of activities and attractions to offer along their rivers. Cameron Park, while offering one of the largest urban parks systems in the state and a nationally known biking destination, is not integrated into the Greater Downtown system.

**ACTIONS:**
- Expand, preserve and enhance the bike and pedestrian trail system to connect easily to the pedestrian bridge and destinations on both sides of the river. Make it convenient and safe for workers, residents and students to reach the urban core, Elm Avenue and the east side, Baylor University, and regional destinations.
- Revitalize the riverfront by focusing active buildings on the waterfront. A café, restaurant, residences and a boat rental will further give people a reason to visit the river.
- Create a venue for riverfront festivals, cultural events and music festivals.
- Market Cameron Park and the Greater Downtown area as a mountain bike/active destination to the young urban population.
- Expand opportunities for boating and fishing. Two potential marina opportunities exist. At the end of Clay Ave, just north of I-35, a small inlet on the river creates the perfect location for a small downtown and adjacent development serving marina. This marina would have paddle boat, canoe and/or kayak rentals. Its close proximity to activity downtown makes it an easy place for visitors to dock their boats for dinner in town or a night at one of the hotels. The other marina location on the northeast portion of the river would have a regional reach. This marina would provide boat storage, boat rentals, picnic areas, and viewpoints.

**TIMING:**
Revitalizing the riverfront will be an ongoing process for the City of Waco; however, first steps should occur within six months. First steps may include increasing and encouraging more events or festivals or opening a small café or coffee shop.

**RESOURCES:**
To be developed.
Strategy 3
Improve connectivity to the river from all areas of Greater Downtown Waco and connectivity between East and West Waco.

Strategy 3 addresses one of ImagineWaco’s established Guiding Principles:
Develop both sides of the river and provide convenient river access.

ACTIONS:
• Create safe, pleasant connections for pedestrians and bicyclists between neighborhoods, parks and the riverfront.

• Emphasize Mary Avenue as a pleasant pedestrian connection by extending the street safely across University Parks Drive to the river, using street pavers, crosswalks or signals (top image).

• Create sidewalks, signals, crosswalks and a view to the riverfront on Franklin Avenue to encourage pedestrians to cross University Parks Drive to the river. Franklin will also be an appealing connection for bikes to connect to the river and across the river.

• Build on the suspension bridge as a great pedestrian asset for Waco by connecting it to trails and the street system on either side of the river. Ensure that as a pedestrian when you land on either side of the bridge there is a safe way to enter Elm Avenue or downtown.

VISUALIZING PEDESTRIAN CONNECTIONS
Development on both sides of the river will be supported by more pedestrian and bicycle crossings.
Urban Design Goal 2
Create a downtown environment that promotes desired development and encourages the development of housing products for the increasing demand in one- and two-person households.

Strategy 1
Adjust development regulations to encourage housing in Greater Downtown.

While Waco’s urban core has flexible development regulations, some areas in Greater Downtown may have zoning that is not conducive to achieving desired results. Zoning in Greater Downtown should be reviewed and aligned with the plan. New tools such as zoning districts or overlays may be needed to encourage desired development.

ACTIONS:
• Review current development regulations in Greater Downtown to identify barriers to achieving desired development and a range of housing options.
• Align the Brazos River Corridor overlay with the Master Plan.
• Refine and expand the use of the downtown overlay.
• Analyze need for neighborhood overlays or new districts needed to implement the plan.
• Prepare small area plans to implement zoning and development regulations in key areas.
• Implement zoning and subdivision ordinance amendments to align development codes with the plan’s vision.
• Test zoning codes with market analysis to ensure that development is achievable.

TIMING:
Within first year.

RESOURCES:
To be developed.
Strategy 2
Rezone for mixed-use prototypes. Initiate and complete prototype buildings as demonstration projects.

About 24 percent of the land within Greater Downtown Waco is vacant, leaving much opportunity for infill development. However, infill will only occur if it is easy and profitable to develop. One of the best ways to encourage desired development is to create a “can-do” environment at the regulatory level and demonstrate successful projects on the ground. In addition, testing ordinance amendments will inform the policy changes required to create a regulatory environment to support these desirable building projects.

ACTIONS:
• Work with Greater Downtown neighborhoods through a small area planning process to create overlay zoning to preserve existing neighborhood character while allowing appropriate infill.
• Coordinate with the colleges and universities to provide student housing that is integrated into the existing neighborhoods.
• Develop a public-private partnership to identify land to develop a prototype of desired urban housing.

TIMING:
• Short-term (1-5 years) scope and build several of the prototypes that are feasible today.
• Long term (10-20 years) mid-rise or high-rise mixed-use residential

RESOURCES:
To be developed.
Urban Design Goal 3
Increase walkability and streetscaping of Greater Downtown Waco.

Streets that provide an attractive and walkable environment enable land uses to be more attractive and productive. Visitors who arrive by foot, bike, or transit can reduce the need for on-site parking, thus increasing the amount available for businesses or housing. Wide sidewalks, street trees and other pedestrian amenities provide an environment for businesses that depend on foot traffic and create a lively streetscape.

Strategy 1
Increase street trees and tree canopy in Greater Downtown Waco. Create a healthy tree canopy to enhance a pleasant experience for pedestrians and enhance neighborhood livability.

Strategy 1 addresses one of ImagineWaco’s established Guiding Principles: Increase density for sustainability, livability, walkability and cost-efficiency. Create an alternative to suburban living with places that offer a high-density urban environment with around-the-clock activity.

High temperatures are characteristic in Waco. Urban densities of buildings and streets have an effect of trapping and increasing those hot temperatures unless well balanced with greenery and shade. During the planning process people continually indicated that walking even short distances is not an option, especially in the heat of the summer, because of the unfriendly pedestrian environment. Though the urban core of Waco currently has very few streets trees, it can be a low cost strategy with great results.

ACTIONS:
- Set annual targets for increasing the tree canopy and tree counts in concert with population and development density increases.
- Implement tree planting requirements for new development, including parking lots and building setback areas.
- Develop a program to facilitate greening of streets and sidewalks by property owners in collaborations with non-profit organizations, the local school systems and private entities.
- Focus tree planting efforts on streets planned for pedestrian travel such as Mary Avenue, Elm Avenue, Bridge Street, Fourth and Fifth Streets and Franklin Avenue.

TIMING:
Ongoing, begin immediately, in conjunction with the roadway design recommendations in this plan.

RESOURCES:
Potential funding sources include utility bill surcharges, private donations, and non-profit organizations for planting, initial maintenance, sidewalk repair and replacement by City crews.
Strategy 2
Create an environment where walking is a viable, pleasant and easy choice for travel in Waco. Implement context sensitive and aesthetically pleasing streetscapes and plazas throughout the Greater Downtown using minimal construction.

The plan calls for enhancing specific streets in Waco to encourage more modes of travel and new activity. Each revitalized and redesigned street will require streetscapes and plazas that offer the pedestrian a pleasing experience as he/she transverses through the area.

ACTIONS:
In order to successfully create a truly liveable street network, the streetscapes and plazas much be updated in order to complement the redesigned streets, preferably in concurrence with implementing livable streets and the BRT system. The illustrations to the right show how a typical street in Greater Downtown Waco could be activated over time, resulting in social, economic and aesthetic improvements. Specific strategies include:

• Planting street trees.

• Infill with new buildings and businesses creates activity and destinations.

• Storefront improvements improve the visual experience.

• Creating on-street parking slows traffic and gives easy access to businesses.

• Install attractive street lamps and street furniture to enhance the aesthetic experience.

• Expand/reconstruct sidewalk network and ensure new sidewalk construction is wheelchair accessible.
TIMING:
Streetscape improvements should be performed in concert with transit and/or land development improvements and always using clustering to achieve a 100 percent experience at critical pedestrian intersections, café areas and transit station locations. The streetscaping should be performed in phases as an incentive to greater and greater land development investments. A program of proportional contributions to the streetscaping should be defined, so that private investors are obligated to contribute their fair share to the streetscaping project as development incurs.

RESOURCES:
To be developed.

Strategy 3
Improve access to Parks and Open Space

Strategy 3 addresses one of ImagineWaco’s established Guiding Principles:
Ensure that parks and open spaces are easily accessible to residents in every neighborhood in Greater Downtown - consider open spaces, parks, and trails as essential infrastructure.

To utilize parks and open space to their full potential they must be safe – both in reality and perception, and easily accessible by pedestrians and bicyclists.

