

MIDLAND SMART DOWNTOWN PLAN

MAY 2007

HNTB



VANDERGRIFF GROUP

Leland Consulting Group



Acknowledgements

The success of an important civic planning project is realized by the involvement of its citizenry, the contributions of the community's leaders, and the input of professionals that oversee and provide guidance to the overall process. We would like to acknowledge the efforts of these groups and individuals for the sustainable growth and development of Downtown Midland.

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Executive Summary

Introduction

In the context of preparing the Midland SMART Downtown Plan, the HNTB Team, consisting of HNTB Corporation, Urban Design and Planning; Vandergriff Group Architects, a Midland architectural firm; and, Leland Consulting Group, Real Estate Strategists, assisted the City of Midland by providing a technical platform for discussions about: the development climate; framework alternatives; regulatory and policy needs and solutions; and, financial incentives. Their efforts focused on investigating physical, economic, financial, and market conditions in Downtown and the regional trade area; identifying niche opportunities; and formulating strategies to advance the Plan. The results are generally summarized in the discussion which follows and presented in greater detail in the supporting sections of the full report.

Project Goals

The City of Midland initiated this planning process in an effort to ensure that future improvements within Downtown occur with aesthetic and functional continuity. The Midland SMART Downtown Plan is intended to serve as a guide for decision-makers – elected and appointed officials, City staff, investors, and the citizens of Midland in advancing their collective vision for a revitalized Downtown Midland.

To help guide the project and move the plan forward, nine project goals were developed. These goals were created based on input gathered during stakeholder interviews, steering committee meetings, and meetings with the public.

1. Create opportunities for new family-oriented developments downtown
2. Introduce public open spaces / parks that create a new image for downtown
3. Look for opportunities to adapt existing buildings into new uses
4. Build success in revitalizing downtown from existing physical assets
5. Capitalize on the opportunity to bring the City and County together toward a better Midland
6. Include recommendations for removal of existing buildings
7. Create urban design features, which promote a better pedestrian environment
8. Identify and participate in overcoming financial challenges associated with

9. Implement Phase One revitalization projects
9. Implement one substantial project every three years for the next 15 years

Market Opportunities

The market analysis, conducted by Leland Consulting Group (LCG), identified market opportunities within the representative project trade area. The analysis showed that there is market demand and Downtown Midland, with strategic public and private reinvestment and supportive policies, can be positioned to capitalize on select niche and destination opportunities that exist and are projected to grow in the community and the region. However, several issues need to be acknowledged, both benefits and challenges, in order to most effectively advance the Plan.

Challenges, many of which are primarily market-driven, that need to be addressed if the benefits of development efforts are to be maximized include: a need for greater economic cross-representation in the immediate trade area population; commercial development in the vicinity of Loop; ownership patterns that have not resulted in significant reinvestment or redevelopment activity; an over-supply of vacant office space, which suggests an under-performing market; a physical environment with an abundance of surface parking lots, concrete plazas, and wide roadways but lacking in soft, green spaces and pedestrian-friendly amenities; and, community perception.

As the market analysis concludes, and taking into account future area improvements, coordinated planning efforts, and other catalyst events, Downtown Midland can be positioned to capture an increased share of the region's projected traffic and business growth. Forecasts indicate that over the next ten years the trade area for Downtown could generate new demand for approximately 1.6 million square feet of office space, 320,400 square feet of retail space, and nearly 4,000 residential units.

Final Preferred Plan

In order to arrive at a final development concept for Downtown Midland that represents the vision of the community and stakeholders, the consultant team took the comments of the community and committee regarding the alternatives and designed a framework which would provide a compilation of experiences designed to better define Downtown as a memorable place in the city.



The final SMART Downtown Plan is comprised of five districts, as follows:

1. Urban Residential Village
2. Civic Center
3. Traditional Residential Village
4. Central Core
5. Gateway Entertainment and Meeting District

Urban Residential Village

An Urban Residential Village is represented in the northwest section of the downtown area as a transition between existing single family housing to the north and higher density commercial developments located closer into the downtown core. A centrally-oriented park is also proposed that anchors the village and creates the setting that defines the place, which would unique, higher density residential living.

Civic Center

A Civic Center is proposed in the north central section of the downtown area, with a large park, serving as a gateway setting for Downtown from the north and helping to connect the major developments on the north side of downtown with the central core. Also proposed is a mixed-use office complex with an internal garage, a mixed-use residential building, and an adjacent parking garage. This concept is enhanced by the County's recent plan to occupy the Heritage Building with new courts and municipal offices.

Traditional Residential Village

A Traditional Residential Village district, a single-family residential neighborhood of detached houses with front porches that are typically built closer to the street, is proposed in the northeast corner of the downtown area. This district would include neighborhood-serving corner retail sites and would build on existing investment in this area by providing further investment and new housing stock.

Central Core

The Central Core area defines the heart of Downtown Midland where much of the synergy of the business, government, and commercial activities revolve. Currently, the core district is the location of Midland Center, the City's convention / conference center, and downtown's only notable hotel and civic park. Wall Street, an important Downtown office address, is being rebuilt with an expected completion date of Spring 2007, into a pedestrian-friendly street with

street trees, sidewalk treatments, crosswalks, and urban touches that reflect the future vision for Downtown. The Central Core district should remain the physical and economic activity center for the Midland region, but it could infuse residential and retail uses into its mix, thereby adding a greater variety of offerings to the downtown core and making Downtown Midland an alternative residential choice for local residents.

Gateway Entertainment and Meeting District

A Gateway Entertainment and Meeting District (or Gateway District) is proposed at the south end of the study area. The recommendations for this district, which includes a potential location for an IMAX theater or entertainment hall, new restaurants, art galleries, and music venues, focus on facilities and events that would transform it into a local and regional destination. With a public open space – either a formal green soft space or an urban plaza – surrounded by a hotel, the County library, and a proposed Midland County Historical museum, the district would create a community gathering place and offer a notable gateway for visitors, all within walking distance of Downtown's largest office buildings and institutions.

Catalyst Concepts

The strategy for downtown revitalization is based on redevelopment and targeted investment in "catalyst areas and / or sites", which hold potential despite the larger economic, physical and regulatory redevelopment challenges of the downtown market. These areas can serve as a catalyst for public and private investment and economic activity, effectively building off the strengths of its surroundings and connecting it to adjacent activities. Catalyst concepts include: owner-occupied and rental residential complex with ground floor commercial and structured parking; same concept as above with a significant civic plaza, government offices and structured parking; owner-occupied residential with surface parking and supporting retail; rental residential with ground floor commercial and structured parking; and, an entertainment venue and hotel with supporting retail and structured parking.

As demonstrated by economic analyses prepared for each of the catalyst concepts, financial gaps resulting from proposed market-supported programs will require multiple tools used in various combinations. Potential revitalization strategies and tools to advance the catalyst concepts include:



1. Tax Increment Financing (TIF)
2. Land Contribution / Write-Down
3. Parking (Garage) Contribution
4. Economic development Administration (EDA) Funding
5. Sales Tax Sharing
6. Improvement District
7. Streamlined Development Approvals

8. Open and Community Space Planning
9. Regulatory Flexibility
10. Financial Creativity
11. Phasing Plan
12. Ordinance and Master Plan 2025 Updates

Implementation

Following identification and analyses of catalyst investment areas in a downtown plan comes the challenge of outlining a strategy that can be implemented to promote investment. Revitalization and repositioning of Downtown Midland will be dependent on a series of actions designed to capitalize on market opportunities and overcome barriers - effectively “readying the environment for investment.” Key to the successful implementation of this Plan will be the continued identification and implementation of actions tailored to the unique issues of the study area and potential investment areas within it.

Organizational Roles and Responsibilities

A guiding principle of this Plan suggests that Downtown must be managed as one cohesive sub-market, strengthening, connecting and promoting its collection of diverse assets and responding in innovative ways to opportunities to leverage investment. The organizational plan for implementation of this SMART Downtown Plan Midland should assist the City, its advocacy partners and other stakeholders, with managing downtown in a unified way, as well as capitalizing on the market opportunities identified herein. The recommendations presented include strategies to reduce barriers, create incentives and clearly define the roles and responsibilities of the agencies involved in developing and managing the environment and include:

1. Projects, Programs and Policies (Actions for Change)
2. Public-Private Partnerships
3. Holistic Approach to Economic Development
4. Economic Diversification
5. Higher Standards with Off-Setting Incentives
6. Active Marketing and Promotion
7. Acquisition and Disposition

Conclusion

Downtowns that have undergone revitalization are emerging as regional destinations in cities throughout the nation. In virtually every story of success, redevelopment and new development within these areas has been the result of a holistic approach involving nurturing and growing each diverse segment of the economy, eliminating barriers to investment, and marketing positive changes through an overall image of vitality. This experience has proven that as varied as the markets are within downtowns, so too are the required solutions. 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.”

The Midland SMART Downtown Plan is the roadmap to move the City’s and stakeholders’ vision towards reality and to ensure that redevelopment of Downtown is accomplished in a way that balances private investment objectives with community sustainability. The series of actions / strategies outlined herein will capitalize on market opportunities and overcome barriers to investment. Ultimately, the City of Midland, its City Council, Planning Commission, staff, stakeholder partners and citizenry will have to select a final course of action for change. The information presented here is designed to provide a range of actions for consideration and sound decision-making.



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MAPS AND GRAPHS





Introduction

Downtown Midland stands as a symbolic fixture rising out of the arid plains of West Texas. From a distance it represents Midland's "Can Do!" spirit that boasts of the economic opportunities afforded by the area's natural resources and the resolve of its human resources. It is a robust vertical challenge to the harsh level terrain known as the Permian Basin.

Most of Downtown Midland's major office buildings were built during a time of major Permian Basin oil and gas discoveries. The surge in energy prices in the mid-1980s set about a building boom for Downtown Midland; however, much of the downtown area has languished since the bust that followed.

While the recent surge in oil and gas prices has been a boon for Midland's economy, city leaders recognize that Downtown Midland needs to improve its viability by playing to a wider audience, diversifying, and being sensitive to market trends occurring in urban centers across the nation and at Midland's doorstep. In response, the City of Midland commissioned the HNTB Corporation (The Team) to lead the project to create the Midland SMART Downtown Plan. The Team consisted of HNTB Corporation's Urban Design and Planning office from Dallas as the lead firm providing professional planning services; Vandergriff Group Architects in Midland to supply local knowledge and professional services; and the Leland Consulting Group from Denver, Colorado to support the planning efforts through market research and analysis that was essential in the planning efforts.



In discussions with Midland's downtown property owners, civic leaders, and City staff several issues became apparent to planners working on Midland's downtown redevelopment plans, including the following:

- Place downtown at the center of the city's / region's image of the community
- Give it a sense of place

- Promote greater diversity
- Consider new uses for vacant buildings
- Ready the environment for greater value
- Quantify downtown's role in the greater Midland economy
- Foster public / private cooperation
- Ensure public commitment to better public space.

Structure of the Report

The Midland SMART Downtown Plan is divided into eight sections plus the Executive Summary. Each section addresses a key element of the planning process. These sections include:

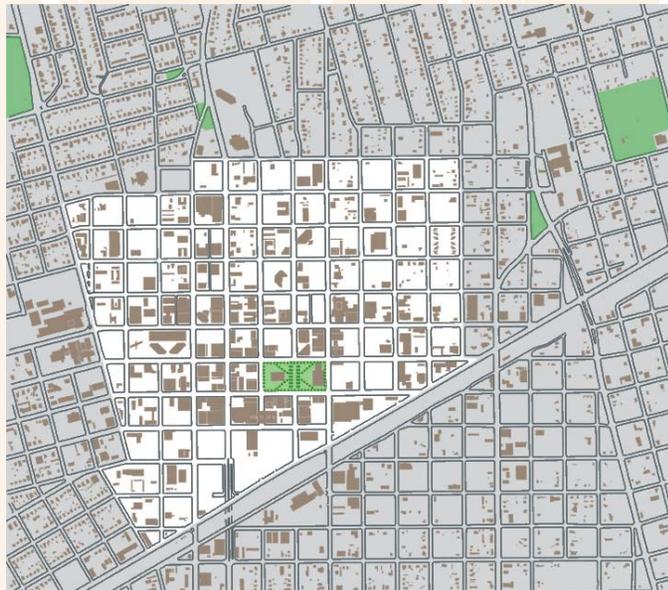
- Introduction
- Inventory Existing Conditions
- Market Opportunities Analysis
- Public Involvement
- Alternative Scenarios
- Final Preferred Plan
- Implementation

The Plan Objective

The objective of the downtown plan is to assist the City of Midland and other advocates with the preparation of real-estate strategies and urban planning programs for downtown that will produce tangible results and information leading to careful investment and a well-served market.

Focus Area for the Plan

Downtown Midland encompasses a rather broad area for a city with a population of nearly 100,000. The downtown area generally extends from Kansas and Louisiana Avenues on the north to Front Street on the south, and from 'A' Street and the southern three blocks of 'B' Street on the west to Dallas Street on the east. Development to the northwest, north, northeast, and southwest is predominately single family residential with supporting uses. Development directly to the west and to the east is a mixture of small office buildings, retail, light industrial, religious facilities, surface parking lots, vacant parcels, and public institutions. The Union Pacific Railroad tracks define the southern boundary.



Map 1 - Focus Area for the Plan



The core area of Downtown Midland, bounded by Ohio Street, Main Street, Missouri Avenue, and Carrizo Street, represents the oldest section of Midland north of the main railroad track and includes a significant concentration of the city's largest and tallest buildings. The Midland County Courthouse, Midland City Hall and the Midland Center are located in the core

area, as well as the Midland Plaza Hilton hotel, which caters to conference activity at the Midland Center. This area also includes a number of restaurants, retail establishments, surface parking lots, and multi-level garages.

Plan Process

The Midland Downtown Plan was developed over a six-step planning process, as outlined below. The Team worked closely with appointed and elected officials, City staff, civic organizations, and local residents that have an active interest in the future of downtown. The team developed a public involvement process that sought to understand the issues and concerns of Midland and to develop solutions addressing the community's needs based on public input. Input from the steering committee, stakeholder interviews, and public meetings helped in the development of the plan goals, the alternative scenarios, preferred scenario, and recommendations on how to implement the final plan for goals achievement.

Six-Step Planning Process

Inventory and Existing Conditions

Planners gathered and reviewed information and data from various sources, including the City of Midland. Information collected consisted of land use and socio-economic data that was refined to produce maps and a market overview of the general physical, economic, and social context of the area.

Public Involvement

This element focused on involving the general public and the community's stakeholders in identifying project goals, key issues, and establishing a shared vision for Downtown Midland. The public participation process fostered a strategy to develop buy-in for future recommendations.

Alternative Scenarios

The plan alternatives provided a framework for considering downtown issues, articulating a defined vision, and identifying short and long-range improvements necessary to ensure the plan's success. Recommendations addressed key issues such as land use, transportation, infrastructure, urban design guidelines, parking, and redevelopment options related to each scenario.



Market Opportunity Analysis

The market and opportunity analysis yielded information related to trends and market conditions in Downtown Midland and the region at-large. Specific information identified and presented includes a profile of current and potential customers, types of businesses needed today and in the future, and reinvestment strategies.

Final Preferred Plan

The final preferred plan incorporates The Team's collective best thinking informed by community input. Additional information based on market analyses is provided on potential projects, which could leverage public contributions to the area and effectively catalyze additional investment. For each catalyst concept, costs and revenues are estimated in an effort to understand potential funding gaps. Strategies to address gaps associated with these catalyzing investments are also presented with strategies for readying the larger downtown environment presented in the final section of the report.

Implementation

The framework for implementation of the Plan is presented in the final section of this report. Included are: actions to make existing advocacy organizations the most productive in implementing the plan and facilitating public and private sector participation; and ordinance updates that may be needed to implement the plan alternatives and recommendations. The Midland's SMART Downtown Plan is a roadmap that explains the tools needed to attract private investment and leverage public funding. It is intended to serve as a guide for decision-makers – elected and appointed officials, City staff, investors, and the citizens of Midland in advancing the vision for a revitalized Downtown Midland.

Plan's Time Frame

Initial work on the downtown planning project began before the kick-off meeting with the Steering Committee on January 26, 2006. Working with Midland City staff, planners with the The Team developed a scope of services and schedule to help guide the development of the Midland

SMART Downtown Plan. While the scope of services spelled out what was to be expected, the schedule provided a step-by-step time line for events to occur.



Following the kick-off meeting, planners worked to gather data that provided a framework of understanding for the project area, including base maps, market data, and information provided by various sources. In March, stakeholder interviews were conducted that helped form the plan goals. During the spring and early summer months market analy-

sis was done for the downtown area that focused on local demographics as well as commercial and residential markets. By the middle of August planners conducted a two-day charrette with Midland residents and stakeholders. Concepts generated during the charrette and other information gathered led to the development of alternative scenarios and the real estate overview. Based on feedback to the alternative scenarios and market reports a draft preferred scenario was produced that ultimately led to the final downtown plan.





Inventory and Existing Conditions

When preparing a plan for future investment, it is important to first know the existing situation before charting a path for moving forward. Many times studies and project plans come about because there is some type of disconnect in the current setting or process that requires study and recommendations. For project planners, City staff, elected and appointed officials, civic leaders, investors, and citizens it can be a challenge to attract and manage proposals for new projects without first understanding the conditions of the area, as well as the community's desired outcome. For the Midland SMART Downtown Plan, knowing these conditions proved critical for identifying viable catalyst investments. Information revealed during completion of the existing conditions analysis pointed to trends undocumented in previous plans. Specifically, data on property ownership and utilization, investment levels and user psychographic profiles strengthened an existing base of information which began to "tell a new story of investment" for downtown.

Many times opportunities and challenges were uncovered by the data collected. Data sources varied among the information collected and included private sources, universities, and public agencies. Existing conditions also served as a reflection for the urban texture of the community.

Aerials, Maps, Reports, and Data



The City of Midland provided a good portion of the data and reports used in the initial phase of the Downtown Plan. Data furnished by the City's Geographic Information Systems (GIS) database allowed planners to produce maps and analytical information used in understanding parcel boundaries, roadways, building footprints, bus routes, and infrastructure provided by the City. The City also provided project planning studies and reports, including the City's recently completed Master Plan

2025. Other external public and private databases were also used in analyzing and developing the Plan.

Photo Inventory

In order to provide a visual reference that the Team could turn to during their work, project planners photographed and documented some of Downtown Midland's core streets and adjacent uses. Particular attention was paid to the following eight north-south streets - Main Street, Loraine Street, Colorado Street, Big Spring Street, Marienfeld Street, Pecos Street, Carrizo Street, "A" Street, and on the following four east-west streets - Missouri Avenue, Wall Street, Texas Avenue, and Illinois Avenue. In addition to providing a visual reference, the photos also provided images used in presentations during steering committee meetings and public gatherings.

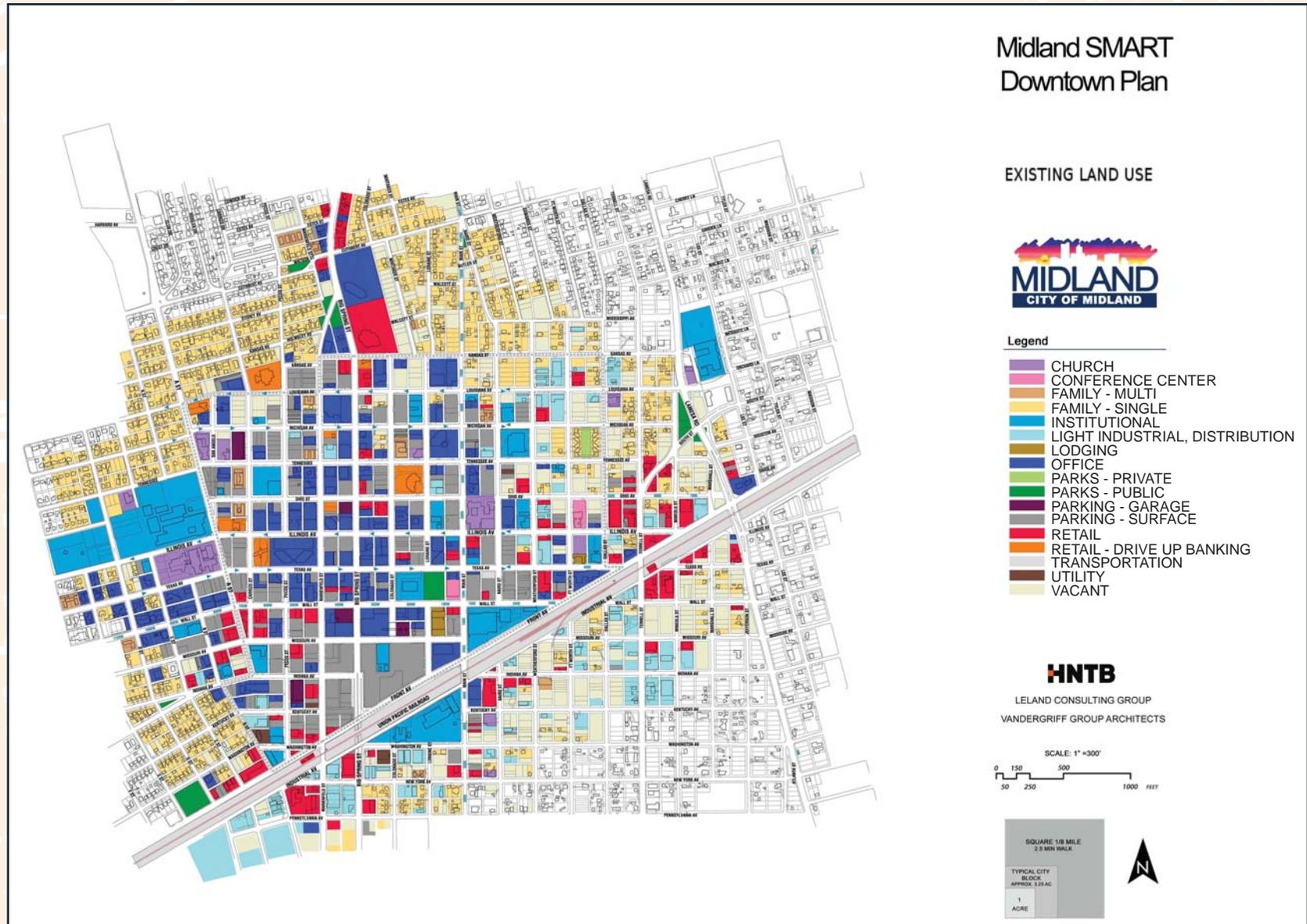
Existing Land Uses



The existing land use patterns in Downtown Midland include a limited range of activities commonly found in some nine to five central business districts. The emphasis, historically, has been on serving the region's business interests and maintaining this area as the center for government offices and courts. Expansion of Downtown Midland is limited on the west, north, and east mostly by residential uses, including single family and multi-family neighborhoods and projects, and on the south and southeast by the Union Pacific Railroad line which runs parallel to Front Avenue. Within this perimeter are the core downtown and sub-downtown areas.