ACTIONS:
- Continue to maintain existing facilities.
- Provide new parks, plazas, fountains and gathering spaces as warranted by population growth and changing demographics.
- Different types of parks are appropriate for different contexts. Ensure that downtown parks or plazas are designed to enhance the urban environment. These parks have different forms and functions than neighborhood and riverfront parks and playgrounds.
- Expand the Keep Waco Beautiful adopt-a-park/ street/spot program to help with park maintenance, beautification and civic pride.
- Add comfort and convenience features to parks. These include restrooms, drinking fountains, benches and shade.
- Explore opportunities for trails in areas that currently have few or none and connect these areas to existing trails.
- Continue to identify park components that need to be updated or replaced and develop a schedule, budget and methodology to complete improvements.

TIMING:
Immediate and ongoing.

RESOURCES:
The City of Waco Parks and Recreation Department will partner with various public and private entities to secure funding and achieve the above strategies. Explore partnerships with medical and health organizations when open space and recreation goals align.
Strategy 4

Create an Elm Avenue District. Revitalize Elm Avenue to become a vibrant main street district that serves local residents and is a destination for people to visit.

The ImagineWaco Vision sees East Waco as a vibrant neighborhoods centered around a revitalized Elm Avenue and Martin Luther King, Jr. Boulevard and a waterfront that has come alive.

ISSUES:
Though Elm Avenue was once a thriving retail center/main street with neighborhood businesses and vibrant neighborhoods there are now more vacant buildings and lots along Elm Avenue than there are occupied buildings.

ACTIONS:
• Preserve, improve and reuse existing historic buildings, specifically the Empire Seed building and similar structures.
• Create an active, family friendly plaza as the focal point of the Elm Avenue District. It will be bordered by Elm Avenue, Bridge Street and MLK.
Implementation Strategies and Action Items

Urban Design

• **Create a water feature** in the plaza that serves as a attracting feature. The water will be designed to come directly out of the ground so that the space is still attractive when water isn’t running and the space may be used for events.

• **Line both sides of the plaza** with diagonal parking

• **Provide seating in the plaza** and outdoor dining opportunities

• Build two 3-story anchor buildings on the corners of MLK and Elm and MLK and Bridge to create a gateway into the Elm Avenue District. These buildings will be easy to see from the opposite side of the river and when travelling on MLK.

• Infill along Elm Avenue and Bridge Street with small scale retail, offices and mixed-use.

• On vacant lots in surrounding neighborhoods infill with single-family, townhomes and small multi-family units.

• Use gateway features such as flags, hanging flower baskets, and pedestrian scale street lights to recognize the Elm Avenue District as a unique place.

**TIMING:**
Immediate and ongoing.

**RESOURCES:**
The newly created Downtown Development Corporation (DDC) addressed in the Organizational Structure section will partner with developers to assist with funding, acquisition and other steps necessary to go new development projects off the ground. The Chamber’s Economic Development team will be a partner in encouraging development on Elm and a liaison to new employers.

**Strategy 5**
Target the Mary Avenue/University Parks/ Franklin area for development and streetscape improvements.

**ISSUES:**
Waco takes pride in the successful businesses on the north side of Mary Avenue just off of University Parks Drive. Currently their front doors, or the doors most used, are accessed through a large parking lot on along Franklin. This strategy is an attempt to build off the successful businesses on Mary Avenue to influence development on Franklin Street.
ACTIONS:
• Create a cluster of new businesses and amenities around the Hilton and a new hotel on the corner of Franklin and University Parks Drive.
• Infill the parking lot on the north side of Franklin with new buildings.
• Build an anchor building on the southeast corner of Franklin and University Parks Drive.
• Maintain surface parking between Franklin and Mary to serve the businesses.
• Create a midblock break in the Franklin facing buildings for pedestrian and bike access.
• Create a private main street environment to access storefronts.
• Recapture historic loading docks on Mary Avenue as building access-ways and dining opportunities.
• Provide outdoor dining opportunities along storefronts on new “alley.”
• Consider integrating structured parking into the upper floors of new building – potentially at SW corner of Franklin and University Parks. Parking is critical for supporting the convention center, area hotels and River Square Center.

TIMING:
To be developed.

RESOURCES:
To be developed.
Organizational Structure Goal 1

Develop an organizational structure that ensures ownership of the ImagineWaco Plan.

A major component of the City’s competitiveness for new business projects and jobs will be in the quality of its economic development delivery system. To position the City and Chamber to integrate the ImagineWaco Greater Downtown Plan into this effort, the economic development system must:

- Provide the structure necessary to execute economic development for greater Waco as well as the place-based economic strategies for new business and residential investment in Greater Downtown
- Balance the private sector’s requirement for a highly efficient and effective structure with the public sector’s requirement for transparency and community engagement

Strategy 1

Create an enhanced economic development system that supports the focused place-based development objectives in the ImagineWaco Plan, as well as, the broad-based economic development objectives of greater Waco.

ISSUES:
There needs to be a specific, non-profit, private-sector led corporation that has the capacity to expand private-sector investment and concentrate development expertise and financial resources in the primary target places and employment sectors identified for Greater Downtown.

ORGANIZATIONAL STRATEGY #1:
Create a Downtown Development Corporation (DDC). This corporation would be a privately led, non-profit corporation focusing on real estate development projects and programs for Greater Downtown. It enhances the effectiveness and efficiency of the overall development services system by leveraging private investment in Greater Downtown Waco on projects/programs with the greatest economic potential or need. This is a significant role for a partnership to engage in revitalizing the Greater Downtown and provides focused support for catalytic projects which could generate new income and prosperity for the City.
Organizational Structure

The DDC:

- Implements or ensures other organizations (public, non-profit or private) are implementing relevant parts of the ImagineWaco Plan. In essence, this organization is the “owner” of this strategy, even if it does not directly implement each part of it.
- Partners with the City, Greater Waco Chamber, TIF District, Waco Industrial Foundation, Hispanic Chamber, African-American Chamber, and the Public Improvement District.
- It is empowered to act as the catalytic developer for Greater Downtown and the riverfront and is the designated owner of abandoned buildings or vacant land in the area that the City or other civic entities own. It plays a critical development role, and needs to have public representation on its board to ensure collaboration between public and private entities (i.e. funding for infrastructure and other incentives moves forward in support of private development). The mid-term goal is for the DDC’s development role to be supplanted by the private real estate development industry.

Functions of DDC:

- Conduct policy and planning to facilitate development downtown
- Talk to prospective retailers and businesses identified by the economic development
- Aggressively pursue developers and lobby for development
- Act as liaison / navigator for enterprises entertaining downtown as a location

ORGANIZATIONAL STRATEGY #2:
Chamber’s existing Economic Development team should remain charged with directing overall economic development marketing services throughout greater Waco and being advocate for new leads, but should also place special emphasis on Greater Downtown:

- Needs to have a coordinated strategy to communicate the downtown story to prospective target companies/industry sectors via the DDC which represents the City’s and the private sector’s interests in downtown
- Prospective new employers that fit the “downtown employer” profile need to understand the level of effort and investment being dedicated to the downtown area and the benefits their organization could realize by locating there:
  - Walkable (and Transit) access to restaurants, entertainment, open space
  - Supportive of small business and entrepreneurs
  - Downtown location & lifestyle increasingly sought by young, educated workforce
ORGANIZATIONAL STRATEGY #3:
The City of Waco, including its Economic Development team, should continue to play an important role in maintaining regulatory compliance, contract and application administration, and most importantly, real estate finance functions and management of development incentives:

- TIF Funds Management
- Bond Fund Financing
- PID Administrative Functions (maintenance of completed projects, financial reporting)
- Multi-jurisdictional Collaboration
- Manage loan/tax credit/incentives
- Execute development requests for funding

ACTIONS:

- Empower this organization to act as the catalytic developer for Greater Downtown and the riverfront in particular. Be the designated owner of abandoned buildings or vacant land in the area that the City or other civic entities own.

- Develop a land acquisition strategy for all parcels essential to the Plan and have the DDC approach each property owner.

- Develop a government and foundation grant strategy between DDC and the City to approach funding sources together for various aspects of the ImagineWaco Plan.

- Funding will initially be through corporate or foundation contributions but within 3-4 years this effort must be financially self-sufficient from development fees, commissions, public improvement tax assessments, sale of land, etc.

- Work with existing property owners and institutions which might coordinate their development activities with the DDC.

- Maintain a website and newsletter to inform the surrounding community of the planning process and implementation for the entire Greater Downtown.

- Meet with Baylor University leadership to discuss their interest in integrating with the Greater Downtown.

- Develop and implement a marketing program to communicate to the region the plans and changing nature of the Greater Downtown - provide a thorough education on the opportunities downtown in order to benefit existing and future stakeholders

- Ensure that the downtown urban core is depicted as supportive of entrepreneurs and small businesses.