Core Area

The core downtown is basically bounded by Ohio Street, Main Street, "A" Street, and Missouri Avenue. Property values in the core tend to be greater due to higher densities and current land uses. The dominant uses are office with a patchwork of surface parking and parking structures. Many of the office uses are multi-story and usually greater than two stories in height. There are lesser amounts of retail and institutional uses. The dominant retail uses are restaurants, drive-thru banks, and service establishments catering to the daytime population, while the institutional uses are predominately government (Midland County Courthouse, Midland County Public



Map 2 - Existing Land Use



Library, and Midland City Hall) or educational (Midland College Petroleum Professional Development Center). Also within this core area is the downtown area's only park, one lodging use and a conference center - all three of which are within short walking distance of one another.



Map 3 - Downtown Midland Buildings

Sub-Downtown Area

The sub-downtown area contains many of the uses found in the core area in addition to other uses that support activities in the core and nearby residential needs. Being outside the core downtown area, uses in the sub-downtown area tend to be more spread out. These uses include single-entity institutional, educational, and church uses (U.S. Post Office, the Federal Courthouse, Midland High School, First Presbyterian Church, and the First United Methodist Church) and retail/drive-up uses. Except along Big Spring and Wall Street, office and retail uses are scattered within the

sub-downtown area. This area also contains a limited amount of multi-family and light industrial uses, scattered throughout. Surface parking is the dominant use. There are no parks or open space uses; the mix of uses, along with a limited amount of vacant land, gives this concentric zone between the core and its residential perimeter a haphazard and somewhat distressed appearance.

Existing Transportation



Downtown Midland is built along a traditional grid pattern, as is found in many Texas communities. The street pattern is laid out with north-south and east-west streets separating city blocks of approximately even size. Within the core of downtown there are two locations where streets have been closed off (Loraine and Pecos Streets) and the blocks merge to form a longer city

block. Front Street, which runs parallel to the Union Pacific Railroad, breaks the downtown street grid by crossing diagonally from southwest to northeast on Downtown's southern edge.

There are two principal arterials running through Downtown Midland – Big Spring Street and Front Street. Big Spring Street, also known as State Highway 349 and Rankin Highway, runs north-south and feeds traffic from Interstate 20 south of Downtown to the residential and business parks to the north. Many commercial uses front Big Spring Street. Big Spring Street is notable as one of the principal cross streets, the other being Wall Street. The intersection of these streets has historically defined the center point of Downtown Midland. As noted above, Front Street runs diagonally along Downtown Midland's southern edge defining this boundary. Development activity is limited to the northern side of Front Street due to the railroad right-of-way on the south. Major arterials that are located in Downtown Midland include Wall Street and Illinois Avenue. Both roadways are east-west streets with Wall Street functioning as a major arterial located west of Big Spring Street and Illinois Avenue serving as a major arterial located east with its terminus at Front Street. Wall Street currently handles two-way traffic while Illinois Avenue is one-way heading west starting



at Main Street. Between Main Street and Front Street, Illinois Avenue handles two-way traffic. While one-way street patterning has been part of downtown since the 1980s, it is important to review their effectiveness in redeveloping downtown.

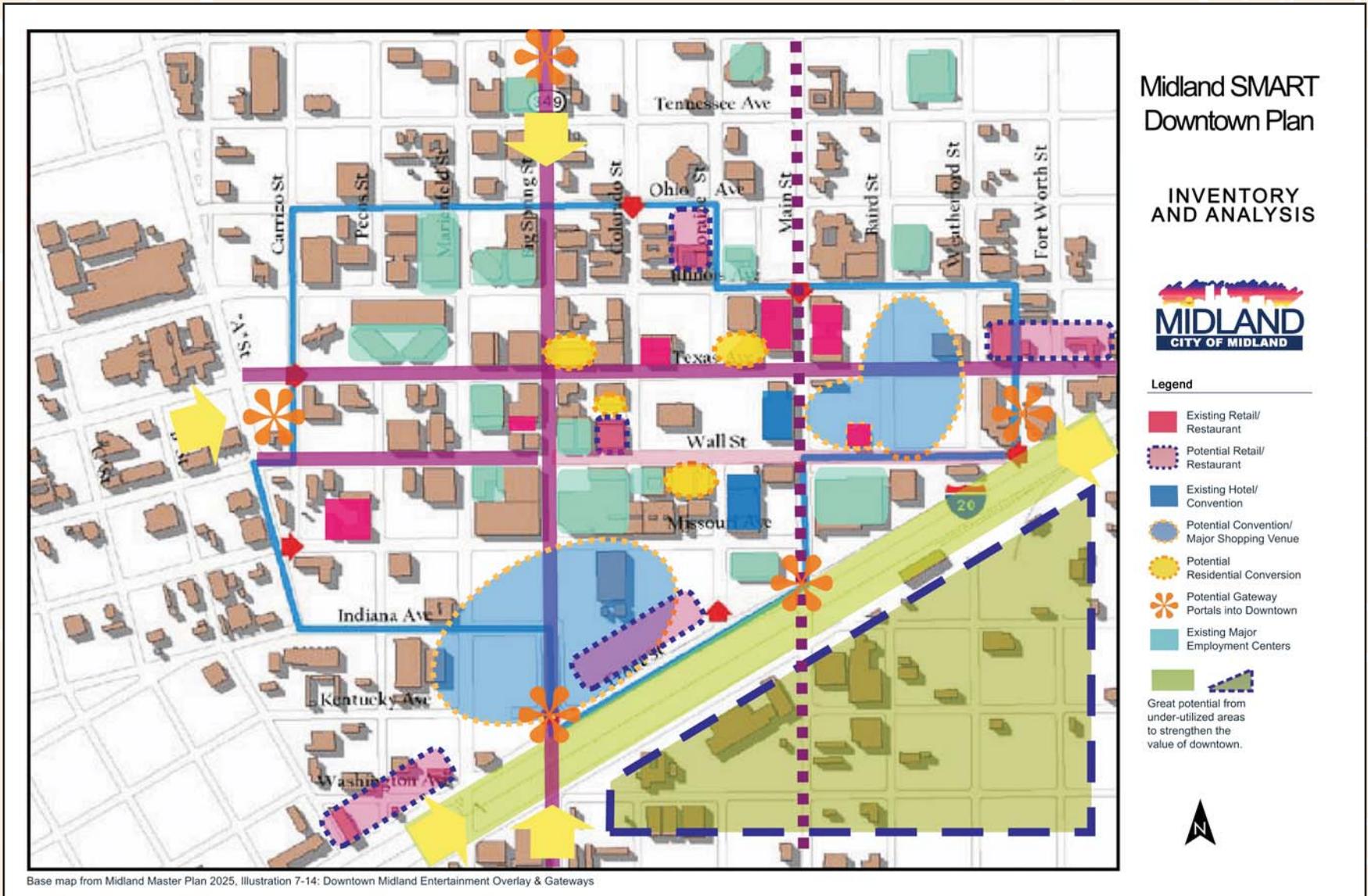
Both Texas Avenue and Illinois Avenue are currently designed as three-lane, one-way arterials. This three-lane design has the capacity to efficiently move 18,000 cars per day. The current utilization rate of Texas Avenue is 2,500 cars per day while Illinois Avenue is 4,500 cars per day. Essentially, these two arterials are over-designed, as three-lane, one-way road systems are detrimental to downtown pedestrian movement. In general, a two-lane street can accommodate 8,000-10,000 cars per day. Current and even long-term future utilization rates along Texas Avenue and Illinois Avenue suggest two-lane, two-way traffic would better serve needs and pedestrian movement in and around downtown.



Minor arterials that originate or pass through Downtown Midland include Wall Street (between Big Spring Street and Front Street), Texas Avenue, Michigan Avenue, Louisiana Avenue, Main Street, Marienfeld Street, and 'A' Street. Wall Street between Big Spring Street and Front Street is currently being reconstructed into a narrower roadway to incorporate streetscape amenities and landscaping that will make the street pedestrian-friendly and aesthetically pleasing.



Map 4 - Downtown Midland Traffic Levels



Map 5 - Downtown Midland Inventory and Analysis





Market Opportunities Analysis

Planning for downtown redevelopment requires an understanding of the built environment and the people within it. Work completed in the context of preparing the Midland SMART Downtown Plan focused on investigating physical conditions related to the Downtown Midland area and its environment, contiguous uses, and access and visibility from the remainder of the community and region, as well as economic, financial, and market conditions in the influence area (trade area) of downtown. This was accomplished through visual inspections of downtown and analyses of primary and secondary data sources.

The purpose of the market analysis is threefold:

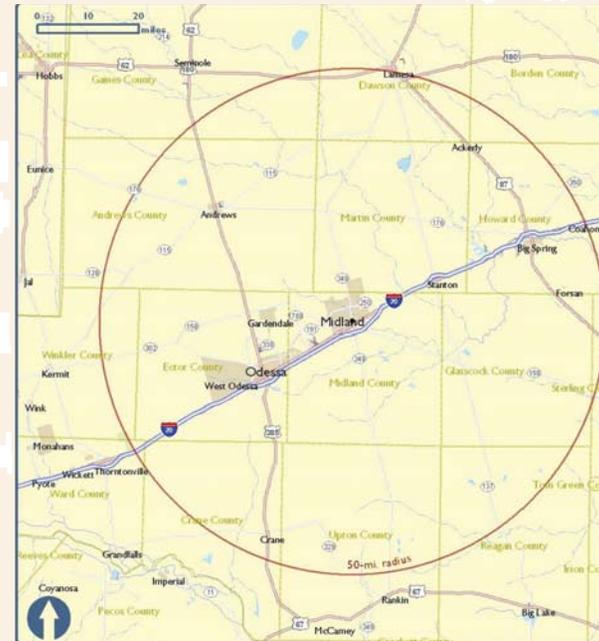
- Ensure that planning process is grounded in economic reality
- Provide an accurate, independent story to tell private sector developers and investors
- Set the stage for meaningful implementation

Methodology

The analysis that follows has three critical components. The first, Market Profile, includes an overview of economic and demographic characteristics, which will influence the type of development, and/or redevelopment that occurs in the market and specifically within Downtown Midland. The second, Development Climate, presents a review of those market indicators and trends, which provide an indication of the health of the market and economy, including quantified demand by land use type. The third, Programming Considerations, offers a discussion about downtown redevelopment elements, which present a near-term market opportunity for the study area.

Market Profile

The information below presents an overview of current and future market conditions in the City of Midland. Since the City represents a sub-market within the overall Midland-Odessa region, and, as such, will likely compete with projects from a broader influence (trade) area, indicators and conditions for both geographic areas were analyzed. Maps of the Region and the Primary Trade Area are included.



Map 6 - Midland Region

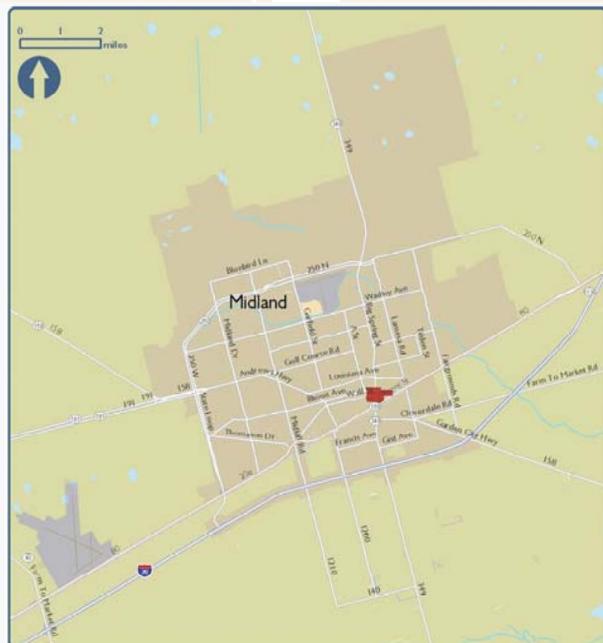
Primary Trade Area

The primary trade area, seen in Map 7, is that area from which a project or area will draw the majority of its patrons (retail), residents (housing) and employees (office). It is the area that will likely be both a source of competition and demand. The boundaries of the trade area are often irregular as they are influenced by the following conditions:

- Physical Barriers – the presence of certain physical barriers including highways, arterials, and significant structures which influence driving and shopping patterns;
- Location of Possible Competition – inventory of potentially competitive projects which could diminish the market share available to the project;
- Proximity to Population / Employment Concentrations – concentrations in an area which could translate into more population and households to support the project (density and “rooftops”);
- Zoning – restrictive or favorable regulatory environment which will influence a developer’s interest in delivering projects in one location verses another;



- Market Factors – conditions which will set sale and lease prices, influence a developer’s interest, or impact the project’s revenue potential (value); and
- Drive Times, Spending – habits and patterns that have been established which could impact the project’s ability to capture market share (or require re-education).



Map 7 - Primary Trade Area

Experience has proven that effective “place-making” - including revitalization of a downtown area- can increase an area’s market share beyond the primary trade area to draw from larger than traditional trade areas, such as the greater Midland-Odessa region. To this end, the market analysis summarized below, focused on identifying market opportunities within the region and the trade area. The analysis shows that the trade area offers unique opportunities for Downtown Midland. There is market demand and, with strategic public and private investment and continued policy support, Downtown can be positioned to capitalize on niche and destination opportunities, which serve the community and region.

Economic & Demographic Indicators

Economic and demographic characteristics in the market are indicators of overall trends and economic health, which may affect private and public sector development. The following tables and exhibits highlight those trends, which will affect development, demand within the Downtown Midland trade area over the next 10 years.

Population and Household Growth

The City of Midland grew at a compound average annual growth rate (CAAGR) of 0.9 percent between 2000 and 2005. Comparatively, the Region area grew at a rate of 0.7 percent during this same period. A slightly slower growth rate (0.7 percent) is anticipated to continue through 2010 in the City while Regional growth is expected to remain relatively constant at 0.6 percent. Household growth rates reflect a different trend, with the City’s growth rate still out-pacing that of the Region, yet increasing over recent rates. This trend suggests an increase in smaller household sizes in more urban areas. Based on the U.S. Census Bureau’s projection data series, Midland’s population growth has been largely concentrated in the fringe of the community as illustrated in Map 8 and Table 1.

Table 1
Population and Household Indicators

	City of Midland	Odessa
2000 Population	94,996	294,979
2005 Population	99,127	304,616
2010 Population	102,700	314,200
2000 – 2005 CAAGR	0.9%	0.7%
2005 – 2010 CAAGR	0.7%	0.6%
2000 Households	35,674	106,406
2005 Households	36,653	109,401
2010 Households	37,958	112,671
2000 – 2005	0.5%	0.6%
Household CAAGR		
2000 – 2010	0.7%	0.6%
Household CAAGR		

Source: U.S. Census Bureau; ESRI-BIS; NCTCOG; and LCG



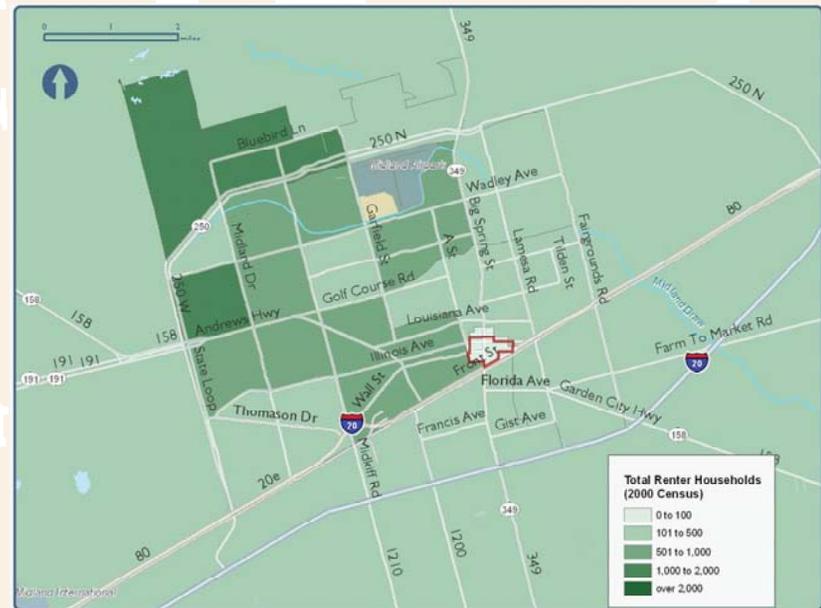
Map 8 - Estimated Population Growth

Average household sizes in Midland are only slightly smaller than those of the Region as a whole, 2.63 versus 2.69, as shown in Table 2. Compared to averages present in similar markets, both figures reflect higher concentrations of low density housing forms and fewer products to serve smaller households. Based on this understanding, one could conclude that average household size is as much a function of market demand as market supply. A review of home ownership statistics indicates that only 33 percent of Midland households are renters. In addition, historical building permit information shows that little housing product beyond single family detached homes has been delivered to the market over the last decade, despite the fact that the City's one- and two-person households had grown to 57 percent in 2000. The figures presented here suggest that families tend to stay in the area even as their household composition changes. This said, a revitalized downtown could provide an environment conducive for a unique product offering with a mix of higher-end rental units, in combination with attached ownership units, thereby addressing a yet untapped market and serving a broader segment of the populous.

Table 2
Household Characteristics

	City of Midland	Midland - Odessa
% Non-Family	29%	28%
Household size (2003)	2.63	2.69
% Renter (2000)	33%	29%
% 1 and 2	57%	55%
Person Households (2000)		

Source: U.S. Census Bureau; ESRI-BIS and LCG



Map 9 - Total Renter Households

Age Distribution

The current median age in the City of Midland is 34.2 years old, nearly the same as the Region's 33.6 years. More significant are the similarities across age groups. Percentages of population within each age group are very similar between the geographies. As the following illustration suggests, Midland's senior population appears to be concentrated centrally, west of Big Spring, north of Illinois Avenue and inside the Loop as seen in Map 10.



Table 3
Population Age Distribution

	City of Midland	Midland - Odessa
0 to 24 years old	39%	39%
25 to 34 years old	12%	12%
35 to 44 years old	13%	14%
45 to 54 years old	15%	14%
55 to 64 years old	9%	9%
65 and older	12%	12%

Source: U.S. Census Bureau; ESRI-BIS; and LCG

Table 4
Population 25+ By Educational Attainment (2000)

	City of Midland	Midland - Odessa
Graduate Degree	9%	5%
Bachelor's	20%	12%
Some College	31%	30%
High School Graduate	22%	26%
No High School diploma	19%	27%

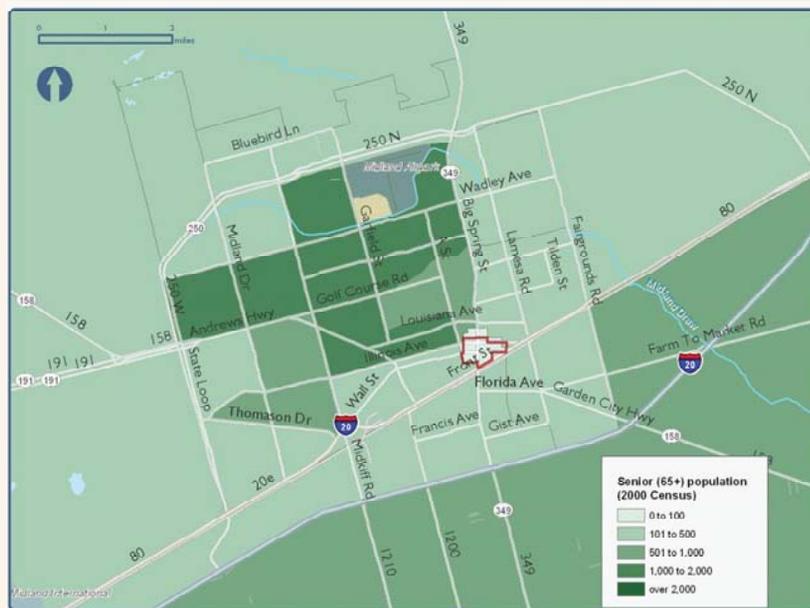
Household Incomes

The current median household income for the City of Midland is \$46,959 while the regional median household income is significantly lower at \$40,019. These figures, while moderate when compared to similar communities in the region, are deceptive. A detailed analysis of households by income revealed that nearly 20 percent of City's population reporting incomes in excess of \$100,000. Given the fact that more than 20 percent of residents are 55 and over, it is also reasonable to assume that significant amount of wealth in the community is not earned, but rather investment and/or retirement income, suggesting higher than average disposable income figures.

Table 5
Household Income Indicators (2005 est.)

	City of Midland	Midland - Odessa
\$0 - 25K	26%	31%
\$25 - 35K	12%	13%
\$35 - 50K	15%	17%
\$50 - 75K	18%	18%
\$75 - 100K	10%	9%
\$100 - 150K	11%	8%
\$150K +	8%	5%
Per Capita Income	\$25,515	\$20,744
Median Household Income	\$46,959	\$40,019

Source: U.S. Census Bureau; ESRI-BIS; and LCG



Map 10 - Senior Population

Education

Based on a combined total of residents which have received either a Graduate or Bachelor's Degree, Midland is clearly more educated than the Region as a whole. In addition, Midland also reports fewer residents without High School diplomas and fewer High School Graduates without additional education.



Ethnicity

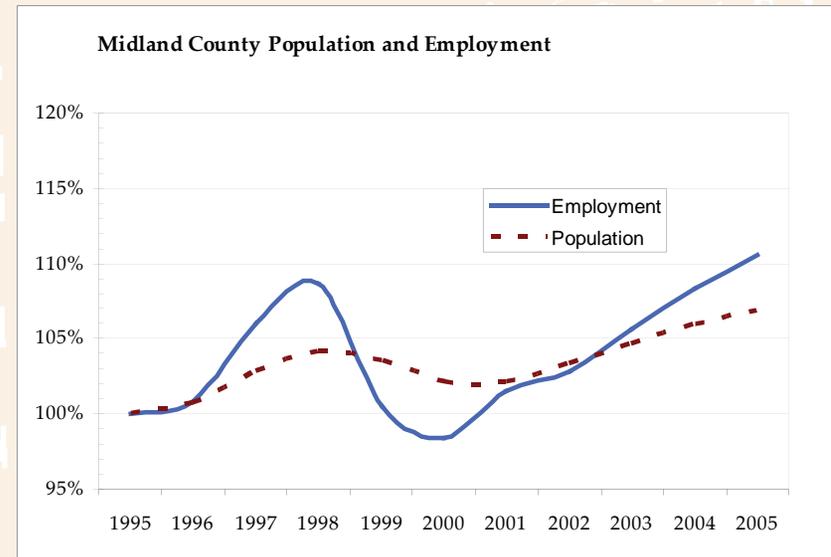
Map 11 reflects actual Hispanic population growth by census tract since 2000. As shown, Midland's Hispanic residents appear to be largely concentrated in established areas south and east of the City. From a regional perspective, even greater Hispanic concentrations are found in south central and west central Odessa. In numerical terms, Hispanics represent 33 percent of the City's population and 41 percent of the Region's.



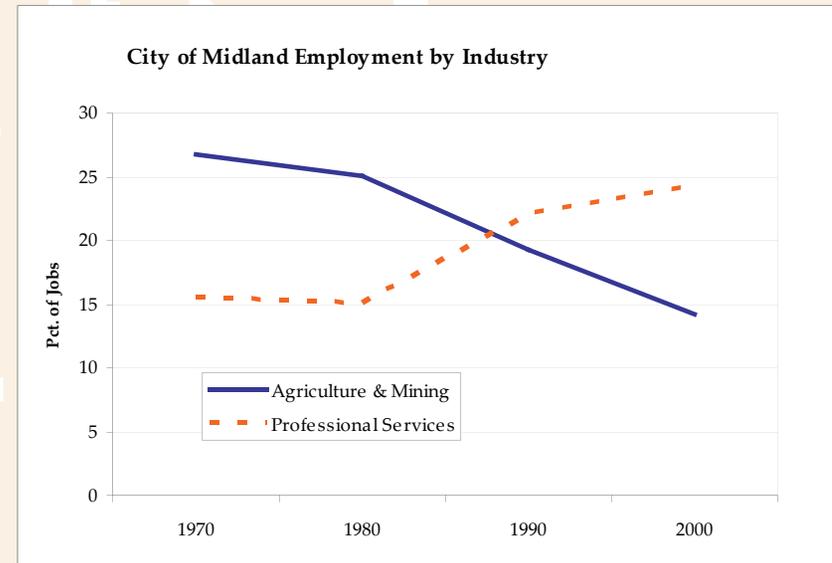
Map 11 - Total Hispanic Population

Employment

Employment growth in Midland County has been cyclical, with growth historically tied to petroleum prices -- averaging 2.4 percent annually since 2000 and totaling 62,868 jobs in 2004. Conversely, population growth has lagged behind employment growth, averaging 0.9 percent annually since 2000, as shown in Graph 1. The estimated population in 2005 stood at 121,370. Since 1970, the agriculture and mining industries (including oil/gas) have declined as a percent of the total Midland County employment base (Graph 2). Over the same period, the professional services industry has increased to represent almost 25 percent of all jobs.



Graph 1 - Midland County Population and Employment



Graph 2 - City of Midland Employment by Industry



Psychographics

Psychographics is a term to describe characteristics of people and neighborhoods which, instead of being purely demographic, measure their attitudes, interests, opinions and lifestyles. Psychographic variables, when supplemented with demographic variables, can eliminate a significant amount of uncertainty for developers and businesses of pioneering projects, particularly those in unproven markets. These descriptions serve to put a “face” on the numbers most frequently associated with market analyses.

Commercial retail developers, in particular, are interested in understanding a community’s psychographic profile, as this is an indication of its resident’s propensity to spend across select retail categories. Residential developers, too, can gain a greater understanding of lifestyle choices that may not be met by a market’s current inventory of product types.

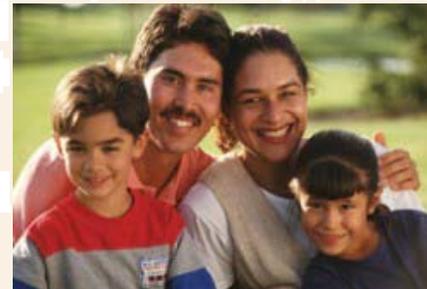
Among the 62 psychographic categories identified, the top five psychographic clusters that are present within Midland include: Southwestern Families, Prosperous Empty Nesters, Industrious Urban Fringe, In Style, and Aspiring Young Families. More than 90 percent of the City’s population fell within fewer than 20 of the 62 categories. The following table shows the number of households in the Midland area that belong to each of the top five clusters along with a comparison index to the overall U.S. population. The U.S. index is 100, therefore, any number greater than “100” represents an average that much over the national average. A description of the area’s most significant segments (in terms of total households) is presented in the discussion, which follows.

Table 6
Midland Households Belonging to Psychographic Clusters

	Clusters Trade Area Households	Index to U.S.
Southwestern Families	4,656	1317%
Prosperous Empty Nesters	4,212	615%
Industrious Urban Fringe	3,877	705%
In Style	3,059	337%
Aspiring Young Families	3,008	344%
Young and Restless	1,753	329%

Source: U.S. Census Bureau; ESRI-BIS; and LCG

Southwestern Families – These families are the bedrock of the Hispanic culture in the Southwest, most with children. More than 60 percent own their homes. Southwestern Families residents are found mainly in suburban neighborhoods. The population is young, with a median age of 28 years. The presence of children in these households dictates essential children’s purchases. They prefer to shop at Albertson’s, H.E.B, Kroger, and Vons for their groceries. Most households purchase used cars over new ones. For entertainment, residents enjoy going to the movies and dancing. They prefer to rent action videos and comedies, and listen to Hispanic and contemporary hit radio formats.



Prosperous Empty Nesters – These are well-established neighborhoods located throughout the U.S., with about a third of the households on the eastern seaboard. The median age is 47.2 years. More than half of these householders are aged 55 years or older. Forty percent of these households consist of married couples with no children living at home. Educated and experienced, residents are enjoying the transition from child rearing to retirement. Residents place a high value on their physical and financial well-being, and take an active interest in their homes and communities. They travel extensively, both at home and abroad. Leisure activities include refinishing furniture, playing golf, attending sports events, and reading mysteries. Civic participation includes being members of civic clubs, engaging in fund raising, and working as volunteers.

Industrious Urban Fringe – On the fringe of metropolitan cities, this market uses its proximity to cities and its location to earn a living. These diverse families rely on manufacturing, construction, retail, and agriculture for jobs. Family is important. Many are multigenerational households; more than half have children. Two-thirds own their homes – mostly older, single-family houses with a median value of \$90,000.

In Style – These residents live in affluent neighborhoods of metropolitan areas. More suburban than urban, they nevertheless embrace an urban lifestyle. Townhome ownership is more than double the national level, but more than half of the households are traditional single-family homes. Labor force participation is high and professional couples predominate. Only about one-third



of households include children. The median age is 39.3 years. In Style residents are computer savvy; they use the Internet daily, to look up information, track investments, or make purchases. They own a diverse investment portfolio, contribute to retirement savings plans, and have long-term care and life insurance. They enjoy going to the beach, snorkeling, playing golf, and casino gambling. They favor domestic travel.

Aspiring Young Families – These neighborhoods are located in large, growing metropolitan areas in the South and West, with the highest concentrations in California, Florida, and Texas. Mainly comprised of young, married-couple families or single parents with children, the median age for this segment is 30.4 years. Half of the households are owner-occupied single-family dwellings or townhomes, and half are occupied by renters, many living in newer multi-unit buildings. Residents spend much of their discretionary income on baby and children’s products and toys, as well as home furniture. Recent electronic purchases include cameras and video game systems. Leisure activities include dining out, dancing, going to the movies, attending pro football games, fishing, weight lifting, and playing basketball. Vacations are likely to include visits to theme parks. Internet usage mainly involves chat room visits.

Conclusions

Conclusions drawn from this information include the fact that while there are a large number of households who desire the kind of single family product currently being delivered in the market, there are several others whose lifestyle suggests a desire for something different. Experience has shown that many of the individuals and households that might desire an alternative housing product including townhomes, condominiums and/or rowhouses, generally desire it in more urbanized locations with supporting retail, services and entertainment experiences.

What follows is a discussion of recent and projected supply and demand conditions for residential, retail, and non-retail employment uses within the trade area boundaries.

Development Climate

Critical to interpreting Downtown Midland’s competitive position within the region is an understanding of the supply characteristics of land uses within the defined trade area and larger market. In order to identify potential development opportunities among these uses (given the area’s competitive position and prevailing market conditions) demand estimates were also prepared. Finally, and as stated earlier, because Downtown Midland may have the ability to draw from a larger trade area, demand estimates by land use type were prepared for the broader Midland-Odessa region.

Residential

Recent development activity for attached residential projects in the Midland market is limited to two new rental projects (the first in recent years) planned in the vicinity of Downtown. Most of the new ownership residential development is planned north of Loop 250, away from Downtown. See the Residential Development Map below.

Demand for new residential units is primarily a factor of growth among income-qualified households within the trade area. To determine average annual demand for housing, projected trade area household growth was analyzed along with historical patterns of single and multi-family permit activity, the results of which are reflected in supporting tables presented in the Appendix A. Based on this work, an estimate of average annual demand for housing in the Midland trade area was estimated at approximately 400 units per year over the next 10 years, for about 4000 units. Approximately 1,300 units (or about one-third) of the area’s 10-year demand could be for rental units. Attached ownership housing (condominiums and townhomes) appears to be under-represented in Midland compared to other cities of its size, and relative to prevailing profile data. Of the 2,676 units of ownership demand, approximately 25 percent could be delivered in the form of an attached product (assuming appropriate marketing) if trends in product diversity improve.



Map 12 - Residential Development



Map 13 - Retail Development

Retail

There is a heavy concentration of retail activity within 1.5 miles of Midland Park Mall at Loop 250 and Midkiff Road. Using inventory data supplied by the Midland Chamber of Commerce, this area maintains over an estimated 2.7 million square feet of the approximate 4.0 million square feet of retail space in the City. While this sub-market, referred to as the Northwest Loop continues to attract most of any new retail development, the addition of a Super Wal-Mart, Starbucks, and other retail south of downtown near Rankin Highway and I-20, is perceived by many industry experts as a potential opportunity to grow downtown's presence by altering traffic patterns and balancing the development to the northwest. Demand for new retail space was determined by quantifying future retail expenditures among new households. Total demand from this source was ascertained by multiplying growth in households with that portion of household income spent on general retail purchases.

The details of this analysis are presented in Appendix A and indicate a demand for approximately 320,400 square feet of new retail space in the trade area over the next ten years. Assuming a 20 percent capture rate of trade area demand, and allowing for replacement of obsolete or underutilized space, demand for retail space within Downtown Midland could be expected to total approximately 120,000 to 130,000 square feet over the next ten years.

Office

The Midland Chamber of Commerce tracks the performance of most of the office buildings in Midland in terms of vacancy, rent, and total inventory. As presented below, Central Midland has somewhat lower vacancies than the Suburbs, but also somewhat lower rents.



**Table 7
Office Space Tracked by Midland Chamber of Commerce**

	Total Rentable Space	Occupied Space	Vacancy Rate	Wtd. Avg. Rent
Central	3,547,416	2,711,145	24%	\$8.41
Suburban	2,095,798	1,511,012	28%	\$9.19
Total	5,643,214	4,222,157	25%	\$8.70

Demand for new office space is derived from two primary sources: expansion of existing industry and the relocation of new companies into the market. Employment projections by industry classification for the trade area were used to estimate demand over the next ten years. The analysis presented in the Appendix A revealed demand for approximately 1.6 million square feet of new office space through 2016. Assuming a capture rate of 30 percent of trade area office demand, Downtown Midland could support approximately 475,000 square feet of new office space over the next 10 years.

Programming Considerations

As market opportunities for residential, retail and office space in Downtown Midland present themselves over the next 10 years, the following facts should be considered:

Residential

- The national trend towards housing product alternatives including town home/condo products in downtown neighborhoods among two principle age groups – 25 to 35 years and 55 to 70 years could be supported in Midland based on demographic and psychographic statistics presented here;
- Alternative housing products appeal to buyers seeking amenities without maintenance hassles, a product offering with limited availability in the region;
- Attached housing products target empty nesters, young professionals and single parents –the majority of downtown housing residents – and suggest potential in the market;
- Growth in oil and gas industries will generate demand for workforce and attainable housing – the fringes of downtowns similar to Midland have

proven to be effective locations for these types of housing products and an analysis of local property ownership suggests the potential to accommodate this product type locally;

- As interest rates climb, trends may shift towards apartments -- less investment appeal, but greater flexibility and less commitment;
- The conversion of vacant downtown office space into apartment and condominium residential units has been very successful in many urbanizing markets and is a sought after investment opportunity, e.g., Fort Worth, Dallas, Corpus Christi, Denver, and something Midland should anticipate;
- It is still an open question as to whether Midland has a critical mass of affluent residents to succeed with an early upscale downtown residential project, but will likely see one enter the market mid- to long-term;
- Pioneering projects will depend heavily on design quality, the experience of the developer and education of the community about the positive attributes of downtown living; and
- Investment in infrastructure, streetscape, and cultural amenities will be important early public investments in order to “ready the environment for investment” – as well as investment in “soft spaces” – in order to create a successful downtown neighborhood.

Retail

- Levels of retail demand suggest support for a range of retail product types in the core and fringe of downtown;
- Rooftop densities, in-town demographics, development economics and lender perceptions of risk will all challenge the timing of new retail products;
- The availability of locations on the Loop will continue to dilute the appeal of a downtown location – for some retailers;
- Neighborhood-supporting retail, office-supporting dining, and boutique shopping -- in a mixed-use urban environment – could make sense over time in downtown, particularly if integrated with residential and institutional uses;
- The market suggests support for 300K+ square feet of retail demand over 10 years could support a mix of tenants to serve residents, employees and visitors; and
- Ground-floor retail with office and/or attached residential above should be encouraged as it contributes to the overall pedestrian appeal and can be mutually supporting.



Office

- Major office development anywhere in Midland carries the boom-bust risk with Downtown being among the City's more fragile environments for new office product given prevailing market conditions (high vacancy rates);
- Priority should be given to identifying products that "contribute" to downtown (aesthetically, historically, economically), and serve to retrofit to meet current and future tenant needs (adaptability);
- For the balance of space, consideration should be given to razing and redesigning the existing inventory with an eye towards diversification of uses and an improved overall downtown "user experience;" and
- For newer construction, consideration should be given to smaller floor plates, and Class B space integrated into a range of mixed-use and multi-use formats.

Mixed-Use

- High-rise towers fit the "Tall City" image, but an inability to phase development in this product type suggests that adaptive reuse projects will be limited in early phases of Downtown's redevelopment;
- Additional study of the economic feasibility should be conducted regarding the adaptability of these buildings for either newer office, residential, lodging, retail or some mix of uses mid-term; and
- For new construction, three to four-story densities (in appropriate locations), at a human scale, with streetscaping, parks, and a mix of uses, would create a more user-friendly experience for employees; prospective residents; visitors; shoppers; etc. and likely prove economically feasible with limited public participation during the early phases.





Public Involvement

Establishing an inclusive method of communication is an important component for any community plan process. The Team and City staff identified several methods to engage the public during the downtown plan process, including stakeholder interviews, steering committee meetings, public workshop, charrettes, an open house, news releases, and interviews. The methods used and their appropriateness during the plan process are detailed below.

Stakeholder Interviews



The Team conducted several interviews with downtown stakeholders on March 29, 2006. These stakeholders represented elected officials, downtown business proprietors and property owners, City officials, and citizens actively involved in the community. The City of Midland arranged for the meeting locations and communicated the meeting dates and times. HNTB produced the

questionnaire for the interviews. The questions developed were not statistical, but gave planners a better understanding of what Midland's downtown meant for its citizens and investors; what was working right and what needed improving; and what peoples' desires were for a revitalized Downtown Midland. Responses to the questionnaire were kept confidential and the information solicited was used during subsequent steps in the project process.

Downtown SMART Plan Charrette

A two-day downtown plan charrette was conducted on August 7th and 8th 2006. The charrette took place in the Midland City Hall basement and was attended by approximately 15 to 20 stakeholders. Participants identified alternative solutions to downtown development, urban design opportunities, administrative actions, planning policies, incentives, guidelines, and regulations. A "charrette" is an intense multi-day design or planning process that involves the collaborative efforts of project stakeholders to create a visual plan for an identified area and reach resolution through joint ownership of solutions.

Downtown Plan Steering Committee Meetings



Starting with a kick-off meeting on Thursday afternoon, January 26, 2006, Midland City staff and HNTB planners met with the Midland Downtown Redevelopment Plan Steering Committee, a group of nine residents of Midland formed to oversee development of the Midland SMART Downtown Plan. Besides the kick-off meeting, the steering committee met five times to review and discuss the plan's development.

The dates and main topics of discussion for these meetings were as follows:

- Thursday, March 30, 2006 - discussion about team efforts in developing the plan and identifying real estate market opportunities.
- Tuesday, May 24, 2006 - presentation of the real estate market opportunities for downtown. Define alternative scenarios process.
- Tuesday June 20, 2006 - initial discussion about some of the alternative scenarios.
- Monday, August 7, 2006 - discuss the events taking place during the charrette, and the probable outcome.
- Thursday, September 28, 2006 - looking at the three alternative scenarios, get feedback.
- Tuesday, May 2, 2007 - present the draft preferred scenario, market analysis and implementation plans.

The role of the Steering Committee was to serve as a sounding board to the Team on various ideas and recommendations throughout the planning process. Each of the steering committee meetings provided members a chance to review and comment on the progress made from the preceding meeting. Committee members also gave The Team helpful direction on upcoming tasks and activities related to quantifying and directing growth and development in Downtown Midland.



Downtown Public Workshops

During the project there were three public workshops held that provided an opportunity to solicit input from the residents of Midland about the plan and its objectives. Two meetings were conducted inside Midland City Hall and one was held at the Midland Chamber of Commerce. Some of the public workshops were held in conjunction with other project events to help streamline activities. The first public workshop was held Monday, August 7th 2006. The main focus during this workshop was to introduce the downtown redevelopment project to Midland residents and to set plan goals. The workshop was held in combination with the downtown charrette, which took place on Monday, August 7th, and Tuesday, August 8th.

The second public workshop occurred on Thursday, September 28th 2006. The focus of this workshop was the three alternative scenarios developed by the Team and approaches to growth and redevelopment of Downtown Midland. The attributes and issues of the three alternative scenarios were discussed with those attending. After the presentation, residents were asked to select what they preferred and what they thought should be avoided among the three scenarios.

The final public meeting was held on Tuesday, May 8, 2007 in City Hall where a briefing of the Midland Downtown SMART Plan was presented to the City Council and a public hearing was held to consider adopting the final document and the supporting recommendations.

Project Goals

To help guide the project and move the plan forward, nine project goals were developed, each of which is listed below. These goals were created based on input gathered during stakeholder interviews, steering committee meetings, and meetings before the public.

1. Create opportunities for new family-oriented developments downtown but not limited to the following: restaurants; residential (townhouses, corporate condominiums, adaptive reuse lofts, senior housing); family entertainment – regional (IMAX theater, museum, etc); and, mixed-use (housing).

2. Introduce public open spaces / parks that create a new image for downtown while providing a venue for existing festivals and events.
3. Look for opportunities to adapt existing buildings into new uses where economically possible.
4. Build success in revitalizing downtown from existing physical assets:
 - Concentration of buildings/people
 - Downtown – still center of business
 - Petroleum Club
 - Yucca Theatre
 - County courthouse & facilities
 - Existing quality office buildings
 - Existing quality restaurants
 - Hilton Midland Plaza hotel
 - Midland Center
 - Centennial Plaza
 - Under-used and vacant parcels
5. Capitalize on the opportunity to bring the City and County together toward a better Midland -- jointly working on their facilities, lands, and assisting with new development.
6. Include recommendations for removal of existing buildings for the following reasons: to raise current property values; to reduce the square footage of obsolete space; and, strategically upgrade adjacent properties.
7. Create urban design features, which promote a better pedestrian environment with -- streetscape, pedestrian furniture, and entry gateways.
8. Identify and participate in overcoming financial challenges associated with implementing Phase One revitalization projects. Use the following:
 - Public funding sources
 - Private funding support
9. Implement one substantial project every three years for the next 15 years.