TIMING:
Organization of DDC should begin now.

RESOURCES:
The Board should include downtown stakeholders and other private stakeholders that have a vested interest in the success of downtown.
Organizational Structure Goal 2
Actively attract new residential development while creating amenities for residents.

Attract retail and entertainment development to the City that is unique to Waco (urban green spaces along the river, vibrant streets on evenings and weekends, etc.) By providing urban amenities that appear unique and safe, Greater Downtown can increase its capture of greater Waco demand.

Strategy 1
Create an 18-hour environment for downtown urban core of Waco.

ISSUES:
The activity in the downtown urban core is improving but requires additional residential households to help spur demand for retail and entertainment venues that typically follow concentrations of activity (i.e. residents and/or employees). Downtown Waco currently has a notable daytime presence given the local businesses downtown, but without a stronger concentration of residences, a thriving, more dynamic downtown remains elusive.

Baby boomers, the young Generation Y population and retirees often prefer walkable downtown locations. The downtown urban core of Waco has not been perceived as a desirable place to live in the past by these groups. College graduates tend to leave Waco to live in other places. Interesting housing options are limited. A number of factors are important in changing this perception – the provision of pockets of density and activity, a regulatory environment that makes it easy to build desired development, and regulations that allow the reuse of existing buildings and the retention of neighborhood. Demonstration projects will illustrate the feasibility of infill buildings that Waco residents supported during the community workshops.

ACTIONS:
• Educate developers on the market opportunities for residential in the Greater Downtown.

• Attract these demographic classes, identified below, driving urban housing growth:
  • Students – Students are a captive market audience, particularly graduate students, that can be woven into downtown’s fabric in the near term while the City improves job opportunities for young professionals
  • Young Professionals – Young professionals seek an authentic urban experience in hip, edgy districts
  • Entry-level Professionals – Seek value in the proximity to employment cores/amenities
  • Empty Nesters/Never Nesters – Seek luxury upscale units close to culture and events

• Invest in the necessary infrastructure to expand upon and grow additional walkable environments.
Organizational Structure

• Create or expand upon clean and safe programs to include activities such as retail tenant recruitment, site selection assistance, and urban management services

• Continue to improve and dedicate public spaces

• Target investment in urban transit

• Convert obsolete office space to residential (see organizational structure goal 3)

• Educate land owners and developers on opportunities

TIMING:
The education process with local developers should begin in the coming months.

RESOURCES:
RCLCO’s market study can be consolidated into a quick presentation suitable for developer audience to convey the opportunities that exist in the market given market trends, economic development initiatives of the City and Chamber.

Organizational Structure Goal 3
Convert obsolete office space to residential where appropriate.

The short-term impact of transforming vacant space into occupied residential units – an option that has been met with some success already in Waco - means a significant increase in the number of households in and around Greater Downtown.

Strategy 1
Create an 18-hour environment for the downtown urban core of Waco while removing vacant, obsolete office space from the market.

ISSUES:
Delivering affordable residential opportunities in the downtown urban core is a challenge with new construction.

ACTIONS:
• In the medium-term, employers who value proximity to a labor pool of young, upwardly-mobile, well-educated professionals may find a competitive advantage in a downtown area location that is heavily-populated with this increasingly-competitive and desirable labor force.

• Based upon current housing consumption in the Greater Downtown, these households would be comprised largely of urban young professionals (both singles and couples) who value an authentic urban experience, place a premium on the ability to walk or bike to work, appreciate a variety of urban resources and amenities (such as bars, restaurants, fine arts, cultural events), and for whom multi-family living is appealing.
• The removal of vacant sub-par office buildings from the downtown building stock would perhaps minimize the capacity for companies to pursue this urban option at a discount. A more likely scenario is that limiting supply may have the effect of increasing demand, pushing lease rates up to the point where new multi-tenant (speculative) office construction becomes market-feasible.

• Educate land owners and developers on opportunities

TIMING:
Market demand will dictate timing, but opportunities need to be marketed to developer prospects in the near-term.

RESOURCES:
RCLCO’s market study can be consolidated into a quick presentation suitable for developer audience to convey the opportunities that exist in the market given market trends, economic development initiatives of the City and Chamber.
Transportation Goal 1

Adjust parking requirements and implement innovative parking strategies.

Suburban parking requirements, standards and attitudes will not foster the environment desired in Greater Downtown Waco. Reduced parking requirements and shared parking opportunities support a broader range of development.

Strategy 1

Reduce the number of parking lots, and instead develop multi-story parking garages to open new areas for commercial and mixed-use development.

Downtown urban core parking is currently located on surface parking lots scattered throughout the downtown area. While new development will require additional parking spaces, and as development occurs there will be more parking than there is today, this parking can be provided more efficiently than it is now. Combining public and private spaces for multiple uses has been shown to substantially reduce the number of new parking spaces needed.

In addition, real demand for parking may be lower than expected due to the potential for two other factors: internal trip capture and the use of alternative travel modes.

Downtown urban core parking can be better located, organized and managed. In addition, as the downtown area becomes denser and mixed in uses, parking strategies that increase the efficiency of parking lots can be employed, potentially reducing the number of spaces needed for each use.

The Urban Land Institute (ULI) defines shared parking as “the use of a parking space to serve two or more individual land uses without conflict or encroachment.” This strategy is generally viable because parking demand for any land use varies throughout the day. For example, the demand for office parking falls in the middle of the day and in the evening, while demand for restaurant parking is typically highest at these times.

When an appropriate mix of uses is present, the shared parking concept can be used to make more efficient use of existing parking and to reduce the amount of parking required for new projects. This
can have the effect of facilitating new development or redevelopment that would otherwise not occur.

ISSUES:
Existing parking lots within Greater Downtown can be better used for commercial and/or mixed-use developments.

ACTIONS:
• Create and implement a shared parking strategy for Greater Downtown Waco.
• Educate developers about shared parking in Greater Downtown Waco.
• Encourage public shared parking lots in the urban core. Lots should be located in central locations and should be planned to be redeveloped as parking garages with ground-floor retail when demand is sufficient.
• Create an in-lieu fee program which allows developers to reduce on-site parking by contributing to a public shared parking facility.

TIMING:
This task should be completed when needed, and when the City is financially capable of doing so.

RESOURCES:
Use available remaining monies from any applicable state and federal monies. Additionally, an in lieu fee program can be created by the City and used by developers who seek to reduce on-site parking through a shared parking lot/structure.
Transportation Goal 2
Create livable streets.

Creating a mixed-use and pedestrian/bicycle/transit friendly community in the Greater Downtown based on context sensitive principles that successfully connects to the current circulation network is key to plan implementation.

ISSUES:
The current transportation system is focused on moving traffic through the downtown rather than creating an environment where streets are integral to the urban design of the downtown.

Strategy 1
Designate catalyst street projects to create a robust circulation network with livable streets:

- Fourth and Fifth Street redesigns
- Elm Avenue and Bridge Street reinvention
- University Parks improvements
- Waco Drive
- Washington and Franklin redesigns
- Austin Avenue from 9th to 18th

Strategy 2
In order for the City to be successful in creating a livable street system, the following catalyst projects should be completed concurrently with transit improvements.

FRANKLIN & WASHINGTON AVENUE ACTIONS:
- Continue one-way operation
- Re-purpose two through lanes for transit, on-street parking and cycle track
- Plan for station locations every ¼ mile
- Sidewalk and landscape improvements
- Colored/textured crosswalks at intersections

FOURTH STREET IMPROVEMENT ACTIONS:
- Two one-way through lanes
- Re-stripe lanes to include 8’ parallel parking and 5’ painted bike lanes on the south side
- 14 foot transit lane on the north side
- Plan for station locations every ¼ mile
- Curb extensions and colored/textured crosswalks at intersections
- Design varies based upon transit implementation
- Sidewalk and landscape improvements

FIFTH STREET IMPROVEMENT ACTIONS:
- Two one-way through lanes
- 14 foot transit lane on the south side
- Plan for station locations every ¼ mile
- In areas without transit, 8’ parallel parking and painted 5’ bike lanes on one side
- Sidewalk and landscape improvements
- Colored/textured crosswalks at intersections
ELM AVENUE IMPROVEMENTS ACTIONS
Pedestrian-oriented Main Street

- Two through lanes
- Angled on-street parking
- Increase the pedestrian realm connectivity to East Waco
- Occasionally parking will be absent for use of larger street café’s

UNIVERSITY PARKS REDESIGN ACTIONS
Urban Boulevard

- Initially Re-stripe lanes to accommodate 6’ painted bike lanes on both sides
- In coordination with an enhanced transit system, convert the outside lane to a slip lane, add parking and access for transit stations
- Complete conversion with the addition of a pedestrian realm in coordination with new urban land development patterns

WACO DRIVE ACTIONS
Multimodal Arterial

- Median improvements
  - Access management corridor plan
- Bus turnouts
- Intersection improvements
  - Storage lengths
  - Crosswalks (ADA compliance)
  - Driveway cleanup
  - Aesthetic improvements
MARY AVENUE ACTIONS
Festival Street
- Install removable bollards that can be used to close street
- Install permanent bollards on street corners to separate travel realms
- Amplify streetscaping with permanent overhead street hanging lights
- In coordination with an enhanced transit system project resurface street to have a flush curb, centerline drainage and electrical/water boxes installed for temporary vendor use

VARIOUS STREET ACTIONS:
- Calm and add pedestrian and parking accommodations to existing streets with bulb-outs, planting areas and slow points
- Inspect and improve sidewalks to accommodate two adults walking side-by-side (six feet)
- Define bike route connections to downtown multimodal streets
- Improve pedestrian lighting

TIMING:
Livable street improvements should be performed in concert with transit and/or land development improvements and always using clustering to achieve a 100 percent experience at critical pedestrian intersections, café areas and transit station locations. Completion of the livable streets should occur first in the downtown urban core, where present development located then moving toward I-35 and west as a incentive to development.