Alternative Scenarios

An integral part of the Midland SMART Downtown Plan was the inclusion of “alternative scenarios” in the planning process. Alternative scenarios are growth and development concepts used to garner feedback from civic leaders and local residents about future options for an area. Including alternative scenarios as part of the planning process helps ensure that the community has an active part in determining the future growth and design of Midland’s downtown area and provides The Team with a better understanding of the desires of the stakeholders. Along with a market analysis and guidance from a project steering committee, incorporating alternative scenarios into the planning process is a powerful tool to use in the development of a preferred scenario.

While the alternative scenarios advanced for application in Downtown Midland were all considered appropriate, however, team members were open to other considerations voiced by citizens. For instance, a particular scenario shown on a map in one location may ultimately be both better suited in another area and more strongly supported by the public input because of learned social, economic, and physical considerations. The purpose of preparing alternative scenarios includes:

- Helps planners and meeting participants to visualize and express the “what if” for a particular area
- Presents different growth and development concepts for consideration
- Tests diverse urban concepts and potential consequences
- Solicits public feedback
- Serves as an important transition phase that moves the project from the data gathering and analysis phase into the preferred scenario and implementation phases

For Downtown Midland, using alternative scenarios helped highlight some of the challenges faced by this area’s growth and development patterns including the following:

- Managing the immense size of downtown’s land area
- Effectively taking advantage of downtown’s street grid
- Enhancing the central core
- Establishing special areas in downtown

- Developing downtown linkages
- Promoting a positive image for downtown

Three Alternative Scenarios

Three alternative scenarios – Big Bang Scenario, District Scenario, and Street and Corridor Scenario – were developed for Downtown Midland. All three were sensitive to existing conditions in the downtown core, as well as those in the sub-downtown area. Each one also considered existing voids in Downtown and took into consideration the desires expressed by the citizens and stakeholders. The three alternative scenarios are described below in greater detail, and include a listing of each scenario’s positive attributes and possible implications.

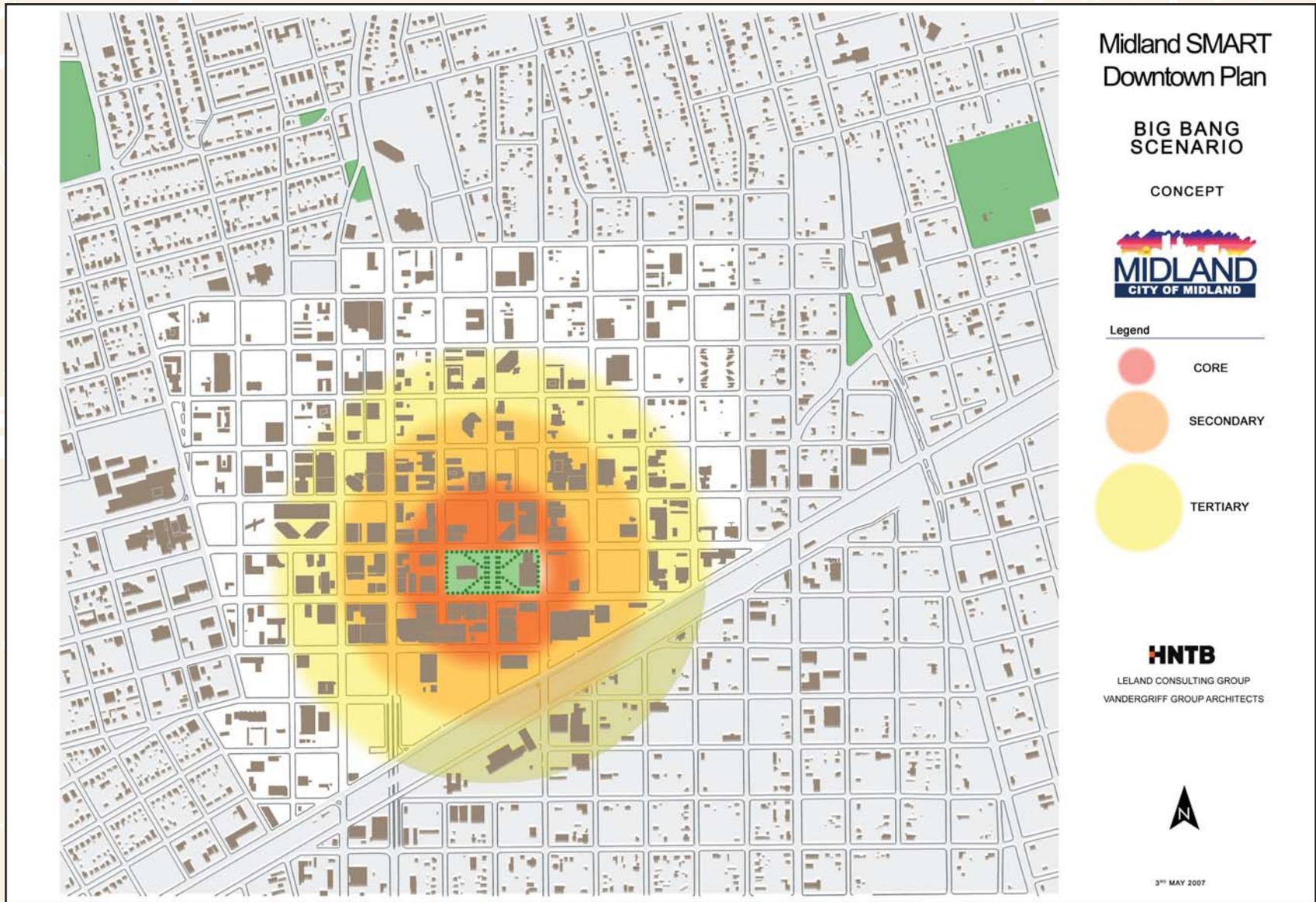
Big Bang Scenario

The scenario referred to as “Big Bang” suggests catalyzing redevelopment through a single major investment – public or private. Like a drop of water falling into a still pool of water, the impact of a major downtown development has the potential to reverberate onto the surrounding blocks. From the public side this could be accomplished through the development of public attractions such as a concert hall, convention center, or public college campus. From the private sector, this could be accomplished through redevelopment or development of a major residential tower, retail center, and entertainment complex or research facility. The impact of such a major investment could provide the stimulus for further developments in the downtown area.

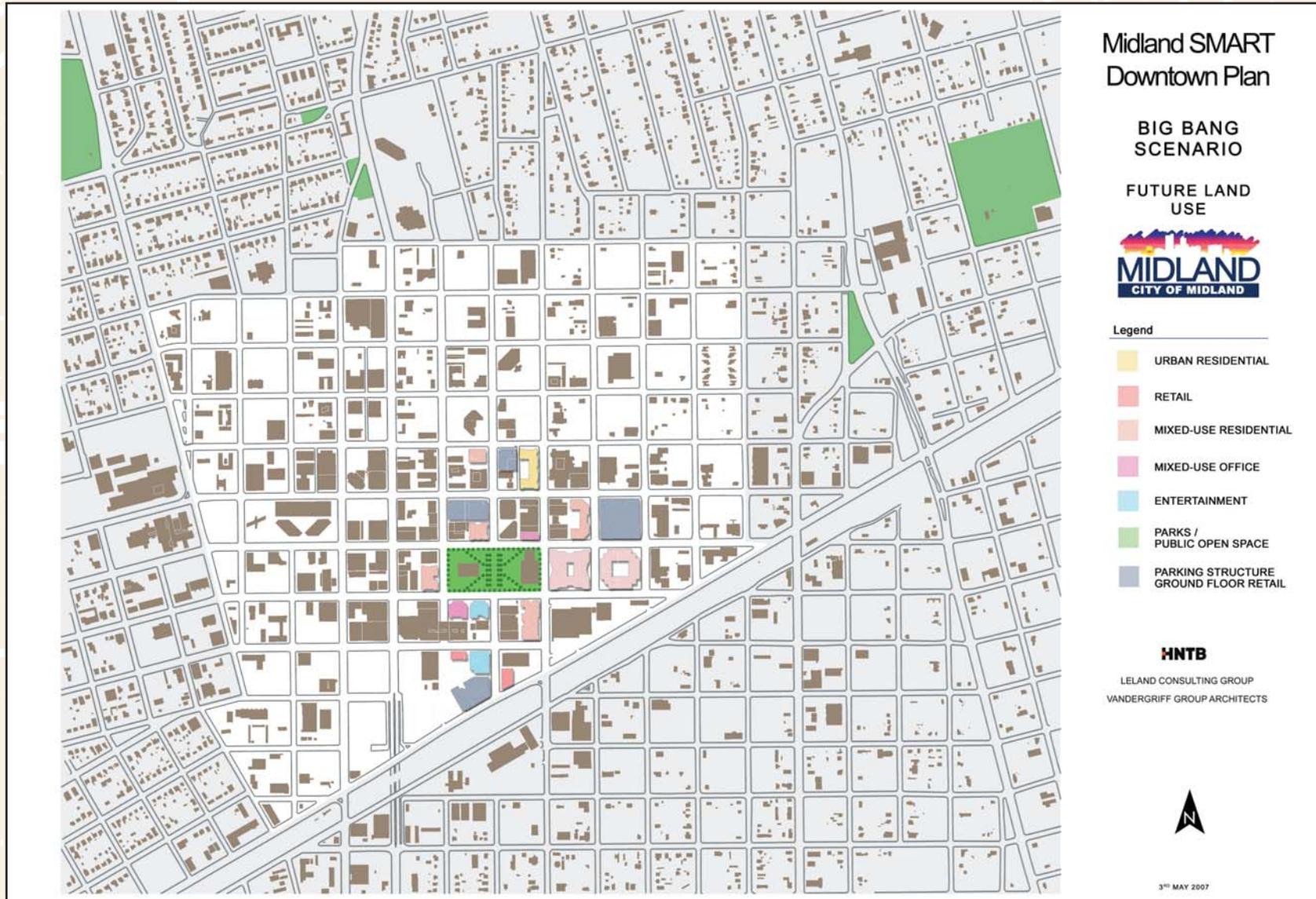
The graphic representation of the Big Bang Scenario places the center point in Centennial Park between the Midland County Courthouse and Midland Center. This site was selected because it is well known to the local public. In this scenario, the location of Centennial Park would provide the impetus for early investment projects with activity taking place on surrounding blocks and parcels. Secondary activity would not have a direct link to the center point park space, but rather support the activities of the proximate development. The tertiary redevelopment zone of activity would contain uses or activities that serve as a transition between the urban, dense development patterns and existing neighborhoods at the edge of downtown. Listed below are the attributes and implications of the Big Bang Scenario:

Big Bang Attributes

- Creates a well-defined center for the city



Map 14 - Big Bang Scenario



Map 15 - Big Bang Scenario Future Land Use



- Should generate a concentric ripple effect from the center point of initial investment
- All of the community's resources for downtown are focused in one location
- Highest land values located where density is the greatest
- Fosters a single point of development excitement that the community can rally around
- The attraction of downtown will be to see and experience the center point and concentric investments

Big Bang Implications

- Minimizes the possibility of having diverse or special areas surrounding downtown
- Lack of variety could limit the impact of the initial investment
- All of the community's resources for downtown are focused just on one location with the success of early redevelopment efforts rising and falling on a single project
- Land values for areas located farthest from center point of investment remain stagnant
- Entries into downtown are void of noticeable development activity and potentially detract from initial investment occurring in the central core
- May require amendment of City's development policies

District Scenario

The District Scenario has characteristics that are similar to the Big Bang Scenario; however, the role of the two scenarios is different. While the Big Bang Scenario emphasizes a concentration of downtown development reverberating from an initial investment center point, the District Scenario spreads development mostly around the periphery of downtown concentrating on one or more district developments anchored by a focused activity. Activities could include a concentration of residential uses, commercial uses, entertainment uses, civic uses, or others. Secondary uses that would support the primary activity would be incorporated into larger district activities. Districts should be an active mix of uses supporting a primary need in the downtown area and/or community. A central park or open space feature should be incorporated into each district development; however, this civic space is not a stand-alone requirement. Like the Big Bang Scenario, development would ripple out in a concentric manner from a core park or open space. All districts would carry the same amount of

importance. The central city core could even be considered a district with its primary objective being to serve the needs of the business community. The District Scenario graphic demonstrates a conceptual placement of four districts in the downtown area. Each district is surrounding a core park or open space with district development radiating in a concentric manner from the civic space center point. The districts are located an equal distance from one another to maximize development potential and impact. While three of the conceptual districts are shown placed on the northern half of the downtown area, there is nothing that would prevent one of more of these districts from taking place in another portion of Downtown Midland, such as the southwest corner or the area directly east of Midland Center. Listed below are the attributes and implications of the District Scenario:

District Attributes

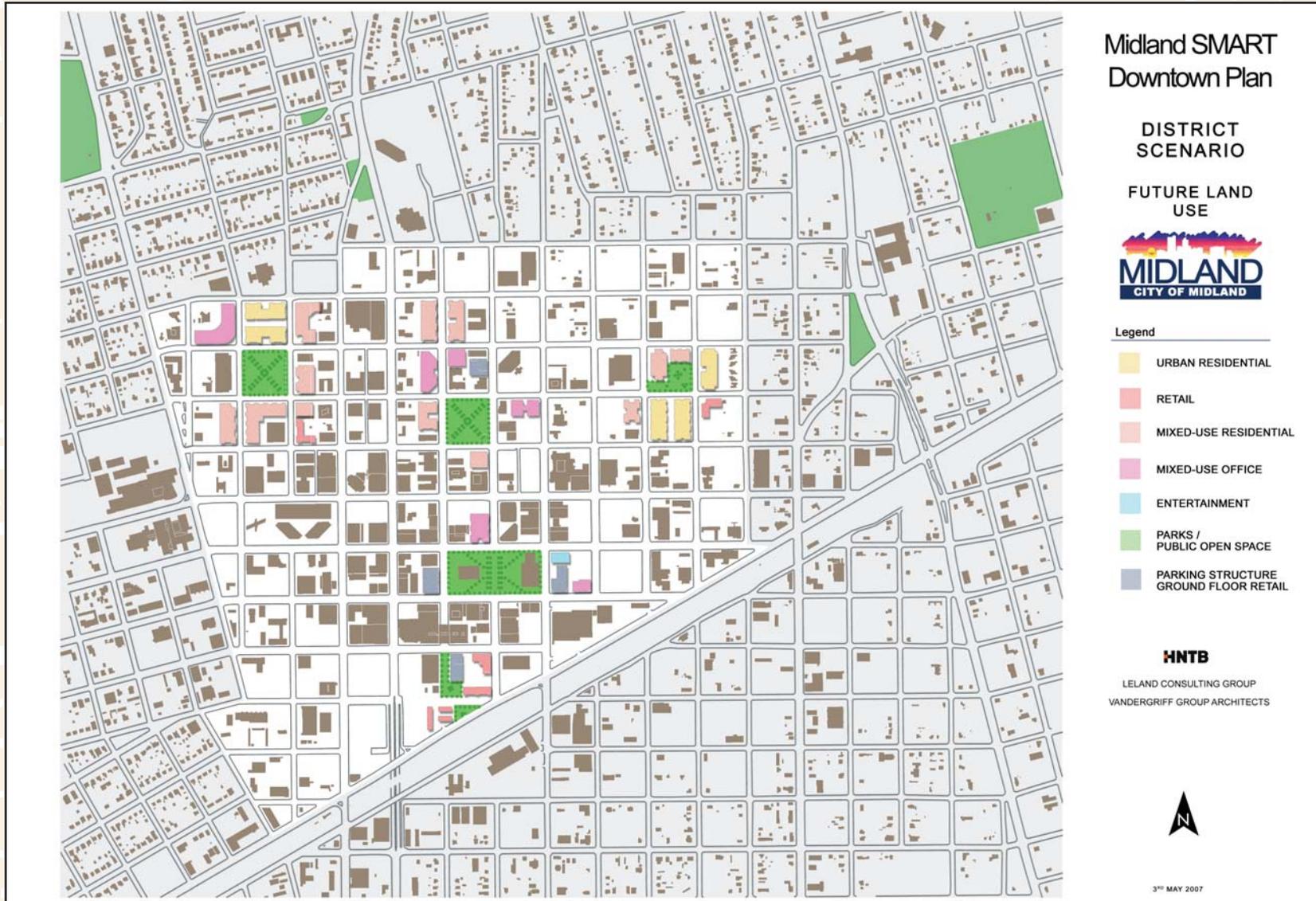
- Downtown becomes a collection of special and unique districts
- Offers variety to downtown and different residential choices not available today
- Excitement of downtown is not focused on just one location but spread out to the periphery of downtown
- The attraction of downtown is the variety of destinations to see and experience
- Impact of districts to neighborhoods just outside of downtown periphery should be a plus

District Implications

- There is no guarantees that a downtown of many districts is going to feel cohesive
- Possible district choices are unproven in this market and could fail
- Downtown central core must compete with districts on its periphery
- Who defines what districts should go into the downtown area and who champions each district's development
- Impact of districts to neighborhoods just outside of downtown periphery remains uncertain
- May require amendment of City's development policies



Map 16 - District Scenario



Map 17 - District Scenario Future Land Use



Street and Corridor Scenario

The Street and Corridor Scenario concentrates on the nature and character of the urban roadway network and how it can be used to link activity areas and spur development. While roadway mobility and access are primary considerations in developing any community's thoroughfare plan, a community's street network should be more than utilitarian conduits for moving traffic and providing access; they should set the tone for an area. This can be accomplished by enhancing the street's character and having this character work in concert with the adjacent land uses and neighborhood activities. Cities should take advantage of the regional and historic significance of streets and highways by playing up local attributes. The local road network is not just about serving cars and trucks, it is about providing options for movement, whether walking, riding a bike, roller-skating, or riding a bus. The pedestrian environment, which is inherent in a well developed road network, is usually described with such planning jargon as "pedestrian-scaled" and "pedestrian-friendly." Simply put, the pedestrian portion of a roadway should work with the surrounding development patterns but should also give the user a sense of security, order, and scale that makes walking, biking, or taking the bus as strong an attraction as getting into a car or truck.



There were four different roadway types recommended for Downtown Midland's Street and Corridor Scenario – Regional Corridor, Historic Wall Street, Pedestrian Street, and Transit Loop. These roadway types serve as general examples of how streets and corridors can influence the development of an area and a community, but should not be considered as stand-alone options. Other roadway types were also encouraged for further consideration and inclusion in the alternative scenarios process. The four roadway types developed for Downtown Midland's Street and Corridor Scenario are described as follows:

Regional Corridor – Thoroughfares that carry a significant amount of traffic and are well known within a region. In this alternative scenario, the two downtown roads that were considered as Regional Corridors were Front

Street and Big Spring Street.

Street and Big Spring Street.

"Historic Wall Street" – Wall Street is another important road in Midland that has played a significant role in the City's history; the current reinvestment and upgrading that is being made to the street in the downtown area is a vital step toward protecting and enhancing its value. Other streets in Downtown Midland that could play a similar role in the city's growth should likewise be recognized and enhanced.

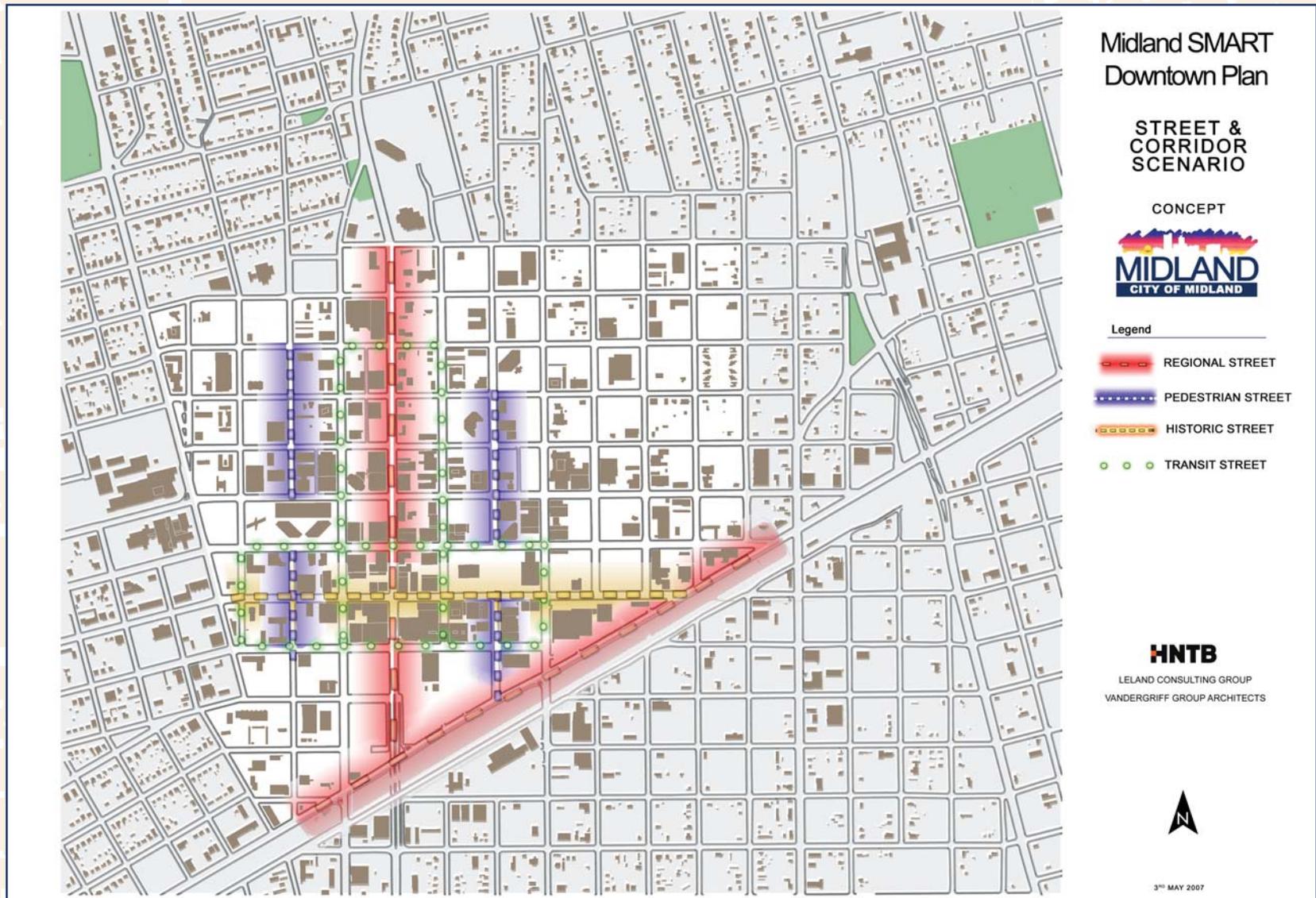
Pedestrian Street – These streets are designed to actively integrate the needs of pedestrians at an equal or greater measure over vehicular traffic. The urban design of these streets takes on a greater emphasis in order to make moving about the downtown area by foot an attractive alternative to getting into a vehicle. Roadway designs are incorporated into the surrounding land uses and development activities. Several downtown streets could be viable candidates for this classification, working concurrently with adjacent development plans.