RESOURCES:
To be developed.
Transportation Goal 3
Develop multi-phase mass transit plan.

Strategy 1
Incorporate a multimodal transit circulation network into the current transportation network of Greater Downtown.

ISSUES:
High-quality transit is a vital component of urban vitality. Streetcar, Diesel Multiple Unit (DMU), High Speed Rail and BRT systems all have a positive impact on land value by strengthening the connection of adjacent neighborhoods to the downtown urban core. The economic impact of streetcar and DMU outweigh that of rubber tire technology. Coupling transit improvements with pedestrian and bicycle investments and re-routing buses to feed the lines from adjacent neighborhoods will create a truly multi-modal system that enhances the Greater Downtown experience.

ACTIONS:
The best way to approach this task is to implement a transit system that will serve both north-south and east-west mobility for downtown and adjacent neighborhoods. The success of these starter lines will be realized not just by the immediate ridership, but by the new form of access and circulation that will translate into improved urban land development forms and investments. The second and third tier transit systems should be pursued through the FTA new starts, urban circulator and DOT TIGER grant procedures.

TIMING:
The DMU and the first phase transit system should occur in the short-term as a package using local and federal funding streams. Private partners such as Baylor and Riverfront developers should be approached as partners in the construction of stations. The later phase transit improvements should begin feasibility studies in the short-term and expect to be funded in the five year planning horizon.

RESOURCES:
Explore converting TIF equity into a bond for matching to federal grants for capital costs of first phases. Assure FTA, DOT and HUD credit for investments to be used as match on future transit. Local transit feasibility studies for the routes should focus on meeting the DOT, HUD, EPA Livability Principles, FTA Urban Circulator and Streetcar guidelines and removing/averting design obstacles.
Building Connections Goal 1
Connect educational institutions and downtown.

Coordinate with educational institutions from grade school to advanced education. Tremendous institutions with a presence in downtown include:

- Waco Independent School District
- MCC/University Center
- TSTC
- Baylor/Research Center

**Strategy 1:**
Establish a communication process between Baylor and the City to ensure open communication and coordination to maximize benefits of joint planning activities.

**ACTIONS:**

- Partner with Baylor and other educational institutions to ensure that plans are integrated and that clear connections exist between campus planning and the city’s efforts.

- Accommodate the growing needs of the educational institutions and supply high quality housing and supporting businesses and services for employees and students within the plans.

- As campus plans are developed, encourage institutions to share their operation and expansion plans with the city and neighbors.

- Develop mutually supportive policies to encourage and support the development of attractive, high quality housing and supporting businesses and services around campuses.

- The city should leverage the economic activity generated by educational institutions such as demand for housing, services, retail, lodging and office uses nearby, as part of or in coordination with campus planning efforts.

- Coordinate campus planning activities with transit planning and investments.
Strategy 2:
Coordinate transportation with Baylor – seamless transport between downtown and Baylor.

ACTIONS:
• Implement streetscape improvements at strategic locations on 4th and 5th Streets to improve connectivity between downtown and Baylor.
• Improvements include trees to reduce weather exposure, benches and traffic calming for safe crossings.
• Plan for transit connections, including streetcar connections.

Strategy 3:
Build transportation linkages between downtown and the MCC and TSTC to enable students to access downtown amenities.

ACTIONS:
• Implement an enhanced bus system between these campuses and downtown.
• Review and enhance bike trails between campuses and downtown.

Building Connections Goal 2
Connect arts and culture.

Strategy 1:
Market and build on a rich offering of arts, heritage and “romance of history.”

Waco has museums, art galleries, performance venues and historical monuments that are statewide destinations. However, while some towns have all these venues grouped together into a easily defined district, these uses are scattered throughout Greater Downtown Waco and beyond.

ACTIONS:
• Encourage existing and new arts facilities downtown.
• Cluster arts facilities when possible.
• Make destinations walkable – connect together.
• Integrate with restaurants, shops, and other compatible destinations.
• Support public art, including Branding the Brazos public art displays.
• Until the TXU site can be relocated, explore mounting a neon exhibit on I-35 Power Plant.
• Explore neon and mural opportunities.
• Light bridges with decorative lighting.
• Support cultural and arts institutions’ efforts to market together.

TIMING:
To be determined.

RESOURCES:
To be determined.
There is a new notion of urbanism growing. “As you look at the cities that are going to thrive in the next century, there’s a belief that we’re entering the urban century, Michael Smith, CEO of Center City Partners in Charlotte says, “There’s a new urbanism that’s not about cul-de-sacs or expressways. It’s sidewalks, bike paths and parks.” Waco citizens embrace the idea of implementing “green” strategies that are focused on providing an environment built for people – one which takes advantages of Waco’s natural assets and creates an environmentally friendly lifestyle that is more efficient and sustainable over the long-term. Waco citizens have expressed a desire to be a model in Texas and nationally – on how to incorporate sustainable best practices into the day-to-day business environment. New ideas today can become a business generator for tomorrow.

Sustainable Goal 1
Promote the community’s sustainable and green programs.

The city of Waco has implemented a number of sustainable practices into day-to-day operations. These practices, described below, lay the groundwork for Waco becoming leaders in sustainable design and development.

CURRENT CITY PRACTICES INCLUDE:

- Extend landfill methane gas line to Mars Snack food
- Continue to support Keep Waco Beautiful with staffing and website, lake and river cleanups, annual compost/mulch sales, recycling, education in schools and at community events
- Use waste to energy program at the waste treatment plant
- Implement fertilizer products for farmers at the waste treatment plant
- Building gray water line to Cottonwood Creek golf course and Texas Central Park
- Implement Waco Wetlands program
- Install LED lights in downtown streetlights
- Have curbside recycling program for residents, apartment buildings and businesses
- Use grease collection centers for residents and collection truck for restaurants
Strategy 1
Promote existing and new practices nationally in economic development efforts. Businesses, new residents and students respond favorably to green initiatives.

ACTIONS:
• Conduct seminars and workshops on advantages of being “green”.
• Work with educational institutions to develop courses on sustainability practices.
• Promote green practices on website and in correspondence.

Sustainable Goal 2
Reduce energy use in city facilities and city infrastructure.

The most forward-thinking of municipalities are pursuing a smart path of energy conservation and reduction. Whether seeking alternative sources to power in all city functions including traffic lights or instituting public employee shared vehicle programs, city government and nonprofits can lead the way in the use of alternative energy.

Strategy 1
Reduce fuel and energy use in city buildings, facilities, and by city employees

ACTIONS:
• Continue to replace older city-owned cars, trucks, and buses with more fuel-efficient hybrid and electric technology vehicles when making upgrades to the city fleet.
• Each year switch a city department facility to use sustainable energy until eventually all city departments run on renewable green power.
• Consider making solar array installations on public facility buildings over time similar to the array on the Waco Chamber of Commerce building.

TIMING:
Assess City resources available for new programs or shifting of funds from the existing budget to new programs. Once a budget is established, set goals to be achieved within a 2-5 year cycle.

RESOURCES:
Upgrading to fuel-efficient vehicles can be funded by the city’s maintenance and operation budget since these costs will be incurred regardless. Some of the increase in vehicle costs could be offset by a reduction in fuel use. The city should consider applying for EPA, DOE, and other federal grants to fund energy efficiency improvements such as solar installations.
Sustainable Goal 3
Increase awareness of and support green practices in private industry.