Transit Loop – This type of street would be designed with particular attention the needs of transit vehicles and transit users. Such streets could have pullout lanes for pickup and delivery of bus users. Identified streets should form a loop within the downtown area, assuring downtown transit users that they will return back to their original point of entry from another location along the loop. The transit loop should make stops at major activity areas either existing or planned in the downtown area.

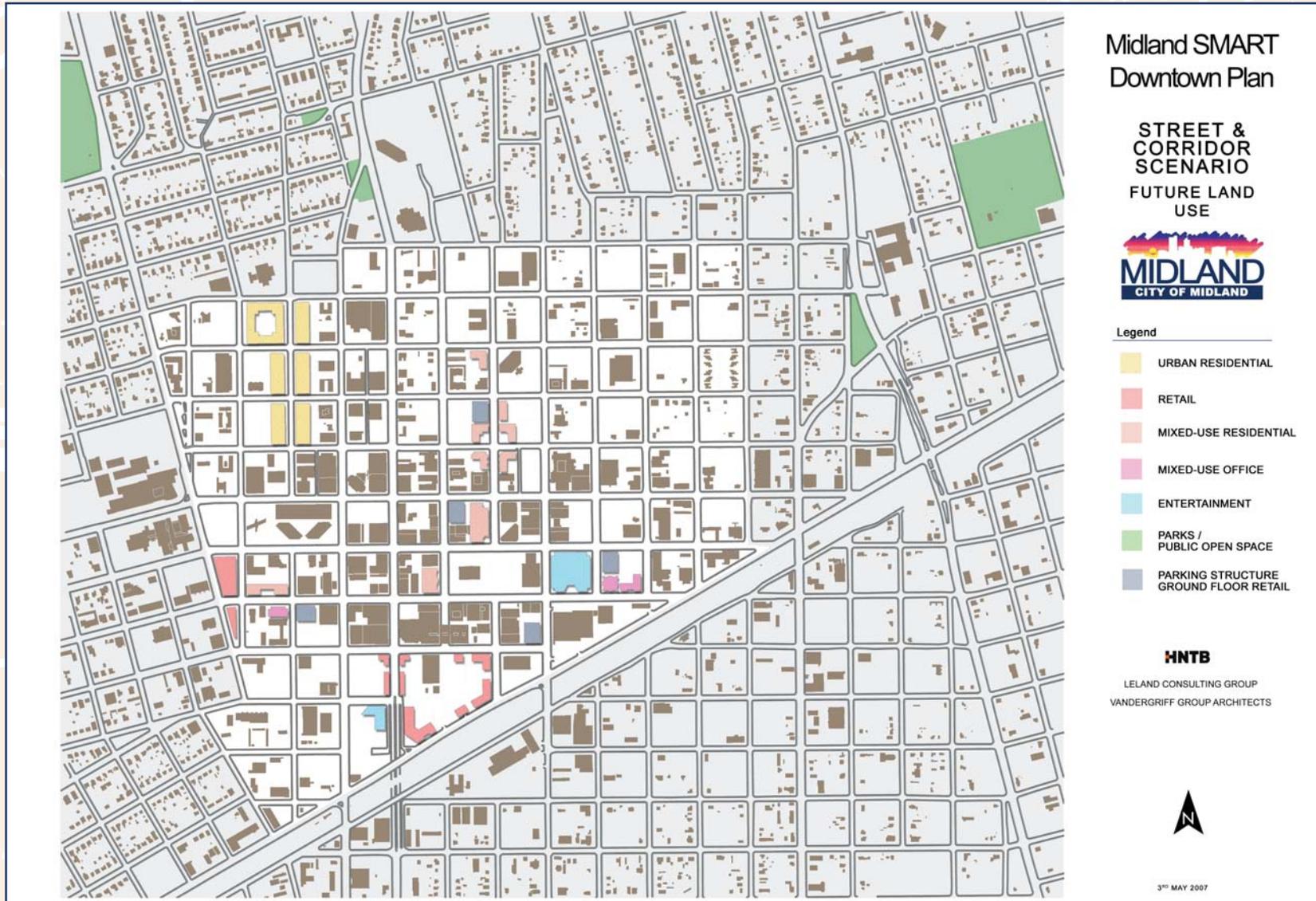
Listed below are the attributes and implications of the Street and Corridor Scenario:

Street and Corridor Attributes

- Recognizes that streets and corridors are usually the first impression a person has of an area
- Streets become amenities that spur surrounding developments
- The character and design of a street can set the tone for an area and can be used as a reference point for a larger area



Map 18 - Street and Corridor Scenario



Map 19 - Street and Corridor Scenario Future Land Use



Street and Corridor Implications

- How much detail for a roadway is too much?
- May require major capital improvements project(s)
- Downtime during street reconstruction will impact nearby businesses
- Choices will have to be made between one street and another for urban design amenities and decisions could impact the surrounding area(s)
- Depending on the level of detail, the cost of maintaining a highly designed street could be excessive





Final Preferred Plan

The Midland SMART Downtown Plan is intended to assist the City of Midland and its partners, property owners and other project partners with a technical framework for discussions regarding market opportunities, development programming alternatives and partnership strategies. The vision and directives referenced herein were developed with input from the City Council-appointed advisory committee, property owners, representatives of the City and guidance from the Consultant team.

In order to arrive at a final development concept for Downtown Midland that represented the vision of the community and stakeholders, the Consultant team took the comments of the community and committee regarding the alternatives and designed a framework which would provide a compilation of experiences designed to better define Downtown as a memorable place in the city. Final recommendations are grounded in market and economic reality, and are presented in a manner believed to offer real options to better direct growth in the area. Factors which influenced the final concept included: input by participants in the process; visual preferences; downtown's competitive position in the region; potential for balance in the community; market forces; best practices; and, make-up of property ownership and site utilization.

The preferred plan scenario provides guidance for moving forward, while allowing for flexibility and appropriate responses to changing market conditions near- and long-term. There are five plan districts described below that focused on making Downtown Midland a more diverse place to live, work, play and educate. Each district allows for a range of alternative development patterns that serve to define the central core of the community, while also blending neighborhoods, villages, and districts. The preferred plan scenario also provides the foundation for the Midland SMART Downtown Plan recommendations.

Components of the Preferred Scenario

Identified in the preferred scenario are several components that could be implemented to breathe life back into the downtown area. These components should be inherent in any downtown area that is active and which continues to function as the center for commerce in its region; however, these components are only possible when there is a commitment to bring them to fruition. The following components serve as a basis for the plan recommendations.

A sustainable centralized downtown area - In order for Downtown Midland to be sustainable it needs to be more than a "nine-to-five" work environment for the city. It needs to offer opportunities for job growth and expansion, as well as living, shopping, entertainment, and education, similar to those found in other cities. The outer boundary of Downtown Midland should include diverse clusters of villages, districts, and neighborhoods that have a definite purpose and characteristics, while also linked seamlessly to one another and especially the central core of downtown. Such diverse offerings for living, working, shopping, entertaining and educating, even on the fringe, will only strengthen the downtown core.

Adjoining park districts to bolster Downtown Midland - Currently, Downtown Midland only has one park space – Centennial Plaza. The balance of the downtown area is block after block of commercial structures, surface parking lots, and vacant land. Except for various annual festivals and occasional events that are held in the park, people typically come to conduct business in the downtown office towers during the working hours then escape at five o'clock. Well-designed parks can become important public amenities that attract people and help define neighborhoods and communities. A strategic network of downtown parks would help soften the downtown environment, stabilize and even promote neighborhoods, and elevate the value of adjacent properties.

Streets that define downtown's new character - Downtown Midland's street grid is typical of many Texas cities and the quality of the roads for moving traffic is very good; however, most of downtown's streets lack character except for being utilitarian. Downtown Midland's street design should be enhanced to address the pedestrian's needs. Solutions could be as simple as providing well-defined sidewalks with street trees lining both sides of the roadway, and a streetscape design reflective of the needs and characteristics of the neighborhood, village, or district as discussed in the following section.



Final SMART Downtown Plan Recommendations

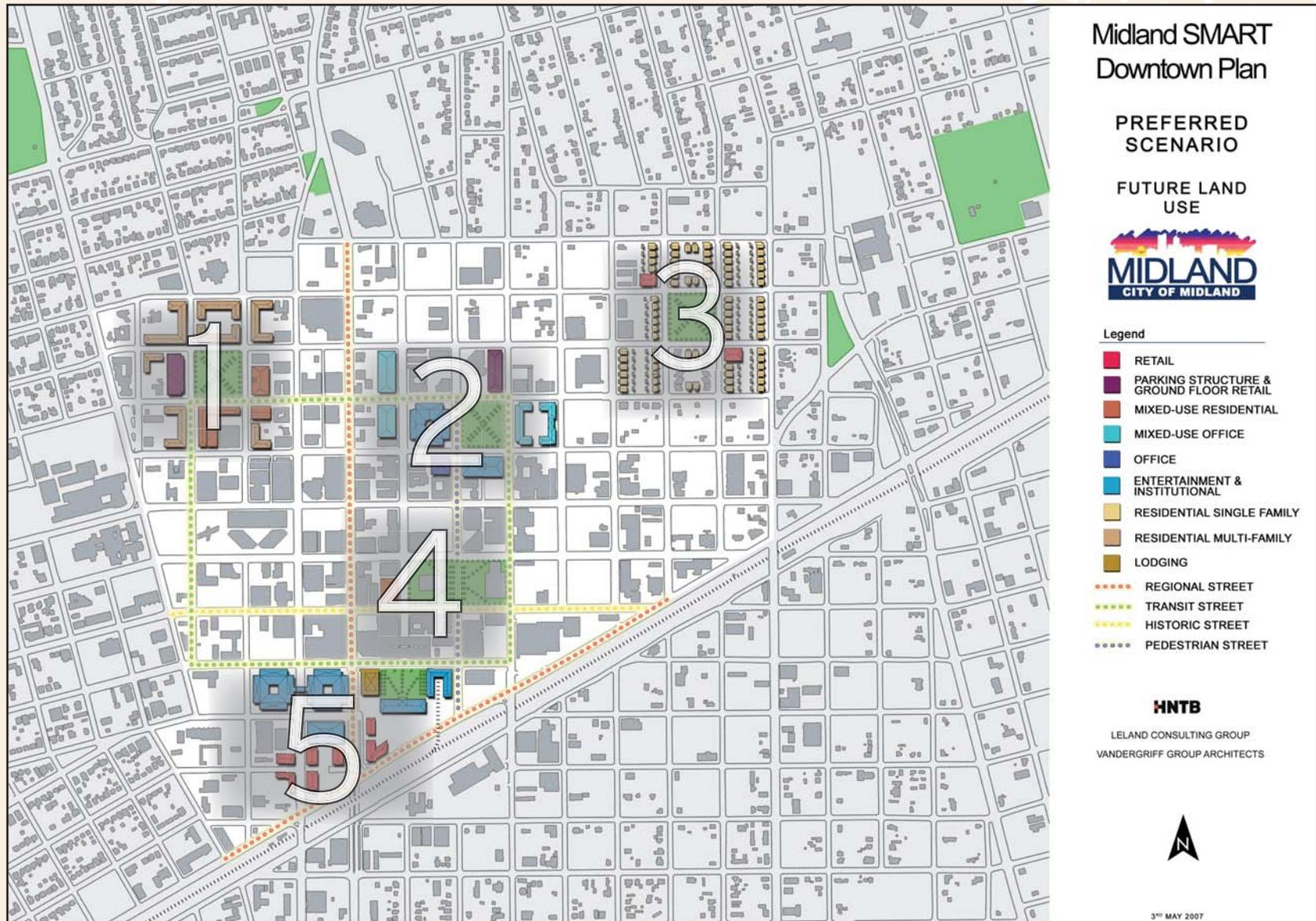
In Jane Jacobs' book, *The Death and Life of Great American Cities* (1961), she warns that "land use segregation and low-density dispersal were killing off the diversity that is the basis of urban life." She goes on to say, "The essential phenomenon of cities is the mixture of activities they support and encourage." Ms. Jacobs identified four conditions which must be present for a vital city:

- All districts in a "city" must serve more than one primary function, and preferably at least three, so that there will be people on different schedules using facilities in common.
- Short blocks and distances scaled to pedestrians.
- A mixture of buildings of varying age and condition, so that there are cheap rents for enterprises just starting out, as well as the high quality space to keep successful enterprises from leaving the area.
- Dense concentrations of people to support diverse activities within a compact area. Jacobs' ideal environment was 24-hour, with urban diversity, a mix of uses, vibrant street life, and places where individuals and families could live, work, shop and play.

Using these time-tested concepts as a foundation, the final SMART Downtown Plan proposes five districts. Each one has a special land use pattern characteristic that defines the area's role and needs, as well as its compatibility with surrounding uses and areas. Each district is also dependent on certain street characteristics identified among the roads of the downtown street grid that link it with the downtown core, as well as adjacent neighborhoods. The five districts include the following:

1. Urban Residential Village
2. Civic Center
3. Traditional Residential Village
4. Central Core
5. Gateway Entertainment and Meeting District

Each of the five districts is described in detail below. Each description provides a general understanding of its recommended location, current conditions, and what is being proposed. Map 20 illustrates the locations of the five districts.



Midland SMART
Downtown Plan

PREFERRED
SCENARIO

FUTURE LAND
USE



Legend

- RETAIL
- PARKING STRUCTURE & GROUND FLOOR RETAIL
- MIXED-USE RESIDENTIAL
- MIXED-USE OFFICE
- OFFICE
- ENTERTAINMENT & INSTITUTIONAL
- RESIDENTIAL SINGLE FAMILY
- RESIDENTIAL MULTI-FAMILY
- LODGING
- REGIONAL STREET
- TRANSIT STREET
- HISTORIC STREET
- PEDESTRIAN STREET

HNTB

LELAND CONSULTING GROUP
VANDERGRIF GROUP ARCHITECTS



3RD MAY 2007

Map 20 - Preferred Scenario Future Land Use



1. Urban Residential Village

An Urban Residential Village is suggested in the northwest section of the downtown area. This urban village would allow for a transition between existing single family housing to the north and higher density commercial developments located closer into the downtown core. A centrally-oriented park bound by Pecos Street, Michigan Avenue, Carrizo Street, and Tennessee Avenue is proposed that anchors this urban village and creates the setting that defines the place.



Map 21 - Proposed Urban Residential Village

Today, this area, located between A Street and Big Spring Street, south of Louisiana Avenue, is dominated by surface parking lots and vacant properties, but also

consists of a small corner office building, a half-block structure parking garage, two institutional uses, a multi-family building, and a corner light industrial establishment. Many of these parcels have few improvements and do not blend together to create a positive neighborhood or urban experience. Due to its lack of character and limited improvements by either public or private entities, this stark urban environment threatens the single family neighborhoods to the north and west.

Plan recommendations for this district suggest residential development mostly on the north side of a proposed park, together with mixed-use residential along the south and east sides. Residential products could include townhouses, condominiums, and/or apartments. Mixed-use structures should have retail or office uses on the ground floor level, opening out onto a park-side sidewalk with other uses on the floors above being either residential, office, or lodging. The existing parking garage could be reconfigured at the ground level to encourage street-level pedestrian activity.



All building structures should face towards the proposed central park, including building edge treatments. When possible, existing structures should be retained through reconditioning or adaptive reuse. Building heights should vary from two to three stories on the north, buffering existing single family residential neighborhoods, and up to four to six stories closer to the downtown core.

Streets that cross through this urban village should be designed with safety and pedestrian activity as paramount. The urban street design mix should include traffic calming devices, streetscaping, street furniture, and a signage system along with wayfinding techniques to direct and guide people. A proposed transit route could take advantage of the pedestrian focus of this village. The design of the streets where this proposed transit route would go should be sensitive to the needs of transit vehicles and passengers. The Urban Residential Village would also provide a product mix not currently available in Midland – an urban village where alternative higher density residential living is the draw. This lifestyle is not for everyone, but what the market analysis indicates and what has been discovered in cities across the nation is that there is typically an unmet market niche of urban dwellers interested in this product type.



2. Civic Center

On the SMART Downtown Plan map, a Civic Center is proposed in the north central section of Downtown. This proposed development plan provides an anchor of development on the north side of the downtown area. Its central focus is a large park, bounded by Tennessee Avenue, Main Street, Ohio Avenue, and Loraine Street, serving as a gateway setting for downtown from the north and helping to connect the few major developments on the north side of downtown with the central core.



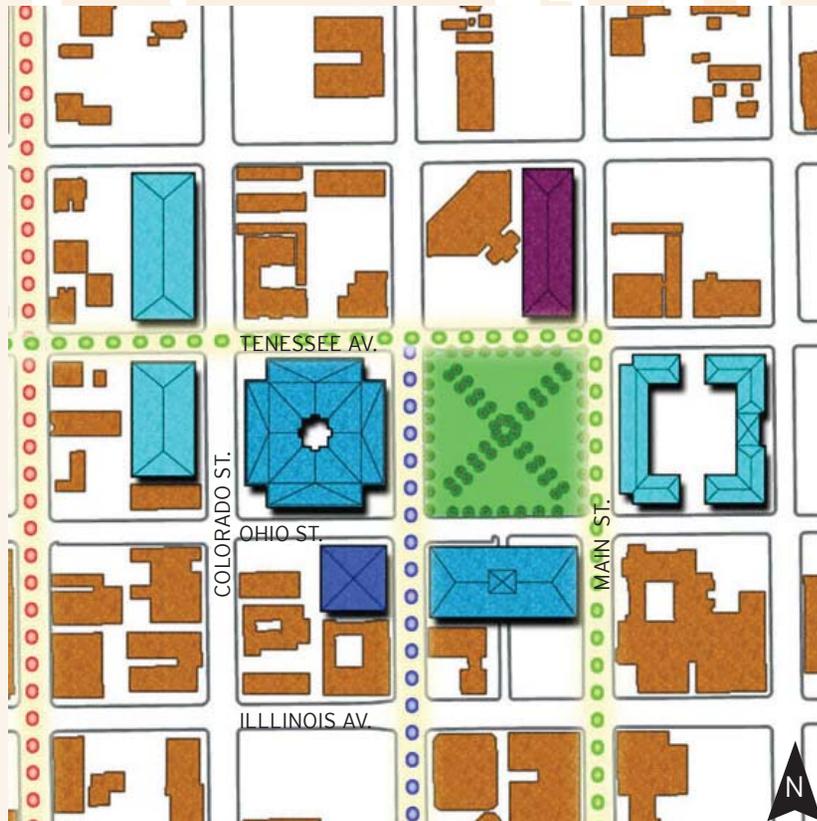
The site for the proposed Civic Center is currently made up of a scattering of offices and surface parking lots along with a single city-block bank drive-thru facility. Less intense uses include a light industrial facility, two churches, and the back parking lot for Midland City Hall. Most of the properties in the area are generally well-maintained. Despite several block-wide investments (Bank of America

drive-thru, First United Methodist Church, and the Heritage Center) the patchwork development patterns of this district do not come together to create a place that would attract people.

The Civic Center proposal shows a civic open space surrounded by two government office buildings, a mixed-use office building, and a mixed-use residential building. As proposed, a future government complex such as a federal center could be located directly west of the civic space. At the edge of this site, an enhanced expansion of Midland's City Hall complex would reside. At the southwest corner of Loraine Street and Ohio Avenue would be an office building that could house tenants needing convenient proximity to both government buildings and the County Courthouse, which is currently housed two blocks away but is proposed to expand to include offices in the Heritage Center building. Also proposed is a mixed-use office complex with an internal garage on the east side and a mixed-use residential building and an adjacent parking garage on the north side. These mixed-use complexes could be expanded several blocks in each direction as the market permits.

Ideally, all of the buildings surrounding the civic space should front onto this open space. The two government buildings would provide a notable backdrop for the civic space. Street level activities within the two mixed-use buildings would likely be retail or service retail, adding a pedestrian level of activity to the surrounding streets and public open area. Existing buildings, such as the First United Methodist Church complex, should be retained, while other nearby buildings could be adapted into new uses that are most compatible with such a notable public gathering spot.

Most of the streets that cross through this area are in fairly good condition; however, conditions for pedestrians are mixed. While most sidewalks are in good condition, the barren look of the area is exacerbated by the lack of street



Map 22 - Proposed Civic Center



trees and places for people to sit. Future urban design for the area's streets should include streetscaping, street furniture, and a signage system along with wayfinding techniques to direct and guide people. Because the Civic Center would serve as a destination for many Midland residents, a proposed transit route should cross through the district. The design of the streets where this proposed transit route would go should be sensitive to the needs of transit vehicles, passengers, and pedestrians. An important component of the proposed Civic Center would be a pedestrian street that would link the Civic Center, County Courthouse and Centennial Plaza. Because Loraine Street ends at Texas Avenue, its importance for moving cross-town traffic is not as great as other nearby streets; therefore, Loraine Street could be redesigned as a pedestrian street that could incorporate civic street features linking the existing County Courthouse complex with Midland City Hall and the new County office building as well as a possible future federal building.

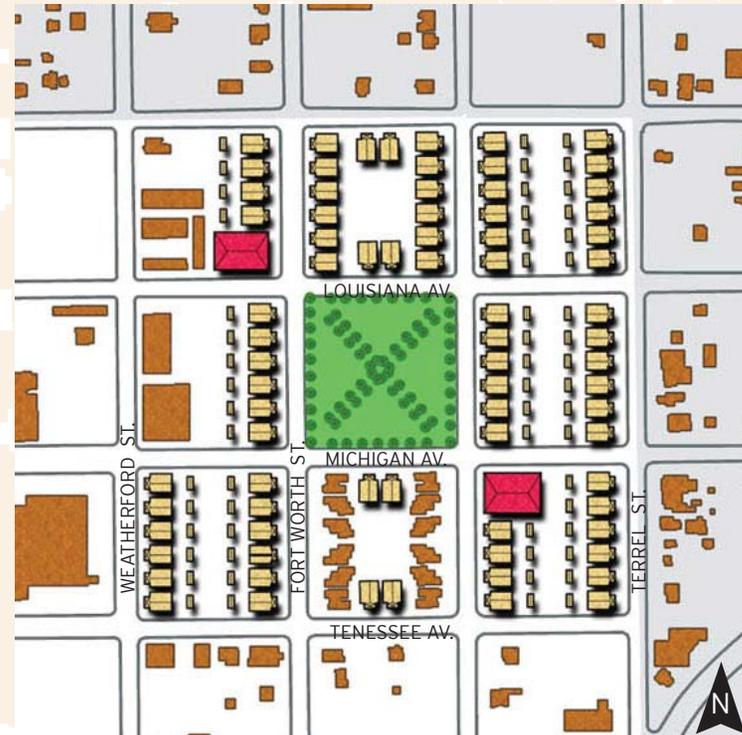
The Civic Center district would add a distinct component that helps to diversify this portion of the City while filling in some notable voids in the downtown landscape. Such a proposal will only come about if there is a true need to consolidate City offices through an expansion of Midland City Hall and/or another government facility seeking to build a large downtown center to house government offices, courts, and services in a building important enough to make a bold civic statement.

3. Traditional Residential Village



The Traditional Residential Village district is proposed in the northeast corner of Downtown Midland in an area basically bounded by Kansas Street, Terrell Street, Tennessee Avenue, and Weatherford Street. This district represents the typical older single family residential neighborhood of detached houses with front porches that are typically built closer to the street. The placement

of this residential village builds on investment already existing in this area and would therefore help sustain these efforts by providing further investment and new housing stock. In addition, this residential village would help define an



Map 23 - Proposed Traditional Residential Village

identifiable boundary for Downtown Midland, an area that is too spread out and lacks a concentrated core area.

As noted above, this district has experienced some recent investment of single family housing over several blocks. The surrounding blocks consist of single family housing mixed with vacant parcels, a few corner retail sites, a church, and a collection of light industrial uses. Various uses located in proximity to one another have left this area disjointed; however, the new residential investment appears to be a positive sign of the community's commitment to restoring the neighborhood's integrity.

The proposed residential village district concept builds on this success in a nine-block area with a defining park centered in the middle. Much of what is proposed includes two-story single family detached housing with front porches and setbacks closer to the street.



Uses would be the same on both sides of the street and any change in uses would likely occur in the alley-ways in order to maintain a consistent character along the streets. Two neighborhood-serving corner retail sites are shown across from the open space that currently serves the recently built residential block. To support the integrity of the residential neighborhood, some existing commercial and light industrial establishments would be encouraged to relocate out of this area and into another section of the city that is more appropriate for such activities.

The street grid of Downtown Midland carries into this proposed district; however, the character of the streets differ from those existing in other areas of downtown. The character of the streets in the proposed Traditional Residential Village district would have qualities expected in any neighborhood street, including sidewalks on both sides of the street, street trees, and street lights. Because of the more urban character of the nearby downtown core and potential for cross-through traffic, traffic calming devices such as speed humps, raised crosswalks, mini-traffic circles, and/or bulb-outs would assist in discouraging through traffic.

4. Central Core

The Central Core defines the heart of Downtown Midland where so much of the synergy of the business, government, and commercial activities revolve. This area is located around the combined blocks that incorporate the current Midland County Courthouse, Centennial Plaza, and Midland Center. This Central Core also expands out to include the adjacent blocks. This area, with its landmark skyline, remains the nucleus of Midland. Its role in Midland's social, physical, and economic character has long been established and there is significant value in encouraging it to continue to grow.



The Central Core district is one of the highest built areas of Downtown Midland with numerous office towers and government buildings. Currently, the core district is the location of Midland Center, the City's convention/conference center, and downtown's only notable hotel and civic park. Wall Street, an important downtown office address, is being rebuilt with an expected completion date of Spring 2007, into a pedestrian-friendly street

with street trees, sidewalk treatments, crosswalks, and urban touches that reflect the future vision for Downtown. Except for a portion of a block to the east, most of the district is developed; however, some office buildings on the periphery are vacant and in need of renovation, adaptive reuse, or possible removal.

The Central Core district recommendations include mixing residential with office uses. Combined blocks would be enhanced with a central feature, such as a statue, fountain, monument, and other civic attributes. Midland Center could



Map 24 - Proposed Central Core

continue to be the site for the region's convention and conference center, or taken over by the County and converted into a County Annex building providing additional office and courtroom space. In the blocks located adjacent to the combined block, the Plan recommends a mixed-use residential half-block structure on the northwest corner of Texas Avenue and Loraine Street. This proposed building, fronting along Loraine Street, would take advantage of its proximity to the enhanced civic park, as well as improvements to a redesigned and pedestrian sensitive Loraine Street.

In Spring 2007, demolition work was begun on the buildings that front Texas Avenue between Big Spring and Colorado Streets; the Midland Federal Savings and Loan building is also targeted to be removed. These demolition projects will provide an opportunity to redevelop the property with additional parking and with a mixed-use office project that could provide new updated space to the downtown inventory and cater to nearby office users. Smaller

and marginal office buildings should be the first to undergo any adaptive reuse to residential, proving up the depth of the marketplace before proceeding with larger conversions.

The Central Core district should remain the physical and economic activity center for the Midland region, but it should also infuse some residential and retail uses into its mix, thereby adding a greater variety of offerings to the downtown core and making Downtown Midland an alternative residential choice for local residents.

5. Gateway Entertainment and Meeting District

At the south end of the SMART Downtown Plan map is the Gateway Entertainment and Meeting Districts (or Gateway District). While this location provides only one of many ways to enter Downtown Midland, this entry is particularly significant. In many prominent cities across the country, the downtown area is an important destination for guests and visitors. As a notable gateway for visitors, the Gateway District provides an opportunity for mixing various gathering facilities within walking distance of downtown's largest office buildings. The district also creates a place for people to come together as a community.

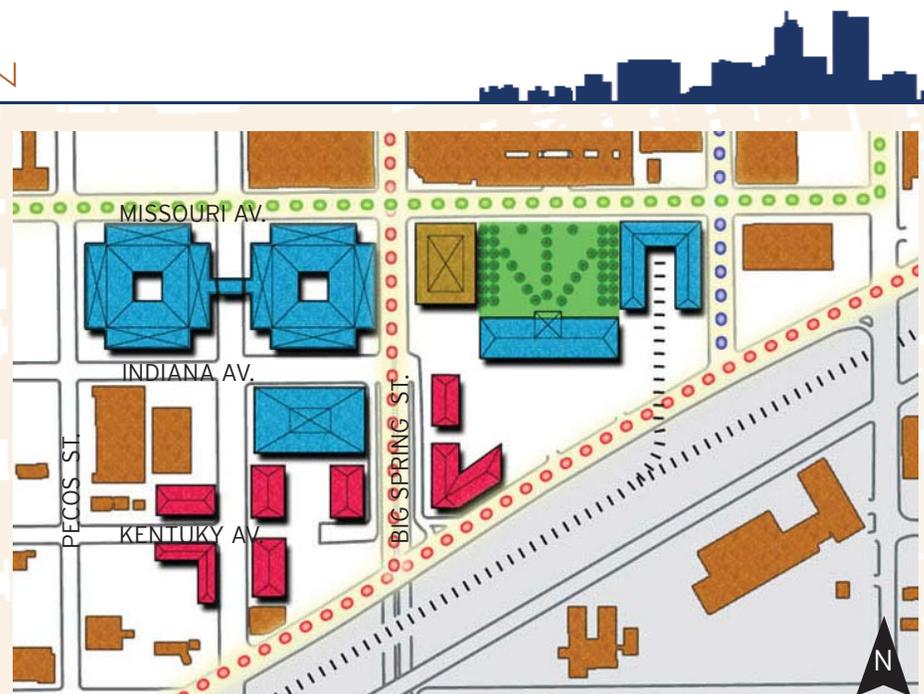


Currently, this district, located on the south side of downtown, sits between the shadows of office towers north of Missouri Avenue and the railroad tracks. Except for the County library at Missouri Avenue and Loraine Street, most of the city blocks on either side of Big Spring Street have been scraped clean of any development and are currently being used for surface parking.

Heading north on Big Spring Street

and coming up from the underpass, the first impression of Downtown Midland is an abrupt contrast between stately buildings and lifeless parking lots.

The recommendations for this district focus on facilities and events that would transform it into a destination, both locally and regionally. Proposed along the south side of Missouri Avenue between Pecos and Big Spring Streets is a con-



Map 25 - Proposed Gateway Entertainment and Meeting District

vention center and exhibition hall, provided that an alternative owner or use is found for the Midland Center. East of Big Spring Street and fronting along the south side of Missouri Avenue is a civic open space surrounded by a hotel, the County library, and a new museum. The civic open space should either be a formal green soft space or an urban plaza of the same caliber as Fort Worth's Water Gardens or Portland, Oregon's Ira Keller Forecourt Fountain. On the west side of the civic open space would be a hotel that would cater to both convention center and downtown traffic, while the east side of the civic space would feature a museum to house the Midland County Historical collection. Properties west of Big Spring Street and south of Indiana Avenue could be assembled to accommodate an IMAX theater or entertainment hall. On both sides of Big Spring Street, as well as on streets in proximity to the potential theater, restaurants, art galleries, and music venues that support the character of this Gateway district would be housed.

The Gateway district should be an extension of the downtown core urban setting. Buildings should be built up to the sidewalks with building facades enhancing a pedestrian environment including ample window displays, awnings, and entries. As a gateway into Downtown Midland, future buildings in the



Gateway district should also be designed and developed to have an architectural quality that is appropriate as a principal entrance to the City's center. The streetscape should include pedestrian amenities to make the district inviting for people to walk, shop, and be entertained. Sidewalks should be designed to allow easy pedestrian movement while including street fixtures and other street furniture, as well as outdoor seating and display areas for potential restaurants and shops. Buildings surrounding the civic open space should front onto this civic amenity. This is especially true for an important institution such as a potential County library or museum. Both the civic open space and a potential museum should be developed together to provide a seamless relationship that indicates their importance.

Two important regional roads pass through this area – Big Spring Street and Front Street. As a result, this area of downtown enjoys one of the high visibility rates of downtown. Big Spring Street passes through the heart of the downtown business district, while Front Street runs parallel to the railroad tracks. These two important roadways present interesting challenges and opportunities, and should be designed and developed to promote public safety, enhance their adjacent environment, and be sensitive to pedestrian needs. Due to its short distance between Front Street and Wall Street, Loraine Street takes on characteristics desirable in a pedestrian street. While still allowing vehicular traffic, Loraine Street should be designed with the pedestrian in mind to enhance the walking streetscape experience. Missouri Avenue, from Main Street to Carrizo Street, has been one of several streets identified as a potential transit street. As the Gateway district plan shows, there are several key destinations (proposed convention center, hotel, County library, and potential museum) along Missouri Avenue that would make this street appropriate as a transit street.

The Gateway district brings together in one section of downtown various gathering and entertainment components for people to experience. This location is within easy walking distance of many of Downtown Midland's largest office buildings and institutions. Such a district would provide a positive "front door" welcome mat to those entering Downtown Midland.

Catalyst Concepts

As explained throughout the planning process, the strategy for revitalization of Downtown Midland is based on redevelopment and targeted investment in "catalyst areas and/or sites", which hold potential despite the larger economic,

physical and regulatory redevelopment challenges of the downtown market. The projects which happen within these areas are generally urbanized places with a dense concentration of jobs, housing, commercial and public spaces often featuring pedestrian activity and a sense of place with access to key public improvements. Predominant land uses within project areas can be residential, nonresidential, civic, institutional and public. Investment often centers on a specific project, designed to bring an active and vital mix of uses together in a pedestrian-friendly format. In the case of Downtown Midland, each catalyst area is recommended where the districts were identified and where the best integration between urban public and private investment could occur.

Within these relatively compact geographic areas, different land uses are found side by side or within the same structures. The mix of uses are located in developments with minimal setbacks, reduced parking requirements, and taller structures, all in an effort to achieve higher densities necessary to support places with the potential to offer pedestrian activity, private investment and a sense of place. The area serves as a catalyst for public and private investment and economic activity, effectively building off the strengths of the surrounding area and connecting to adjacent activity areas.

Goal statements prepared for catalyst projects in Downtown Midland included:

- Stakeholder interviews,
- Address underserved market niches in the Midland trade area;
- Support stabilization/diversification of the existing retail/service base;
- Provide direction for targeting/leveraging public investment;
- Advance a market-tested community vision for Downtown over the near-term and long-term; and
- Advance a physically and economically sustainable plan.

Selection Process and Criteria

Catalysts were generally identified and evaluated based on screening criteria and are grounded in market reality. While an expressed interest in an immediate development or redevelopment project influenced the prioritization of certain areas, most were selected because they presented a compelling location or market advantage for future investment. Criteria used to select catalyst areas for detailed analysis included the following:



Criteria

1. Presence of a market opportunity in the near- or long-term
2. Opportunities to strengthen and link existing and/or future districts or activity centers
3. Ability to leverage existing or planned public investment
4. Physical environment including open space and public improvements
5. Potential for creating key entryways or “gateways” into catalyst areas
6. Favorable ownership patterns including public versus private and multiple versus assembled
7. Upward or flat trend in local investment
8. Compatibility with existing plans
9. Availability of public programs, incentives and tools for revitalization (e.g., Tax Increment Financing, Public Improvement Districts, etc.)
10. Ability to create activity centers, emphasizing opportunities with multiple access modes
11. Demonstrated community need, both perceived and quantified

Potential investment concepts within the Downtown Midland study area were selected using various combinations of the above criteria. Once identified, sound economic and community development tenets provided the framework from which potential catalyst concepts were developed. However, experience has proven that the plans most likely to be implemented are plans that maintain a high degree of flexibility. As markets change, the physical realm must change with them. Therefore, while each district and catalyst area has been identified today as offering potential for leveraged investment, the criteria will provide the City with the tools to evaluate future projects which might occur outside these areas, and which are still consistent with the vision for Downtown.

Following are descriptions of the catalyst projects and areas identified for the proposed districts in Downtown Midland. These descriptions are followed by a preliminary economic analysis. The purpose of this work is to provide the City and other advocacy organizations with tools to “tell the story” of Downtown and the opportunities present within it. The illustrative drawings presented earlier address the community’s and investor’s need to visualize the potential of each concept. The economic analysis begins to quantify the order of magnitude of any financial gap that might result from development and/or redevelopment of these or similar projects within the study area. In the case of the economic analysis, as assumptions were based on findings from the market

analysis, final figures associated with actual projects will likely be different as conditions and markets change. Conclusions derived to date can best be used to understand the range and number of financing mechanisms and strategies that will be needed to deliver projects of these types to the market.

Economic Feasibility

Encouraging strategic investment in catalyst areas or districts, which contain an appropriate mix of land uses, give greater emphasis to multiple forms of transit access, and create a unique sense of place has been identified as the central approach for redevelopment of downtown. The premise behind the selection of these “villages”, assumes concentrating resources in select areas that will have a positive economic “ripple effect” within the study area. In this way, the City of Midland (as a public partner) can effectively “leverage” investment efforts to overcome barriers and achieve desired outcomes.

It is generally accepted that economic “gaps” – the difference between potential project value and the estimated project costs – are all too common in urban redevelopment projects. It is not unusual for such projects to generate economic gaps between 25 and 30 percent. Because of these economic realities, the private sector tends to look for opportunities on the fringe of communities or in open “greenfield” sites, where there is often a more equitable balance between values and costs. The preliminary analysis of each project outlined below attempts to quantify potential public investments that could be used to fill the economic gap, such as land contributions, tax increment financing, sales tax sharing, a special improvement district and streamlined development approvals. In an effort to catalyze private investment, the public sector can participate by providing such funding mechanisms which can effectively serve to narrow or close the gap, minimize risk, and advance projects which will serve to prove-up the market.

Catalyst Project 1: Urban Residential Village

As noted previously, an Urban Residential Village is envisioned for the northwest section of Downtown. This urban village would allow for a transition between existing single family housing to the north and the higher density commercial development closer to the downtown core. The plan recommendations call for a mixed-use development with retail/office space on the ground floor and residential uses above. This project would take advantage of the



proposed central park as a public amenity. A reconfigured parking structure would also be a part of this catalyst project concept. The table in Appendix B illustrates the preliminary economic analysis conducted for a prototypical project with these characteristics. As shown, the analysis of the Project's potential costs and revenues indicated that an economic "gap" of approximately \$5.5 million would result from its development. This indicates an approximate 43 percent economic gap, which is high, but not unusual in urban development projects; however, such an economic "gap" may keep a project from moving forward, even if a strong market opportunity exists.

Catalyst Project 2: Civic Center

A Civic Center is envisioned for the north central section of Downtown. The Civic Center proposal shows a civic open space surrounded by two government office buildings, a mixed-use office building and a mixed-use residential building. A parking garage would also be included to serve the mixed-use buildings.

The table in Appendix B illustrates the preliminary economic analysis conducted for a prototypical project with these characteristics. As shown, the analysis of the Project's potential costs and revenues indicated that an economic "gap" of approximately \$7.2 million would result from its development. This indicates an approximate 32 percent economic gap.

Catalyst Project 3: Traditional Residential Village

The Traditional Residential Village is envisioned for the northeast corner of Downtown. This residential village would help limit and define the boundaries of Downtown. The plan recommendations call for two-story single family detached housing with neighborhood-serving retail space. This project would also include a central park area as a public amenity. The table in Appendix B illustrates the preliminary economic analysis conducted for this prototypical project. As shown, the analysis of the Project's potential costs and revenues indicated that an economic "gap" of approximately \$800,000 would result from its development. This indicates an approximate 10 percent economic gap.

Catalyst Project 4: Central Core

The Central Core defines the heart of Downtown and as such, it is the com-

munity's physical and economic activity center. The plan recommendations call for a mixed-use residential development and a mixed-use office project on the Midland Federal Savings and Loan site. This project would also take advantage of the enhanced civic park. The table in Appendix B illustrates the preliminary economic analysis conducted for a prototypical project with these characteristics. As shown, the analysis of the Project's potential costs and revenues indicated that an economic "gap" of approximately \$7.9 million would result from its development. This indicates an approximate 28 percent economic gap.

Catalyst Project 5: Gateway Entertainment and Meeting District

The Gateway Entertainment and Meeting District is envisioned for the southern end of Downtown. This district would become a key gateway into Downtown Midland and would provide an opportunity to mix various gathering places within walking distance of Downtown office users. The plan recommendations call for a new convention center and exhibit hall, a new home for the County library, a new museum, a new hotel, and various restaurant/entertainment uses. Because the convention center, library and museum are public facilities and require specialized feasibility analyses of their own, the preliminary economic analysis focused on private sector investment, i.e., the hotel and support retail/restaurant/entertainment space. A parking structure would also be a part of this catalyst project concept. The table in Appendix B illustrates the preliminary economic analysis conducted for a prototypical project with these characteristics. As shown, the analysis of the Project's potential costs and revenues indicated that an economic "gap" of approximately \$3.7 million would result from its development. This indicates an approximate 26 percent economic gap.

Revitalization Strategies

As demonstrated by the economic analyses prepared for each of the catalyst concepts and presented above, financial gaps resulting from the proposed market-supported programs will require multiple tools used in various combinations. The experience of redevelopment projects in other markets suggests that project gaps, which have been known to reach upwards of 40 percent in select instances, are the norm. The best strategy to address these deficiencies is through the application of multiple resources, thereby spreading risk and return among the partner entities. Each solution and implementation strategy



will be as unique as the project being implemented. The most important quality among these projects will be a willingness on the part of both the public and private sectors to be creative and flexible in their approach. To this end, the City should review the range of financing mechanisms identified and presented in the attached Appendix C. Additionally, the City should identify those tools that the City is most comfortable establishing or making available; and once affirmed, promote their availability to the private sector and test their effectiveness through project monitoring and benchmarking techniques.

Potential revitalization strategies and tools to advance these catalyst concepts include:

Tax Increment Financing (TIF) – the District obtains funds from increases in regular tax revenues that arise from new investment in the District; incremental increases in tax revenues over designated base year revenues are diverted to a special fund; diversion of regular tax revenues rather than additional fees to generate revenue for district investments can be used in conjunction with municipal bond issues whereby increment is pledged to repayment of the bond issue, or actual increase is allocated to an administering agency directly to finance redevelopment activities.