Strategy 1
Support alternative energy use in private industry through incentive and reward programs.

ACTIONS:
• Establish a certification and rewards program to acknowledge Waco businesses that use alternative energy and innovative practices to reduce energy consumption.

• Host an annual Waco Green Business Awards program to highlight the achievements of businesses such as Mars Snackfood for their use of methane gas from the city landfill to power their operations, and Allergan Pharmaceuticals for reducing their energy use by 35 percent in their manufacturing process.

• Work with energy companies to acknowledge green power business customers and promote green power programs for downtown businesses.

• Consider providing loan or funding to start a biofuel manufacturing business in Waco. Upon the establishment of a viable biofuel business, the city could infuse biofuel in city diesel fleet vehicles and encourage or require solid waste haulers and collectors to include a certain percentage of biofuel in their fuel composition over time.

TIMING:
The City and Chambers of Commerce should work together to evaluate how best to encourage green practices in businesses. The certification and rewards program could be started soon after developing an overall strategy and a special program started within the city’s Economic Development department.

RESOURCES:
A special budget to fund the program will need to be set aside with the Economic Development budget or other business support program budget but most of the program could be absorbed within existing budget finances.

Sustainable Goal 4
Increase the City’s green infrastructure to manage stormwater runoff, stop the spread of invasive plants, restore native vegetation, protect sensitive natural areas, and support fish habitat.

Intense Texas summer storms can dump several inches of rain within an hour and cause dangerous flooding, property damage, and public safety concerns. Stormwater runoff also carries toxins such as oil directly into the Brazos River harming fish populations and recreational use. Green infrastructure within the city helps absorb, slow, and naturally filter the onslaught of rain and stormwater runoff by capturing rain in vegetated bioswales, ecoroofs, tree wells, gardens, and other plantings. These same features also provide shade, mitigate heat, buffer the
urban environment, and provide natural beauty. From Chicago to Portland to Austin, municipal ecoroof and green infrastructure programs incite civic pride and are becoming a necessity for maintaining a healthy relationship between built and natural environments.

**Strategy 1:**
Establish a Greater Downtown Waco “Grey to Green” initiative that provides incentives and programs to increase the amount of green infrastructure downtown.

**ACTIONS:**
- Collaborate with educational institutions to install a series of test ecoroofs on public facilities or university buildings to study which native prairie and drought tolerant plants produce the best results in retaining water with the least amount of maintenance.
- Establish a standard to plant drought tolerant yard trees and street trees for shade and stormwater retention.
- Work with the Texas Parks and Wildlife to restore native vegetation along Brazos River banks.
- Work with the transportation department to construct a series of test bioswale facilities in areas prone to flooding.
- Work with and provide incentives for new construction projects to include green infrastructure features such as bioswales, ecoroofs, and drought-tolerant native plantings.
- Control the spread of invasive plants on parkland and within natural areas.
- Purchase and protect high priority natural areas.

**TIMING:**
Establish a series of Grey to Green goals to accomplish within the span of a 5 year period and build programs within existing City departments to accomplish those goals. The City Environmental Services Department should manage, staff, track, and support the work of increasing green infrastructure in Greater Downtown Waco.

**RESOURCES:**
To be developed.

**Strategy 2:**
Explore the use of green stormwater infrastructure in areas needing infrastructure improvements such as East Waco.

Cities are increasingly using green infrastructure as a way to deal with stormwater runoff and provide neighborhood amenities.

**ACTIONS:**
- Research model projects in other southern states to incorporate in stormwater best practices.
- Implement a program to improve infrastructure in underserved areas using green infrastructure.
- Provide park and open space amenities as part of a green infrastructure.
Sustainable Goal 5
Improve the environmental quality of Greater Downtown Waco

Strategy 1:
Reduce the use of toxins by city parks and buildings.

ACTIONS:
• Establish a pesticide-free park to test the application and use of organic fertilizers.
• Each year phase out known hazardous pesticides on city parks, gardens, and landscaping.
• Phase out harmful cleaning products used in the cleaning of city buildings, facilities, and schools.
Potential Project Development Programs

Based upon development economics and implementation constraints, there are several different paths the City could take in spurring development at the near-term development sites. Each option is summarized below.

Option #1
Market-Driven Development with Zoning Intervention on Privately Held Properties

**Description**
Under this scenario, the zoning codes, design guidelines, and other recommendations associated with the Imagine Waco Plan would determine the allowable uses and achievable densities within the various components of Greater Downtown, and the Plan would serve as the guiding document to determine what land uses would be encouraged to locate in particular areas.

The public sector would have the right to plan infrastructure and roadways in accordance with the Plan, under the assumption that such fixed investments could over time help guide growth into the places suggested by the Plan. The public sector would also take on the responsibility of communicating the Plan vision to the landowners within Greater Downtown.

**Mechanics**

- Near-term development projects would be developed based upon market forces that would respond to the signals given by the zoning changes and infrastructure investments.
  - Private developers would engage existing land owners in transaction discussions and ultimately purchase land parcels and develop them in accordance with the Plan zoning, design guidelines, and overlays
  - **Or**...
  - Land owner(s) would be educated on the near-term market opportunities and encouraged to develop their properties on their own

- Public sector collects funds from the primary funding sources (TIF, PID, Developer Contributions, newly formed Downtown Development Corporation, etc) to fund infrastructure improvements recommended in the plan.

**Assessment**
Development economics combined with the need for one or more developers to engage in potentially multiple transactions with multiple landowners suggest that the near-term development opportunities in Greater Downtown may take even longer than the market could otherwise reasonably absorb. This is because individual negotiations can take a very long time and the project will depend on how efficiently and effectively these negotiations could take place.
Economic Assessment

Furthermore, there is significant debate in market-clearing land prices, and this bid-ask spread will complicate negotiations.

**Pros**
- Requires little or no public monies for land acquisition
- Does not require public sector involvement in the development process
- Imagine Waco Plan can be adequate to guide zoning changes and design guidelines
- Market forces execute the development

**Cons**
- No control over ultimate design or execution of projects
- Development might never happen given underlying development economics
- Requires developer interest to engage in potentially protracted negotiations with landowners – market conditions do not suggest that developers are eager to engage in these negotiations currently because many easier options exist

**Option #2**
Downtown Development Corporation as Developer and/or Bulk Sale

**Description**
Under this scenario, the Downtown Development Corporation, recommended in previous sections of this report, acts as the single steward for development on City-owned or privately-owned land targeted for near-term development projects. The DDC, in conjunction with the public sector, would have the authority to enter into transactions, issue and assume debt, acquire and divest of property, and a host of other factors relevant to the act of real property development. As stated previously, the DDC would need to be seeded with monies either in actuality (via grants, public transfers, or fundraising) or other assets in lieu of monies (lands, properties, other assets, etc.) in order to capitalize the entity in the early years. If it is deemed necessary to acquire lands to spur development, the DDC would be authorized to enter into transactions and negotiations with land owners – issuing debt if need be to cover excess expenses – and assemble the lands for the near-term development opportunities.

Once property is under ownership (obviously there will be no acquisition efforts necessary on City-owned property), the DDC would act as developer, managing the planning process to come up with a conceptual design/development program, entitling the land for said development concept, and ensuring that infrastructure (especially water and sewer trunk lines) are brought to the site, if not already present. The DDC will have to ensure that zoning and design guidelines for the project are in accordance with the Plan. Once this process is completed, the DDC would have the option of soliciting builder bids and moving forward with parcel take-down(s) for land to be developed in accordance with the conceptual plan, OR hiring a fee developer to direct and manage this process.\(^1\) The fee developer would act on behalf of the DDC but at a professional services cost with a success fee contingency.

One variation on this scenario involves the DDC selling the land (either City-owned or newly acquired
land) to a developer to conduct the entitlement and infrastructure process for them, eventually leading to builder take-downs but acting with strict adherence to the conceptual plan. In the case of a land sale, the DDC would likely have to entertain an RFP process to secure a land developer and negotiate terms/price with that developer. There are certain legal requirements regarding the procedure for a city to acquire such real property and limitations on the city’s ability to sell or grant the land to a business entity.