Land Contribution / Write-Down – property owner – public (city/county), private (developer) or semi-private organization – contributes land to a project either as a donation without an expected return, or at a reduced price. City-acquired property through fee simple transactions and foreclosures are an obvious source of land contribution.

Parking (Garage) Contribution – obvious use for TIF and special district dollars, whether the provision of dollars for parking within a project; parking in a district (village); or, parking management programs.

Economic Development Administration Funding – “hard” and “soft” costs – public entity which provides assistance in form of planning grants and construction financing – for the development of projects in rural and urban locations which will result in the creation of jobs for the community.

Sales Tax Sharing – future sales from a development can be rebated to developer to pay for infrastructure – city/county agrees to split sales tax revenue with developer, then developer uses to pay for infrastructure.

Improvement District – (such as the Midland Municipal Management District), both an organizing and financing technique for area revitalization. District provides stable stream of income for activities and projects considered special to area or in addition to general municipal services. Districts are vehicle for providing additional services for a fee and not to substitute for services funded through traditional tax revenues.

Streamlined Development Approvals – initiative by government entity to facilitate a timely approvals process for (re) development projects meeting certain criteria. Also referred to as a “green-tape_ permitting program. Critical elements of program: 1) streamlined permit and entitlement process; 2) greater predictability; and, 3) fairness in fees and exactions. Components: 1) appointed case manager; 2) consolidated permit process; 3) waived or reduced fees; 4) reduced number of changes to previously approved plans; 5) stoppage to the issuance of conflicting requirements by different departments; 6) a single public hearing; and, 7) streamlined environmental review process.





Implementation

Just as the challenges or barriers to investment are multifaceted, so too must the solutions be. The national trend of stagnating and declining downtowns is evident not just in Midland and Texas, but throughout the U.S. Facing increasing competition from development on the “fringe.” Downtown Midland will continue to experience a decline in commercial property values and market share unless specific actions are taken. In planning strategies to move forward, the City is confronted with economic indicators that reveal that its competitive position will continue to be eroded unless there is: repositioning of its role in the market, restructuring of its physical layout, recognition of the economic challenges inherent in infill and downtown redevelopment, and, aggressive recruitment of niche opportunities. The City and its leadership have undertaken this planning effort in response to the realization that the downtown area is at a distinct economic, social and market disadvantage compared to vacant “Greenfield” sites in the city. Such fringe and suburban properties, unlike downtown and urban sites, are usually larger single owner assemblages; neither warrant nor require structured parking; have access to newer infrastructure with sufficient capacity; attract the attention of a larger pool of private developers; and, often do not receive the same level of public scrutiny prior to development. To that end, the City has recognized a responsibility to “level the investment and regulatory playing fields.” Private investment alone will not fill the financial “gap,” rather, it will move elsewhere. This Plan has shown that there are “catalyst investment areas” that present the opportunity potential where investments can be made to leverage private interest.

Implementation Framework

Webster’s Dictionary defines implementation as “a means for accomplishing an end” or “an action to put into effect.” Following identification and analyses of catalyst investment areas comes the challenge of outlining a strategy that can be implemented to promote investment.

As explained earlier in the Plan and during the planning process, just as no one project will revitalize Downtown Midland, no single action will advance the larger vision. Rather, revitalization and repositioning of downtown will be dependent on a series of actions designed to capitalize on market opportunities and overcome barriers - effectively “readying the environment for invest-

ment.” Key to the successful implementation of this redevelopment plan will be the continued identification and implementation of actions tailored to the unique issues of the study area and potential investment areas within it. This approach has been proven to build community goodwill; enhance quality-of-life; provide opportunities for on-going public participation; allow special-interest groups to have a role in the revitalization effort; send a message that the area is successful and making positive strides; and, create an increasingly attractive environment for investment and development. Investors, developers and lenders seek out environments with market opportunity and prospects for success, devoid of obstacles and sound in sustainability.

Guiding Principles

The range of actions presented and identified to move the Plan forward were selected based on a foundation of guiding principles. These principles, while general in nature, were considered responsive to market opportunities, catalyst concepts and development programs, and stakeholder input. They include:

- Downtown is one sub-market, with several districts, that competes with other sub-markets within the region.
- Downtown, as a whole, must be greater than the sum of its parts -- niche strategies must be formulated to strengthen and link opportunities and infrastructure.
- Downtown must be market-responsive, innovative and have the capability to respond to a variety of opportunities.
- Downtown’s “tool bag” must have many tools (financial, physical, market, regulatory, organizational) which can be used independently or in various combinations.
- There must be clarity in the role each downtown advocate plays in advancing the Plan.
- Public investment must “leverage” private investment.

Historically, the planning, financing and implementation of projects in the downtown market were the primary responsibility of public sector entities. The city was understood to have the largest and longest-term interest and responsibility for downtown, making it the obvious lead in any revitalization or investment effort. It was also understood to be the logical conduit for local, regional, state and federal funding sources. However, while the public sector continues to play a significant role in most downtown efforts, a critical component to the success of any revitalization strategy today is participation by both the public and private sectors. Leveraging of resources is key, as no one entity, either



public or private, has sufficient resources alone to sustain a long-term downtown improvement effort. The resources of both needs to be brought together and frequently are under the direction of a downtown organization.

Organizational Roles and Responsibilities

One of the first steps in any downtown revitalization effort is selection of entities, locally supported and broadly representative of downtown stakeholders, that will initiate and guide growth in the downtown marketplace. These entities, frequently referred to as downtown organizations, have been established in both small rural communities and large metropolitan areas, to act as a mechanism for downtown revitalization and maintenance. Their efforts typically include: facilitating the retention and expansion of existing businesses; managing, attracting and clustering appropriate new businesses; coordinating improvement of the physical appearance of public spaces; ensuring a clean and safe environment; stimulating development of vacant and underutilized real estate; spearheading efforts to address parking and traffic problems; and, marketing to current and potential spenders. Their mission includes the following elements: unite stakeholders for improving downtown; provide leadership to elevate downtown on the civic agenda; identify an organizational entity to implement the downtown enhancement effort; leverage financial resources; be the primary advocate for downtown; set the standard of quality for others to follow; and, stimulate private reinvestment and action by others. The entities that fulfill this mission, today, are: Downtown Midland Municipal Management District (MMMD), Downtown Midland, Inc. and the Midland Tax Increment Reinvestment Zone (TIRZ).

A guiding principle of this Plan suggests that downtown must be managed as one cohesive sub-market, strengthening, connecting and promoting its collection of diverse assets and responding in innovative ways to opportunities to leverage investment. The organizational plan for implementation of this SMART Downtown Plan Midland should assist the City, its advocacy partners and other stakeholders, with managing downtown in a unified way, as well as capitalize on the market opportunities identified herein. Its recommendations should include strategies to reduce barriers, create incentives and clearly define the roles and responsibilities of the agencies involved in developing and managing the environment.

Midland Municipal Management District (MMMD) - MMMD was created in 2003 by the State Legislature and acts as the lead facilitator of redevelopment activities within the identified district boundaries. The primary mission of the MMMD is to maximize the value and increase the usage of Downtown Midland properties and enhance the long-term viability. The MMMD levies an assessment on the property owners within the identified district to provide services and improvements in the following program areas: development, urban design and beautification, marketing, and district creation and administration. The goal of the MMMD is to undertake projects with widespread benefits that are beyond the ability of individual property owners to provide. MMMD works in conjunction with the property owners, service providers, and the public sector to develop and carry out programs and redevelopment activities that will help to achieve its mission.

Downtown Midland, Inc. - Downtown Midland, Inc., established in 1998, is downtown's business leadership organization. Its primary responsibility is to improve the downtown business climate through a combination of management, maintenance and marketing initiatives. Downtown Midland, Inc. should continue to ensure that downtown interests are represented and advanced in policy and resource allocation decisions at both the local and regional level. This Plan suggests a stronger role for Downtown Midland, Inc. as a facilitator, or "deal-maker", to encourage new types of marketable real estate investment in the central business district. Its role as a facilitator will require a more aggressive posture to help guide and finance investment by coordinating the downtown real estate delivery system. This delivery system includes City procedural elements, such as zoning and building codes, plus leveraged resources, including both public and private financing.

Midland Development Corporation - The Midland Development Corporation was created in 2002. The MDC's mission is to help advance Midland's development efforts by attracting businesses, facilitating commercial and/or housing development financing, and acting as a developer to rehabilitate underutilized and / or blighted real estate.

The MDC's concept is modeled after Community Development Corporations (CDCs) that have been successful in rebuilding hundreds of urban areas throughout America. CDCs are entities that tackle public benefit projects and other redevelopment activities in areas that have difficulty attracting private capital or lack development expertise to advance complicated public-private



financing strategies. Typical activities include constructing low- and moderate-income housing, assisting in the growth and attraction of small businesses and developing underutilized and/or blighted real estate. CDCs create new market opportunities and accelerate redevelopment by undertaking project research and feasibility analyses and by leveraging public and private capital to finance projects. CDCs tend to be most effective if they have a well-defined mission, work program and geographic scope.

There are numerous opportunities throughout the downtown area for the Midland Development Corporation to be an effective redevelopment partner with the City and other advocacy organizations. Opportunities for the MDC to play a pivotal role within the identified districts of downtown include:

- Supporting housing development throughout Downtown with activities ranging from undertaking market research to pursuing joint venture development projects with private sector developers;
- Assessing the feasibility for adaptive reuse of older underutilized buildings in downtown's employment district and new development options in downtown's transitional districts;
- Exploring innovative live/work development products throughout downtown; and
- Understanding and repositioning existing loan funds for small business developments including (potentially) new retailers or businesses in downtown's districts.

The Midland Development Corporation should be guided by a mission that advances development projects that cannot be undertaken by the private sector alone and aims to enhance overall values by returning and/or adding real estate as productive private sector assets.

Tax Increment Reinvestment Zone Number 1 (TIRZ #1) - The State of Texas allows communities to use Tax Increment Financing (TIF) as a tool to promote both new development and redevelopment within a specified geographic area. To make this come about, a city must designate a geographic area targeted for new development and redevelopment that would not occur without the use of a TIF. The designation of the geographic area identifies the Tax Increment Reinvestment Zone (TIRZ) and the year it is created establishes the base year tax value for real property.

The City of Midland established the Downtown TIRZ (TIRZ #1) on March 20, 2001. The Zone consists of 449 acres of Downtown Midland and surrounding blocks of land. For several years this geographic area has experienced flat or declining economic growth, yet continues to be an important economic center for the City and the region. According to the City, The Zone, has the highest rate of employment and annually contributes over \$3.5 million in real property tax revenue to all taxing jurisdictions.

The TIRZ is projected to have a 30-year life, commencing from the base year. The zone was established to stabilize and stimulate economic growth in the Downtown core and those areas within the zone's geographic area. To foster this strategy, goals were identified within TIRZ #1 to enhance and support the Downtown area's tax base that included the following:

- Strengthen core Downtown assets;
- Transition unproductive or vacant buildings;
- Enhance Downtown as a multi-dimensional destination; and
- Facilitate residential development in and near Downtown.

To move these goals forward, the TIRZ Board provides the following financial support to developers and property owners:

- Assist in traditional and technological infrastructure upgrades;
- Provide for lighting, shade trees, plantings, benches, and other amenities to create a pedestrian-friendly environment;
- Assist with façade restoration, environmental abatement and parking; and
- Encourage the redevelopment of vacant and underutilized properties for a variety of residential and commercial uses.

City of Midland - Downtown's position, as a "first among equals" should be reflected in the roles and responsibilities undertaken not only by its advocacy partners, but the City of Midland as well. Following are suggestions regarding necessary roles for the City of Midland to assume in order to successfully implement the Midland SMART Downtown Plan.

Policy Maker - To promote prosperity and a strong quality of life for the entire city, the city government must be committed to supporting a competitive downtown. Making Downtown competitive does not suggest favoritism, but it does recommend acknowledging Downtown's pivotal role in the



growth and development of the entire city.

Facilitator - The Midland Chamber of Commerce, the Midland Development Corporation and Downtown Midland, Inc., have traditionally been the facilitators between the public and private sectors, guiding financing and investment. The City, however, can also participate with these advocacy entities to coordinate efforts within the real estate delivery system.

Zoning and Building Codes - To facilitate downtown development, the City must continually explore ways to accommodate the unique opportunities that can be successful in a downtown location, as well as implement strategies to overcome the barriers (particularly regulatory) to investment. Closely tied to its Policy Maker and Facilitator roles, the City should take the lead in evaluating the changing regulatory and resource environment of Downtown. To this end, tools that may have value in Downtown Midland are discussed later in this section under “Additional Tools”.

Resources and Incentives - The City of Midland should work with its advocacy partners to access programs and incentives to assist in the growth and attraction of business and investment to the Downtown.

Investor Attraction - In cooperation with the Midland Development Corporation, Downtown Midland, Inc., and the Midland Chamber of Commerce, the City should take a more aggressive posture as a “deal maker” for new types of marketable real estate investment in the central business district.

Assistance to Advocacy Partners in Building a Marketing and Business Development Program - As a partner with the Midland Development Corporation, Downtown Midland, Inc., and the Midland Chamber of Commerce, the City will need to analyze and develop destination marketing materials and business attraction / retention programs.

The strength of these partners is the sum of their parts. Programs to maintain, promote and develop Downtown cannot succeed without structure. It is the combination of a variety of improvements and services, and the synergies that these activities create, as well as greater coordination among all Downtown interests that will bring it to a new level and enable it to compete effectively. By taking collective actions to fulfill the roles described above, each entity can contribute to creating an environment to attract investment to Downtown Midland. Critical to the success of these efforts will be the availability of capital to fund an expanded array of projects, programs and policies. Priority initiatives

-projects, programs and policies- are described in greater detail as follows.

Projects, Programs and Policies

Identifying actions to promote change requires an acceptance that no one effort will create or sustain a community, but rather a series of projects, programs and policies which occur simultaneously and serve to attract the interest of potential economic development partners. Many of these efforts are identified here and described in the discussion which follows. The method by which the City chooses to address these actions will be determined by its elected and appointed officials. Regardless, the approach must be comprehensive, fluid and continually updated.

Public-Private Partnerships

As the entity with the largest and longest-term interest and responsibility, the public sector must have strong involvement and a visible presence, as well as offer continuing leadership, incentives and capital to future projects. The private sector will bring experience, access to private funding, and a willingness to balance risk and return. The roadmap for moving the Downtown Midland vision towards reality is based on the assumption that the City will move forward in partnership with the private sector. Through this approach, the City of Midland is in a much stronger position to ensure that development is accomplished in a way that balances private investment objectives with community sustainability. To this end, the City and/or an advocacy partner should:

- Acquire, assemble and position strategic parcels which will advance the vision;
- Establish policies in support of tools which allow for acquisition and disposition including land write-downs, land swaps, transfers of development rights, etc.;
- Commit to participating in the cost of infrastructure; and
- Be strategic about public investment, utilizing it to leverage private investment.

Holistic Approach to Economic Development

Economic development “infrastructure” includes physical features (parks, open space, public improvements), service organizations (churches, schools, govern-



ment offices), mix of employers (retail, service government – large and small users), community perceptions and attitudes. These are the assets which provide the impetus for investment; therefore, the City needs to direct equal levels of resources to attraction, expansion, retention, preservation and enhancement initiatives. To this end, the City should:

- Identify and set aside open space and/or places for public amenities, particularly in the vicinity of the catalyst investment areas;
- Promote and reward these features;
- Define mandates of the Midland Development Corporation to include commercial recruitment, community development initiatives, and catalyst project partner solicitation; and
- Establish school programs to encourage participation by students in community and economic development and Downtown redevelopment.

Economic Diversification

The primary purpose behind economic development is to achieve new gains in the economic growth of the community. Any community dependent on a single industry or source of revenue for its sustainability will experience highly volatile economic cycles. Therefore, economic development initiatives must include the attraction of primary industries, expansion of revenue-generating industries and public support of the “economic development infrastructure.” To this end, the City should:

- Coordinate with private property owners to attract businesses and uses which advance the vision and tie incentives to consistency with the Plan;
- Prepare targeted marketing materials and promote incentives;
- Commit to capital plans which provide necessary infrastructure in strategic locations;
- Solicit EDA dollars (hard and soft) for diversification and sustainability;
- Support signature (catalyst) projects;
- Establish a precedent for using economic impact analyses to quantify value and justify use of public dollars to attract investment; and
- Coordinate efforts among the City, Downtown Midland, Inc., MDC, the Chamber and other advocates.

Higher Standards with Off-Setting Incentives

Higher standards are often an expected component of place-making; however such expectations come with a price. Development costs are consistently higher in infill mixed-use projects, while project revenues (in early years) are often lower. Placing additional financial burdens associated with design standards on these pioneering initiatives can create a scenario whereby development economics render the project financially infeasible and prevent it from moving forward. Conversely, a declining downtown without minimum standards for development is a highly risky environment where new investment is largely unprotected. The City must establish standards, but also recognize the financial challenges of the private sector and make available financial solutions that off-set some of the added costs. To this end, the City should:

- Establish a task force of local design, development and business owner professionals to work with a consultant to prepare design standards for Downtown;
- Prepare a list of tools or incentives to offset impacts of higher standards (including those identified herein) and promote their availability; and
- Support the long-term vision through the City’s policies and regulations and recognize Downtown as one component of the larger community with a unique set of hurdles to overcome.

Active Marketing and Promotion

A carefully designed and administered marketing program for the community and Downtown should be developed and promoted. Material preparation should incorporate the skills of local officials, advocacy and marketing partners, brokers, businesses and property owners. These partner groups need to form cooperative consortiums and maintain autonomy in their objectives. To this end, the City should:

- Define the role of the City and other organizations such as partners in advancement of the vision;
- Create a well-funded information system to process inquiries, gather marketing intelligence, etc.;
- Establish criteria for solicitation targets; and
- Complete a branding study and prepare materials.



Acquisition and Disposition

Site control is the single greatest advantage a community can have when initiating a redevelopment effort. Through site control, a community can exercise options related to assemblage, consolidation and disposition in order to position properties for private investment. Once acquired, disposition can be implemented by several methods. The City needs to reflect on community interests, long-term goals, limitations and mandates when considering these methods and their application. To this end, the City should:

- Define the role of the City, Downtown Midland, Inc., MDC, the Chamber and other organizations as partners in the acquisition and positioning of strategic parcels;
- Evaluate effectiveness of acquisition and disposition efforts to-date (if any) as forward actions need to be guided by accepted criteria; and
- Research and understand the range of disposition strategies and applications including land leases, land banking, quick sale, bulk sale, etc., and declare the City’s willingness to apply these strategies to select instances.

Open and Community Space Planning

The recommended development concepts for Downtown and its districts include combinations of multi-use commercial, office, residential and civic spaces, supported by formal and informal open and community spaces. As evidenced by other successful redevelopment initiatives, amenities and open spaces are critical as they communicate the identity of the place and enhance property values. The challenge is successfully encouraging private property owners to set aside otherwise income-producing land for non-income generating uses. To this end, the City should:

- Identify open space sites and corridors, as well as potentially environmentally-sensitive areas;
- Work with property owners and other stakeholders to define a program for public spaces;
- Prepare/amend public and open space master plans;
- Use the TIRZ to fund improvements – using increment to fund and maintain enhancements; and
- Promote open space and park amenities as economic development benefits and financially incent their development.

Regulatory Flexibility

The vision and objectives identified for Downtown were developed from a market-based strategy. As markets change, new land uses and products, consistent with the desired outcome, yet inconsistent with prevailing regulations, must be accommodated without time-intensive reform. The safety net for quality and character within projects, near-term, will be standards. To this end, the City should:

- Establish an overlay zone to transition Downtown from current status and allow for market-responsive development;
- Require site plan review prior to building permit issuance and provide time frame and limit revisions (streamlining)

Financial Creativity

As demonstrated by the economic analyses prepared for the catalyst concepts, financial gaps resulting from the proposed market-supported programs will require multiple tools used in various combinations. The experience of redevelopment projects in other markets suggests project gaps of 20 to 40 percent can be the norm, and that the best strategy to address these deficiencies is through the application of multiple resources, thereby spreading risk and return among the partner entities. Each solution and implementation strategy will be as unique as the project being implemented. The most important quality among these projects will be a willingness on the part of both the public and private sectors to be creative and flexible in their approach. To this end, the City should:

- Review the range of financing mechanisms identified
- Identify those the City is most comfortable making available; and
- Promote their availability to the private sector and test their effectiveness through project monitoring (benchmarking).

Phasing Plan

The Downtown environment presents a number of development challenges that could begin to be addressed through a phasing plan. Among the issues is the length of below-market leases and existing condition of development within the area. Currently, there are deteriorated properties, areas with awkward lot



layouts, and access issues between properties, combined with lots featuring newer development having no immediate need for redevelopment. Beyond the obvious financial challenges associated with “seeding” early acquisitions, are challenges related to the phasing and staging of infrastructure improvements to meet market demand. The objective will be not to overburden the City at the onset with costs that cannot be recovered until later phases of redevelopment. The City, together with its advocacy partners and property and business owners, should prioritize the phasing of improvements. As all properties within Downtown contribute to the “portfolio,” future decisions should be strategic and based on sound business practices. To this end:

- Prepare a capital plan including cost estimates for all needed infrastructure elements, and a schedule for their construction that coordinates with a (re) development phasing plan tied to expiring leases, available acquisitions, etc.;
- Use the capital plan as a basis for a financial plan, describing what methods will be used to fund the infrastructure; and
- Coordinate the timing of investments in infrastructure, including the issuance of debt, and the pace of development, so that the amount of debt incurred does not outstrip the ability to repay.