The advantages to creating the DDC in lieu of the public sector solely executing the above tasks are:

1. Single point-of-contact that has one responsibility: develop near-term opportunistic projects in Greater Downtown
2. Politically-removed and an “Authority,” not an “Agency,” but comprised of public and private interests
3. Can function almost like a business entity

Mechanics

- Public sector work through existing legislation to authorize and charter Downtown Development Corporation (DDC) whose charge it is to execute near-term development projects
- The DDC uses public sector tools available (public funds, bond/debt issuance, etc.) to engage in negotiations and property acquisition transactions with owners of properties identified as near-term development opportunities

- DDC either:
  - Develops the land on its own and moves to sell parcels to builders upon completion of development-ready pads or super pads
    - *Or…*
  - Secures a developer via RFP to purchase the land from the public sector and then develop the site
    - *Or…*
  - DDC retains a fee developer to develop the site

RCLCO Assessment

This approach creates one dedicated entity whose sole responsibility it is to create spur near-term development opportunities. From a public sector side, it involves ceding jurisdictional control and authority to a Development Corporation with quasi-public roles and responsibilities. There are a variety of types of Development Corporations in the State of Texas, and a thorough examination of the legal structures of such organizations needs to be conducted to ensure such an entity is feasible.

The DDC would function much like a private developer, except that its primary goal is not profit-generation but rather the execution of near-term development projects to catalyze future private-sector investment in Greater Downtown. In this regard, it is a solid combination of private sector business
agility and motive with public sector objectives and agendas. The DDC would have to be funded up-front, however, with monies that have not yet been identified for property acquisition, should acquisition be necessary. Alternatively, the DDC could be given assets, such as non-related real estate, that could be monetized to fund the acquisition and development process.

**Pros**
- Accelerates the development process
- Combines public goals with private-sector mentality
- Allows for political responsibility to DDC Board while maintaining development discipline and focus on the dollars and sense
- Provides a single entity who will steward the near-term developments from concept to completion
- Can rely on private sector expertise either in a limited role or in an expanded role, depending upon the discretion of the DDC and available funding

**Cons**
- Requires up-front capital for property acquisition (not an issue on currently-owned City property)
- If acquisition required, the land may be at a cost that is beyond that which a developer would pay for that land today
- Requires creating a separate entity that has quasi-private motives and dashed lines of political accountability

### Option #3
**Public Private Partnership on Privately Held Land**

**Description**
This option is almost identical to the DDC Option #2, but involves a slightly different mechanism in order to conduct land acquisition. Instead of acquiring land via transactions, the DDC engages land owners in a constructive negotiation and then land owners place their land into the planned development(s) as equity contributions. They do this in exchange for a preferred return on the upside of the land values once the DDC develops the land (either on its own or via sale to a developer).

This allows the DDC to move forward with developing key parcels with near-term development potential without the need to raise capital for the acquisition of privately owned parcels. It does, however, require an extensive and involved legal process for constructing the terms of participation and structuring the mechanisms for equity return to land owner/investors.

**Pros**
- Accelerates the development process
- Combines public goals with private-sector mentality
- Allows for political responsibility to DDC Board while maintaining development discipline and focus on the dollars and sense
- Provides a single entity who will steward the near-term development opportunities from concept to completion
- Requires little or no up-front capital for land acquisition
**Cons**
- Requires creating a separate entity that has quasi-private motives and dashed lines of political accountability
- Requires complicated legal and financial structuring and management to create the partnerships

**Option #4**
**Public Private Partnership on Publicly Held Land**

**Description**
This option is almost identical to the DDC Option #2, but instead of engaging in parcel take-downs or bulk land sales to qualified builders/developers, the land would be leased. This allows the DDC to move forward with developing key parcels with near-term development potential by offering developer’s an incentive to develop rather than an opportunity to purchase developable land. In this instance, the developer avoids the up-front acquisition cost and capital outlay that many developers are unable to engage in during the current lending environment. Although the City will not receive the benefit of a land sale, it will likely result in more developer interest and could further accelerate the development process. It does, however, require an extensive and involved legal process for constructing the terms of participation and structuring the land lease agreements; however, this is a common public private partnership structure which has been accomplished frequently throughout the state.

**Pros**
- Accelerates the development process
- Combines public goals with private-sector mentality
- Allows for political responsibility to DDC Board while maintaining development discipline and focus on the dollars and sense
- Provides a single entity who will steward the near-term development opportunities from concept to completion
- Requires no up-front capital from developers for land acquisition

**Cons**
- Requires creating a separate entity that has quasi-private motives and dashed lines of political accountability
- Requires complicated legal and financial structuring and management to create the partnerships.
Economic Trends
The annual household growth in the GDW was 0.4 percent from 2000-2008, compared to the Waco MSA, which achieved a compound annual growth rate of 0.6 percent over the same period. These rates are forecasted to increase to 0.7 percent and 0.9 percent respectively over the next five years, as the Waco economy improves, and the state of Texas continues to experience strong job growth relative to the nation overall.

There are good reasons for the of an increased downtown residential growth strategy to succeed. First, Waco’s surrounding region is expected to continue to grow between now and 2050. Waco is situated between three major and growing megapolitan regions, Dallas, San Antonio-Austin, and Houston.

Three separate population forecasts for the Waco region, The Perryman Group, RCLCO based on Chamber of Commerce and TX Comptroller data and Moody’s Economy, estimate annual growth on the order of 2,500 to 3,100 people per year, for an annual growth rate of about 1 percent. The same three forecasters also predict employment growth in the Waco region. Between 2008 and 2035, growth could be between 1,500 and 1,800 jobs per year. In the short run, each scenario assumes a different response to the recession of 2008-2010, but overall, employment growth is expected to be positive over the next 25 years.

Figure 1: Megapolitan America

Source: Virginia Tech Metropolitan Institute, 2006, RCLCO
Housing Profile/Housing Need
Between 1985 and 2000, just over two-thirds of U.S. household growth was comprised of one- and two-person households, and the U.S. Census anticipates that approaching 90 percent of the household growth until 2025 may be comprised of one- and two-person households.

Much of this growth is being fueled by the aging baby boomers. As they become empty nesters and eventually retirees their lifestyle and corresponding housing needs change. This shift is significant as many of these aging households are becoming increasingly interested in simplifying their lifestyles and place increasing importance on convenience. Among the simplifications many are considering is their residence, with increasing numbers of baby boomers opting for townhouses, small lot single-family homes and rental apartments; all products appropriate for town center locations. In Waco, this is likely to represent a shift in housing demand from existing households as well as potential influx of new residents, many of them baby boomers.

Approximately 30 percent of baby boomers, more so than the previous generation, indicates they will choose “affinity locations” such as college towns and small towns for retirement, and 43 percent indicate that they prefer to live within walking distance of a variety of services including shopping, restaurants, and a doctor’s office.

FOR-SALE RESIDENTIAL OVERVIEW
Based on the growth in smaller households as well as growing preferences for high-density housing among all households, it is likely that the coming decades will be witness to increased overall demand for higher-density housing. Nationally, there may be as high as a 140 percent increase in demand for higher-density housing (over levels calculated by using the 2005 American Housing Survey distribution), and approximately half of these units will likely be demanded in dense, mixed-use, walkable neighborhoods.

It is important to note that while RCLCO’s research and related research highlight a growing preference for high-density living arrangements, RCLCO’s data indicate that today traditional suburban-style development is still most preferred by almost 50 percent of potential homebuyers nationally, a trend that is slightly higher in suburban locations.

The GDW has experienced limited residential development during recent years. The most notable new project is the Austin Avenue Flats, a 49-unit mixed use development at Heritage Square. Originally, Austin Avenue was developed as condominiums priced from $120,000 to $495,000. Early sales were lackluster so the projected converted to rental and now rents for $850 to $2,400 per month. Other than Austin Avenue, the only other development has been a handful of small infill condominium units proximate to downtown. Most multi-family units in the downtown area continue to be for-rent and the market for condominium and townhomes units is still unproven.

RENTAL RESIDENTIAL OVERVIEW
The apartment market in downtown Waco is very large and primarily targeted to Baylor University students. Baylor has approximately 14,500 undergraduates, graduate students, and professors, only 36 percent of whom are housed on campus. That means that over 9,000 students require off campus
housing.

Households in the GDW generally have lower incomes than the Waco MSA, with 99 percent of households earning less than $75,000. This data is somewhat misleading as sizeable percentage of households are made up of students who typically earn modest (or no income) in relation to the working population. Still, this income distribution does illustrate that the market for ‘high-end’ housing within the Downtown area is thin and relies on the ability of the GDW to attract higher income households (typically over the age of 45) to the area through the provision of high quality housing and supporting amenities, including retail, entertainment, parks, and open space.

Employment Trends

Waco, like much of the U.S., suffered from the recent recession which began in 2007 and continued through 2009. While Waco did not experience a net job loss in 2008, the MSA did lose approximately 1,700 jobs in 2009, representing 1.6 percent of total jobs. Fortunately, Waco has begun to rebound with the rest of the nation and is expected to experience flat employment in 2010 and then begin adding jobs at a rapid clip in 2011. Moody’s Economy.com forecasts that the economy will add a total of 11,800 jobs between 2011 and 2014, which would represent the strongest period of job growth since the mid 1990’s. This means that the market will likely return to pre-recession employment levels sometime in 2011. It is important to note that many of the new jobs are replacing jobs that were lost during the recession, so 2011-2014 represents a short pop in the forecast. Long-term, the economy is expected to
add an average of 1,500 to 1,800 per year. Over the next 10 years the sectors with the strongest projected annual growth include Leisure & Hospitality (3.6%), Construction (2.5%), Professional and Business Services (2.3%), and Education & Leisure (2.3%). Conversely, the industry that is expected to experience the biggest loss, is manufacturing, which is expected to decline at an annual rate of 0.7 percent.

For its analysis of the Waco economy, RCLCO examined the long range forecasts of three separate groups including Moody’s Economy.com, the Perryman Group, and the Texas Office of the Comptroller. Overall the forecasts are fairly similar with each projecting that employment in the Waco MSA will grow between 1,500 and 1,800 per year, at an annual rate of 1.2 to 1.4 percent. This means that Waco is likely to add between 40,000 and 46,000 new jobs by 2035.

While each predicts a strong employment picture in Waco for decades to come, these economists differ slightly on which segments will lead the growth. All three agree that education and health services will represent the strongest sector, mainly due to the large baby boomer generation which will require more and better care as this cohort ages. Some notable discrepancies arise surrounding the manufacturing sector, which Perryman believes will begin to grow again through diversification, while Moody’s and The Comptroller predict a steady decline of manufacturing jobs over time. Another sector in question is leisure and hospitality. Perryman forecasts relative mild growth, while Moody’s and The Comptroller project stronger growth based on the region’s ability to create interesting tourism destinations and attract visitors from all over the U.S.

Figure 3: Employment Growth Trends

Source: US Department of Labor for historical; Moody’s Economy.com (projections only)
## Funding Options

<table>
<thead>
<tr>
<th>Program Name &amp; Authorizing Body</th>
<th>Eligible Uses</th>
<th>Program Summary</th>
<th>Waco Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development Sales Tax Section 4A &amp; 4B City of Waco</td>
<td>Land Acquisition, Parking Structures, Utilities upgrades, community development</td>
<td>Up to 0.5% sales tax (can’t exceed 2% local sales tax) to fund the provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements that are for the creation or retention of primary jobs for projects such as manufacturing and industrial facilities, research and development facilities, military facilities, including closed or realigned military bases, transportation facilities, sewage or solid waste disposal facilities, recycling facilities, air or water pollution control facilities, distribution centers, small warehouse facilities, primary job training facilities for use by institutions of higher education, regional or national corporate headquarters facilities, eligible job training classes, certain career centers and certain infrastructural improvements that promote or develop new or expanded business enterprises. However, the Section 4B tax can additionally fund projects that are typically considered to be community development initiatives. For example, authorized categories under Section 4B include, among other items, land, buildings, equipment, facilities, expenditures, and improvements for professional and amateur sports facilities, park facilities and events, entertainment and tourist facilities, and affordable housing</td>
<td>Not in use – Waco currently already at 2% cap on sales tax (1.5% City and 0.5% County). The City would need to reallocate 0.5% of sales tax revenue currently funding “property tax reduction” to the 4A or 4B fund. Bonds can be issued using this sales tax as collateral to accelerate improvements; Access to Texas Leverage Fund; Recommend Further Study</td>
</tr>
<tr>
<td>City/County Venue Project Tax per Chapters 334 and 335 of the Texas Local Government Code. City of Waco</td>
<td>Sports facilities, Parking Structures, general economic development</td>
<td>Sales Tax program. Can be voted on simultaneously with a reduction in some other sales tax to maintain 2% cap. The venue project revenue sources in addition to (or in lieu of) a sales tax include a hotel occupancy tax, a short-term motor vehicle rental tax, an event parking tax, an event admissions tax, and a venue facility use tax. Additionally, the venue sales tax can be proposed in certain limited cases even if the city is already at its maximum sales tax rate; in this circumstance, the legislation allows the voters to approve an automatic reduction of another existing sales tax to make room for the venue tax.</td>
<td>Not in use – Waco currently already at 2% cap on sales tax; could be instituted to pay for future downtown sports venues if appropriate. Not Recommended – Further study recommended on possible use of hotel/motel, car rental, etc taxes for this purpose</td>
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<tr>
<td>Tax abatements</td>
<td>Commercial Development/ Business Development</td>
<td>To attract new industry and to expand and retain existing businesses. Enterprise Zones given priority.</td>
<td>In place – not recommended within TIF Districts, against which abatements work</td>
</tr>
<tr>
<td>Tax Increment Financing (TIRZ)</td>
<td>Public/Private Developers/All Land Uses</td>
<td>Applying the value of future tax revenues to the cost of current improvements. TIF can be initiated through petition by at least 50 percent of affected property owners, or, as most typically occurs, TIF may be initiated by a city or county when an area is found to &quot;substantially impair the city or county's growth.</td>
<td></td>
</tr>
<tr>
<td>Public Improvement Districts</td>
<td>Public Infrastructure</td>
<td>Cities and counties may levy and collect special assessments on property. Such districts must be established through petition initiated by the governing body or affected property owners. Eligible improvements include water, wastewater, health and sanitation or drainage; street and sidewalk improvements; mass transit improvements; parking improvements; library improvements; park, recreation and cultural improvements; landscaping and other aesthetic improvements; art installation; creation of pedestrian malls; supplemental safety services; and supplemental business-related services (e.g. advertising and business recruitment.</td>
<td>Current PID in place in the downtown area.</td>
</tr>
<tr>
<td>Municipal Management Districts</td>
<td>Commercial Property Owners</td>
<td>Property owners may impose special taxes, special assessments and impact fees or other charges to property owners within the district in order to fund: water, wastewater, drainage, road or mass transit improvements, landscaping, lighting, signs, streets and walkways, drainage, solid waste, water, sewer, power facilities, parks, historic areas, works of art, parking facilities, transit systems, and supplemental services (e.g. advertising, economic development, business recruitment, promotion of health and sanitation, public safety, traffic control, recreation and cultural enhancement)</td>
<td>Not recommended - An MMD would be an additional assessment on top of the PID's which is likely unsupportable.</td>
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<td>Municipal Development Districts</td>
<td>Land Acquisition, Parking Structures, Utilities upgrades</td>
<td>Cities may establish, through election municipal development districts that may levy additional sales tax for economic development projects similar to those levied under Sections 4A and 4B. Municipal development districts fill a void left by Sections 4A and 4B; under those sections, such taxes may not be levied in a city’s extraterritorial jurisdiction and they may not be levied when a city has reached its two-percent sales tax cap. There are two possible advantages of a municipal development district sales tax over an economic development district sales tax: (1) the municipal development district tax need not be levied over the entire city, which is useful for cities that are at the two-percent sales tax “cap” in some portion of the city but not in others; and (2) it is the only municipal sales tax that may be levied in a city’s extraterritorial jurisdiction (ETJ).</td>
<td>Recommend Further Study in conjunction with 4A or 4B Tax Waco could consider this in lieu of a 4A or 4B Economic Development Sales Tax</td>
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<td>City of Waco</td>
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<tr>
<td>Bond Financing</td>
<td>Property Development Financing</td>
<td>The City of Waco offers qualified businesses the opportunity to apply for facility bonds, which are used to finance significant property development at interest rates lower than conventional financing.</td>
<td>In place – good mechanism for favorable financing</td>
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<td>City of Waco</td>
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<tr>
<td>Texas Enterprise Fund</td>
<td>Infrastructure, Community Development</td>
<td>The Texas Enterprise Fund is the largest &quot;deal-closing&quot; fund of its kind in the nation. It continues to attract businesses and jobs to Texas. The TEF can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives.</td>
<td>Recommend Further Study - Consider as supplemental funding for infrastructure</td>
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<tr>
<td>State of Texas</td>
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<tr>
<td>Texas Industry Development Loan Program</td>
<td>Loan program for public facilities including libraries, police/fire stations, admin buildings, community infrastructure</td>
<td>The Texas Industry Development (TID) loan program provides capital to Texas communities and eligible 501(c)3 corporations at favorable market rates. The program supports eligible tax exempt public purpose projects that will stimulate economic development within the community. TID Program loans are available with low cost, variable rate long term financing with the term of the loan not extending beyond the useful life of the assets and up to bond maturity in 2025.</td>
<td>Recommend Further Study – Could provide funding for new public buildings</td>
</tr>
</tbody>
</table>
### Funding Options

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) Federal funds DOT</td>
<td>Parking Structures</td>
<td>Can be used to fund transit related parking facilities, which also can be used to leverage private or local government investment in non-transit related parking.</td>
<td>Recommend Further Study – possible future funding source when transit is implemented</td>
</tr>
<tr>
<td>Recovery Zone Facility Bond Federal Government</td>
<td>Property Development Financing</td>
<td>Part of the American Recovery and Reinvestment Act of 2009 Recovery Zone Facility Bonds are exempt facility bonds that may be issued only with an allocation of the special volume cap and must be issued before January 1, 2011. $135M was allocated to Texas.</td>
<td>Recommend Further Study – could provide near-term, inexpensive financing for a developer in Greater Downtown</td>
</tr>
</tbody>
</table>
## Economic Incentives Matrix

### Historic Preservation

<table>
<thead>
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<tr>
<td>Federal Historical Preservation Tax Incentives</td>
<td>Historic Preservation of Income-Producing Buildings</td>
<td>A federal tax credit worth 20 percent of the eligible rehabilitation costs is available for buildings listed in the National Register of Historic Places. A building must be eligible for listing at the beginning of the rehabilitation project, but need not be officially listed until the tax credit is claimed by the owner.</td>
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<tr>
<td>Texas Main Street Program Texas Historical Commission</td>
<td>Historic Preservation of Texas Downtowns</td>
<td>Revitalize central business districts through rehabilitation of historic commercial structures, combined with efforts to attract new businesses and re-invigorate existing businesses in downtown areas. This program is targeted towards cities with less than 50,000 population, but assists “historic commercial neighborhoods” or “manageable downtown areas” in cities with populations exceeding 50,000. Under the Urban Main Street Program, these more populated areas receive aid similar to that available to the smaller cities. A public/private partnership between city government and a selected nonprofit group administers the program in these areas.</td>
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</tr>
<tr>
<td>Texas Preservation Trust Fund Grant Program</td>
<td>Historic Preservation</td>
<td>This interest-earning fund of public and private money is administered as matching grants to qualified applicants for the acquisition, survey, restoration, preservation, or for the planning and educational activities leading to the preservation of historic architectural and archeological properties and associated collections of the State of Texas. Competitive grants are awarded on a one-to-one match basis and are paid as reimbursement of eligible expenses incurred during the project.</td>
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<tr>
<td>Façade Improvement Grant Program City of Waco</td>
<td>Grant – building façade improvements downtown</td>
<td>This grant was designed to assist in the revitalization of downtown properties in TIF Zone 1. Individuals that intend to renovate the façade of a deteriorating building in TIF Zone 1 may be eligible to receive a grant for 50% of the cost – up to $15,000 to improve the façade of the building according to specific Façade Design Standards.</td>
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### Housing and Neighborhood Revitalization

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<tr>
<th>HOUSING AND NEIGHBORHOOD REVITALIZATION</th>
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</table>
| Neighborhood Empowerment Zones         | Affordable Housing, Social Services, Education, Public Safety | Allows the following:  
  **Building Fee Waiver:** The power to waive or adopt fees related to the construction of buildings in the zone, including impact fees and fees for the inspection of buildings;  
  **Municipal Sales Tax Refunds:** For the purpose of benefitting the zone, the power to enter into municipal sales tax refund agreements. These agreements may be for a term not to exceed 10 years, and apply to municipal sales taxes on sales made within the zone;  
  **Property Tax Abatement:** The power to enter into agreements abating municipal property taxes on property in the zone, subject to the 10-year duration limit for tax abatement agreements under Section 312.204 of the Tax Code; and  
  **Environmental Goals:** The power to set baseline performance standards, such as the Energy Star Program as developed by the Department of Energy, to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance or energy consumption. |

Recommend Further Study – In place in Waco. Could be considered for East Waco as well as Colcord & 15th Neighborhood
## Economic Incentives Matrix

### Housing and Neighborhood Revitalization

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<td>HOME Investment Partnerships Program&lt;br&gt; Texas Department of Housing and Community Affairs (TDHCA) - Funded by HUD</td>
<td>Affordable Housing - Low, Very Low, and Extremely Low income households</td>
<td>The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations to strengthen their capacity to meet the housing needs of lower income Texans. The HOME Program has three main components: Homebuyer Assistance, Owner-Occupied Housing Assistance, and Tenant-Based Rental Assistance (TBRA). Funds are also set aside for rental housing development and special purposes: - Rental Housing Development Program: Awards for eligible applicants are to be used for the development of affordable multifamily rental housing. Owners are required to make the units available to extremely low, very low, and low income families and must meet long-term rent restrictions. - Rental Housing Preservation Program: Awards for eligible applicants are to be used for the acquisition and/or rehabilitation for the preservation of existing affordable or subsidized rental housing.</td>
<td>In place in Waco – continue using.</td>
</tr>
<tr>
<td>Housing Trust Fund&lt;br&gt; State of Texas</td>
<td>Acquisition, rehabilitation, and new construction of housing</td>
<td>The Housing Trust Fund (HTF) receives funding from the State of Texas, unencumbered fund balances, and public and private gifts or grants. It is the only State-authorized program for affordable housing. The Housing Trust Fund is a statewide program that seeks to allocate funds to achieve a broad geographical distribution of affordable housing. Funds are available to nonprofit organizations, units of local government, public housing authorities, community housing development organizations (CHDOs), and income eligible individuals and families.</td>
<td>Recommend Further Study for Distressed N’hoods - Developer financing and incentives</td>
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### Housing and Neighborhood Revitalization

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<tr>
<td>Housing Tax Credit Program</td>
<td>Affordable Rental Housing</td>
<td>The Housing Tax Credit (HTC) Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits, for-profit developers, and syndicators or investors. The targeted beneficiaries of the program are very low and extremely low income families at or below 60 percent AMFI. The program’s purpose is to encourage the development and preservation of rental housing for low income families, provide for the participation of for-profit and nonprofit organizations in the program, maximize the number of units added to the state’s housing supply, and prevent losses in the state’s supply of affordable housing.</td>
<td>Recommend Further Study for Distressed N’hoods– Developer financing and incentives</td>
</tr>
<tr>
<td>Multifamily Bond Program</td>
<td>Affordable Rental Housing</td>
<td>The Multifamily Bond Program issues taxable and tax-exempt mortgage revenue bonds (MRBs) to fund loans to nonprofit and for-profit developers. The proceeds of the bonds are used to finance the construction, acquisition, or rehabilitation of multifamily properties, with the targeted beneficiaries being very low, low, and moderate income households. Owners elect to set aside units in each project according to TAC 34 Part 9 Chapter 190.2(d). Persons with special needs must occupy 5 percent of the units. Property owners are also required to offer a variety of services to benefit the residents of the development. Specific tenant programs must be designed to meet the needs of the current tenant profile and must be approved annually by TDHCA.</td>
<td>Recommend Further Study for Distressed N’hoods– Developer financing and incentives</td>
</tr>
<tr>
<td>2008 NSP Funding</td>
<td>Housing</td>
<td>Foreclosed Housing Acquisition, Repair and Resale Program</td>
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### Economic Incentives Matrix

#### Housing and Neighborhood Revitalization

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| **New Market Tax Credits**     | Private and Non Profit Developers- | Provides a credit against Federal income taxes for investors that make Qualified Equity Investments (QEIs) into Community Development Entities (CDEs). CDEs in turn use the proceeds of these investments to make Qualified Low-Income Community Investments (QLICIs). QLICIs include, among other things, investments in businesses and real estate projects in low-income communities. The credit is taken over a 7-year period. The credit rate is:  
  • 5% of the original investment amount in each of the first three years  
  • 6% of the original investment amount in each of the final four years  
  • Equals 39% of amount of original investment  
**Must be located in a Qualified Census Tract (QCT). East Waco is a likely a Qualified Census Tract - Distressed**  | Recommend Further Study - potential for Waco CDC to be involved. |
| **Federal Gov’t (process through syndicators/investors)** | Commercial Development and Community Facilities | | |
| **Low Income Housing Tax Credits** | Private and Nonprofit Developers – Rental Housing (all types, family, senior) | New construction and rehab projects  
Rental units with tenants earning no more than 60% of area median income. Investors earn dollar-for-dollar credits against their federal tax liability. Investors also get tax benefits from losses. Generally, tax credits are received over the first 10 years of operation. Some tax credits are recaptured by the IRS if the project does not operate for 15 years.  
9% New Construction/ Rehab Credit – the standard kind of tax credit  
4% New Construction/ Rehab Credit – used when there is federally-subsidized  
Texas 2010 allocation estimated to be $66.9M (9% tax credits); 4% tax credits are not competitive | In place in Waco |