Plan Updates

Implementation of the Final SMART Downtown Plan may require adjustments to some of the City’s plans and ordinances if the recommendations are to be realized. Planners working with City staff reviewed various City plans and regulations to identify issues related to Downtown Midland and where adjustments should be addressed. These recommended updates can be found in Appendix D.

Zoning Ordinance Updates

The previous section identifies areas in the Master Plan that conform to recommendations in the SMART Downtown Plan as well as the updates to the City’s Master Plan that are recommended in order to ensure that the two documents work cohesively. An important future step for the City will be the need to make changes in its regulatory mechanisms, notably the zoning ordinance. The importance of the City’s zoning ordinance is best noted in the City’s Master Plan in Chapter 12 – The Implementation Strategies:

“Zoning is perhaps the single most powerful tool for implementing Plan recommendations.”

To implement the Final SMART Downtown Plan recommendations two methods are proposed as adjustments to the City’s zoning ordinance: (1) creation of an overlay district(s); and (2) establishing a form-based code for Downtown and its surrounding area.

Creation of an overlay district, identified in the City’s Master Plan for the creation of a downtown entertainment district, has been used by communities throughout the nation and in Texas to supplement existing regulations. An overlay district represents a defined zone drawn on a map with boundaries that are easy to identify - such as roads, creeks, parcels – that help the area of interest. An overlay district is more straight-forward to implement, usually requiring an ordinance supplementing the existing regulations for an area. For the development community, an overlay district adds another layer of regulations to the zoning ordinance, but it provides a better understanding of the community’s expectations and values as the guidelines have been set in advance. For the five plan recommendations, an overlay district can be tailored specifically to each plan recommendation.

Another recommended method the City should explore is a form-based code. While traditional zoning stresses a greater need to regulate land development through use, a form-based code emphasizes design over use. The end goal produced through form-based codes is the creation of ‘place’ with the emphasis focused on the physical form of the man-made environment and use taking on a secondary role.

Conclusion

The five district concepts presented in the Preferred Plan are designed to be multi-dimensional, defining the location’s roles, needs, and compatibility with surrounding uses through special land use pattern characteristic, each focused around a park or open space plaza. Four of the five plan recommendations incorporate housing options as viable development alternatives; thereby, addressing housing opportunities for downtown. These housing options include urban single family detached, townhouses, mixed-use and multi-family communities. Housing can be new structures developed around the periphery of the Downtown core or loft-lifestyle housing in the Downtown core. The renova-



tion of vacant Downtown buildings into housing units addresses Downtown's goal of converting unproductive buildings into viable structures that adds to its economic growth.

Each of the plan recommendations works to strengthen assets in the Downtown core, by assisting in the development of community and civic facilities, encouraging the adaptive reuse of obsolete buildings, and facilitating residential development surrounding the Downtown core through a variety of urban and residential villages. To make this development possible will require a public-private partnership with the public sector sharing in the infrastructure and streetscape improvements, the private sector bringing its know-how and dollars in the development and financial side of the equation, and both sectors working together to market Downtown's assets and amenities.

The national trend of stagnating and declining "middle market" downtowns is evident throughout the U.S. Facing increasing competition from not only development "on the fringe", but from revitalizing downtowns in surrounding cities, these downtowns are experiencing rapid declines in commercial property values and market share. Together, the public and private sectors face the challenge of revitalizing the downtown that once represented the lifeblood of their communities. Their competitive position will gradually be eroded unless there is a significant repositioning of their role, recognition of their current target markets, and restructuring of their physical layout, to reflect the more mature nature of the communities that surround them.

Downtowns which have undergone revitalization are emerging as regional destinations in cities throughout the nation. In virtually every story of success, redevelopment and new development within these areas has been the result of a holistic approach involving nurturing and growing each diverse segment of the economy, eliminating barriers to investment, and marketing positive changes through an overall image of vitality. This experience has proven that as varied as the markets are within these downtowns, so too are the required solutions. 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."

The Midland SMART Downtown Plan is the roadmap to move the City's and stakeholders' vision towards reality and to ensure that redevelopment of

Downtown is accomplished in a way that balances private investment objectives with community sustainability. The series of actions/strategies outlined herein will capitalize on market opportunities and overcome barriers to investment. Ultimately, the City of Midland, its Council, Planning Commission, staff, stakeholder partners and citizenry will have to select a final course of action for change. The information presented here is designed to provide a range of actions for consideration and sound decision-making.





Appendix A - Demand Tables

Residential Demand

Annual Income Range (2005 dollars)	Approx. Rent Range	Approx. Home Price Range	Current HHs in Income Bracket (2005)	New HHs by Income Bracket	Trade Area Demand from New Households (10-yr)			
					Total Units	Est. Pct. Renters	Total Rental Units	Total Ownership Units
up to \$15K	up to \$375	up to \$50K	14%	10%	398	75%	299	100
\$15-25K	\$375 - \$625	\$50 to \$85K	12%	12%	478	70%	335	143
\$25-35K	\$625 - \$875	\$85 to \$120K	12%	13%	518	50%	259	259
\$35-50K	\$875 - \$1,000	\$120 to \$175K	15%	16%	638	30%	191	446
\$50-75K	\$1,000+	\$175 to \$250K	18%	19%	757	18%	136	621
\$75-100K	\$1,000+	\$250 to \$350K	10%	11%	438	12%	53	386
\$100-150K	\$1,000+	\$350 to \$500K	11%	11%	450	5%	23	428
\$150K and up	\$1,000+	\$500K and up	8%	8%	299	2%	6	293
Totals			100%	100%	3,985	33%	1,301	2,676

Source: ESRI-BIS, Texas Water Development Board, U.S. Census

Note: Household growth rate (CAGR) is a blended rate based on ESRI-BIS and Texas Water Development Board projections



Retail Demand

Retail Trade Area Ten Year Demand Estimates				
Category	Household Demand (retail potential)	Est. Sales / s.f.	Locally Supportable s.f.	Demand from Household Growth (10-yr)
Auto Parts, Accessories, and Tire Stores	\$22,060,823	\$225	98,048	10,258
Furniture & Home Furnishings Stores	\$22,394,761	\$175	127,970	13,388
Electronics & Appliance Stores	\$15,441,901	\$200	77,210	8,078
Bldg Mater., Garden Equip. & Supply	\$42,485,572	\$250	169,942	17,780
Food & Beverage Stores				
Grocery Stores	\$154,433,681	\$350	441,239	46,163
Specialty Food Stores	\$4,448,957	\$300	14,830	1,552
Beer, Wine, and Liquor Stores	\$11,354,317	\$275	41,288	4,320
Health & Personal Care Stores	\$30,041,501	\$225	133,518	13,969
Clothing and Clothing Accessories Stores	\$40,693,109	\$175	232,532	24,328
Sporting Goods, Hobby, Book, & Music	\$19,706,174	\$175	112,607	11,781
General Merchandise Stores	\$108,967,661	\$275	396,246	41,456
Miscellaneous Store Retailers	\$21,812,098	\$150	145,414	15,214
Food Services & Drinking Places				
Full-Service Restaurants	\$76,656,404	\$350	219,018	22,914
Limited-Service Eating Places	\$65,970,320	\$350	188,487	19,720
Special Food Services	\$8,348,118	\$225	37,103	3,882
Drinking Places (Alcoholic Beverages)	\$4,789,854	\$325	14,738	1,542
			New Demand in Selected Categories	256,344
			Demand From Excluded Categories* (25%)	64,086
			Total New Locally Supported Demand	320,430



Retail Attainable Capture

	Primary Trade Area
Existing Trade Area Retail Leakage/Void (annualized s.f.)	n/a
Annual Retail Demand From New Households (s.f.)	32,043
Annual Retail Demand From Replacement/Turnover (s.f.)	29,402
Total Annual Trade Area Demand (s.f.)	61,445
Attainable Capture Rate	20%
Annual Attainable Retail Capture s.f.	12,289



Office Supply Indicators

	Total Rentable Space	Occupied Space	Vacancy Rate	Wtd. Avg. Rent
Central	3,547,416	2,711,145	24%	\$8.41
Suburban	2,095,798	1,511,012	28%	\$9.19
Total	5,643,214	4,222,157	25%	\$8.70



Office Demand

Primary Trade Area	Ten Year Demand							
	Est. Current Jobs	Annual Job Growth Rate	10-yr. Job Growth	Est. Pct. Office	10-yr. Office Demand from Job Growth (s.f.)	Est. Office Demand From Turnover (10- year)	Attainable Subject Capture Rate	Attainable 10- yr Capture (s.f.)
Agriculture & Mining	7,857	2.0%	1,721	50%	227,990	52,054	30%	84,013
Construction	1,868	2.0%	409	15%	16,262	3,713	30%	5,992
Manufacturing	1,346	2.0%	295	15%	11,713	2,674	30%	4,316
Transportation	684	2.0%	150	30%	11,905	2,718	30%	4,387
Communication	263	2.0%	58	35%	5,334	1,218	30%	1,966
Electric, Gas, Water, Sanitary	117	2.0%	26	20%	1,358	310	30%	500
Wholesale Trade	1,526	2.0%	334	15%	13,286	3,033	30%	4,896
Retail Trade	11,931	2.0%	2,613	5%	34,621	7,905	30%	12,758
Finance, Insurance, Real Estate Services (Non-Retail)	3,764	2.0%	824	95%	207,489	47,373	30%	76,459
Hotels & Lodging	602	2.0%	132	5%	1,747	399	30%	644
Automotive Services	790	2.0%	173	5%	2,293	524	30%	845
Entertainment & Recreation	659	2.0%	144	5%	1,912	437	30%	705
Health Services	9,827	2.0%	2,152	40%	228,111	52,082	30%	84,058
Legal Services	731	2.0%	160	95%	40,279	9,196	30%	14,843
Educ. Institutions	5,174	2.0%	1,133	20%	60,053	13,711	30%	22,129
Other Services	8,501	2.0%	1,862	70%	345,328	78,844	30%	127,252
Government	2,737	2.0%	599	50%	79,404	18,129	30%	29,260
Other	72	2.0%	16	60%	2,490	568	30%	917
Totals	58,447		12,800		1,291,575	294,888		475,939

Source: ESRI-BIS, U.S. Bureau of Labor Statistics,
 Note: Assumes 265 s.f. of office space per office employee





Appendix B - Catalyst Concepts Tables

CITY OF MIDLAND MIDLAND SMART DOWNTOWN PLAN CATALYST PROJECT 1: URBAN RESIDENTIAL VILLAGE		
Development Program		Assumption Factors
	Units/Spaces	Square Feet
Retail/Office		20,000
Residential (Rental)	50	40,000
Residential (For-Sale)	25	37,500
Gross Floor Area		97,500
Project Land Area		87,120
Floor Area Ratio		1.1
Surface Parking	0	0
Structured Parking	193	62,563
Estimated Project Value (Stabilized Yr)		
Total Retail/Office Rentable SF		18,000
Rent/SF*		\$12.00
Total Residential Rentable SF		32,000
Rent/SF		\$9.60
Total Parking Spaces (Structured)	193	
Rent/Space		\$0
Gross Income		\$523,200
Occupancy		92%
Effective Gross Income		\$481,344
Operating Costs		\$186,000
Net Operating Income		\$295,344
Capitalization Rate		8%
Project Value -- Office/Retail/Rental Hsg		\$3,691,800
Total Housing Units	25	
Sales Price/Unit		\$150,000
Gross Revenue		\$3,750,000
Less Marketing Costs		(\$262,500)
Net Sale Proceeds		\$3,487,500
Project Value -- For-Sale Housing		\$3,487,500
Total Project Value		\$7,179,300
<small>* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.</small>		
Development Cost Estimate		
Property Purchase (Acquisition/Demolition)	\$435,600	\$5.00 \$/SF
On-Site Improvements (Surface Parking)	\$0	\$2,500 \$/Space
On-Site Improvements (Structured Parking)	\$2,310,000	\$12,000 \$/Space
Site Development	\$87,120	\$1.00 \$/SF
Building Construction (Hard Costs)	\$6,825,000	\$70 \$/SF (Wtd. Avg. All Uses)
Construction Contingency	\$922,212	10% % of Construction Costs
Soft Costs (% of Hard Costs)	\$922,212	10% % of Hard Costs
Developer Profit	\$1,150,214	10% % of Total Costs
Development Economic Summary		
Total Project Cost		\$12,652,358
Total Project Value		\$7,179,300
Project Margin/"Gap"		(\$5,473,058)
% Project Margin/"Gap"		-43%
Potential Contributions to "Gap":		
Land Contribution	\$435,600	100% of Total Land Cost
Parking Garage Contribution	\$1,155,000	50% of Total Construction Cost
Supportable TIF (20 Years)	\$3,300,000	\$2.8970 Total Property Tax Rate
Sales Tax Sharing (10 Years)	\$750,000	100% % of 1.5% Local Sales Tax
Special Improvement District (10 Years)	\$177,000	
Streamlined Development Approvals (6 mos)	\$15,246	
Total Contributions to "Gap"		\$5,832,846



CITY OF MIDLAND MIDLAND SMART DOWNTOWN PLAN CATALYST PROJECT 2: CIVIC CENTER		
Development Program		Assumption Factors
	Units/Spaces	Square Feet
Retail/Office		80,000
Residential (Rental)	50	40,000
Residential (For-Sale)	25	37,500
Gross Floor Area		157,500
Project Land Area		108,900
Floor Area Ratio		1.4
Surface Parking	0	0
Structured Parking	433	140,563
Estimated Project Value (Stabilized Yr)		
Total Retail/Office Rentable SF		72,000
Rent/SF*		\$12.50
Total Residential Rentable SF		32,000
Rent/SF		\$10.80
Total Parking Spaces (Structured)		433
Rent/Space		\$0
Gross Income		\$1,245,600
Occupancy		92%
Effective Gross Income		\$1,145,952
Operating Costs		\$216,000
Net Operating Income		\$929,952
Capitalization Rate		8%
Project Value -- Office/Retail/Rental Hsg		\$11,624,400
Total Housing Units		25
Sales Price/Unit		\$150,000
Gross Revenue		\$3,750,000
Less Marketing Costs		(\$262,500)
Net Sale Proceeds		\$3,487,500
Project Value -- For-Sale Housing		\$3,487,500
Total Project Value		\$15,111,900
* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.		
Development Cost Estimate		
Property Purchase (Acquisition/Demolition)		\$544,500
On-Site Improvements (Surface Parking)		\$0
On-Site Improvements (Structured Parking)		\$5,190,000
Site Development		\$163,350
Building Construction (Hard Costs)		\$11,025,000
Construction Contingency		\$1,637,835
Soft Costs (% of Hard Costs)		\$1,637,835
Developer Profit		\$2,019,852
Development Economic Summary		
Total Project Cost		\$22,218,372
Total Project Value		\$15,111,900
Project Margin/"Gap"		(\$7,106,472)
% Project Margin/"Gap"		-32%
Potential Contributions to "Gap":		
Land Contribution		\$544,500
Parking Garage Contribution		\$0
Supportable TIF (20 Years)		\$7,000,000
Sales Tax Sharing (10 Years)		\$750,000
Streamlined Development Approvals (6 mos)		\$19,058
Total Contributions to "Gap"		\$8,313,558



**CITY OF MIDLAND
MIDLAND SMART DOWNTOWN PLAN
CATALYST PROJECT 3: TRADITIONAL RESIDENTIAL DEVELOPMENT**

Development Program		Assumption Factors	
	<i>Units/Spaces</i>	<i>Square Feet</i>	
Retail		25,000	
Residential (Rental)	0	0	800 SF/Unit
Residential (For-Sale)	30	45,000	1,500 SF/Unit
Gross Floor Area		70,000	
Project Land Area		217,800	5.0 Acres
Floor Area Ratio		0.3	
Surface Parking	125	40,625	325 SF/Space
Structured Parking	0	0	325 SF/Space
Estimated Project Value (Stabilized Yr)			
Total Retail Rentable SF		22,500	90% Bldg. Efficiency Ratio
Rent/SF*		\$12.00	
Total Residential Rentable SF		0	80% Bldg. Efficiency Ratio
Rent/SF		\$10.80	\$0.90 Monthly Rent/SF
Total Parking Spaces (Structured)		0	
Rent/Space		\$0	\$0 Monthly Income/Space
Gross Income		\$270,000	
Occupancy		92%	
Effective Gross Income		\$248,400	
Operating Costs		\$12,500	\$0.50 \$/SF (Wtd. Avg. All Uses)
Net Operating Income		\$235,900	
Capitalization Rate		8%	
Project Value -- Office/Retail/Rental Hsg		\$2,948,750	
Total Housing Units		30	
Sales Price/Unit		\$175,000	
Gross Revenue		\$5,250,000	
Less Marketing Costs		(\$367,500)	7% % of Sales
Net Sale Proceeds		\$4,882,500	
Project Value -- For-Sale Housing		\$4,882,500	
Total Project Value		\$7,831,250	
<i>* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.</i>			
Development Cost Estimate			
Property Purchase (Acquisition/Demolition)	\$1,089,000		\$5.00 \$/SF
On-Site Improvements (Surface Parking)	\$312,500		\$2,500 \$/Space
On-Site Improvements (Structured Parking)	\$0		\$12,000 \$/Space
Site Development	\$435,600		\$2.00 \$/SF
Building Construction (Hard Costs)	\$4,900,000		\$70 \$/SF (Wtd. Avg. All Uses)
Construction Contingency	\$564,810		10% % of Construction Costs
Soft Costs (% of Hard Costs)	\$564,810		10% % of Hard Costs
Developer Profit	\$786,672		10% % of Total Costs
Development Economic Summary			
Total Project Cost		\$8,653,392	\$123.62 \$/SF
Total Project Value		\$7,831,250	
Project Margin/"Gap"		(\$822,142)	
% Project Margin/"Gap"		-10%	
Potential Contributions to "Gap":			
Land Contribution	\$1,089,000		100% of Total Land Cost
Parking Garage Contribution	\$0		0% of Total Construction Cost
Supportable TIF (20 Years)	\$0		\$2.8970 Total Property Tax Rate
Sales Tax Sharing (10 Years)	\$234,375		100% % of 1.5% Local Sales Tax
Streamlined Development Approvals (6 mos)	\$38,115		
Total Contributions to "Gap"		\$1,361,490	



CITY OF MIDLAND MIDLAND SMART DOWNTOWN PLAN CATALYST PROJECT 4: CENTRAL CORE		
Development Program		Assumption Factors
	Units/Spaces	Square Feet
Retail/Office		120,000
Residential (Rental)	100	80,000
Residential (For-Sale)	0	0
Gross Floor Area		200,000
Project Land Area		130,680
Floor Area Ratio		1.5
Surface Parking	0	0
Structured Parking	630	204,750
Estimated Project Value (Stabilized Yr)		
Total Retail/Office Rentable SF		108,000
Rent/SF*		\$14.00
Total Residential Rentable SF		64,000
Rent/SF		\$11.40
Total Parking Spaces (Structured)		630
Rent/Space		\$0
Gross Income		\$2,241,600
Occupancy		92%
Effective Gross Income		\$2,062,272
Operating Costs		\$420,000
Net Operating Income		\$1,642,272
Capitalization Rate		8%
Project Value -- Office/Retail/Rental Hsg		\$20,528,400
Total Housing Units		0
Sales Price/Unit		\$150,000
Gross Revenue		\$0
Less Marketing Costs		\$0
Net Sale Proceeds		\$0
Project Value -- For-Sale Housing		\$0
Total Project Value		\$20,528,400
* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.		
Development Cost Estimate		
Property Purchase (Acquisition/Demolition)		\$653,400
On-Site Improvements (Surface Parking)		\$0
On-Site Improvements (Structured Parking)		\$7,560,000
Site Development		\$196,020
Building Construction (Hard Costs)		\$13,260,000
Construction Contingency		\$2,101,602
Soft Costs (% of Hard Costs)		\$2,101,602
Developer Profit		\$2,587,262
Development Economic Summary		
Total Project Cost		\$28,459,886
Total Project Value		\$20,528,400
Project Margin/"Gap"		(\$7,931,486)
% Project Margin/"Gap"		-28%
Potential Contributions to "Gap":		
Land Contribution		\$653,400
Parking Garage Contribution		\$0
Supportable TIF (20 Years)		\$9,500,000
Sales Tax Sharing (10 Years)		\$750,000
Streamlined Development Approvals (6 mos)		\$22,869
Total Contributions to "Gap"		\$10,926,269



CITY OF MIDLAND MIDLAND SMART DOWNTOWN PLAN CATALYST PROJECT 5: GATEWAY ENTERTAINMENT AND MEETING DISTRICT		
Development Program		Assumption Factors
	<i>Rooms/Spaces</i>	<i>Square Feet</i>
Restaurant/Entertainment		25,000
Hotel/Lodging	120	60,000
Residential (For-Sale)	0	0
Gross Floor Area		85,000
Project Land Area		87,120
Floor Area Ratio		1.0
Surface Parking	0	0
Structured Parking	280	91,000
Estimated Project Value (Stabilized Yr)		
Total Restaurant/Entertainment Rentable SF	22,500	90% Bldg. Efficiency Ratio
Rent/SF*	\$15.00	
Total Hotel/Lodging Rooms	120	80% Bldg. Efficiency Ratio
Average Daily Rate	\$70.00	\$0.95 Monthly Rent/SF
Total Parking Spaces (Structured)	280	
Rent/Space	\$0	\$0 Monthly Income/Space
Gross Income	\$3,403,500	
Occupancy	70%	
Effective Gross Income	\$2,382,450	
Operating Costs	\$1,453,500	\$17.10 \$/SF (Wtd. Avg. All Uses)
Net Operating Income	\$928,950	
Capitalization Rate	9%	
Project Value -- Office/Retail/Rental Hsg	\$10,321,667	
<i>* Office and retail lease rates based on triple net lease; tenant pays portion of taxes, insurance and utilities.</i>		
Development Cost Estimate		
Property Purchase (Acquisition/Demolition)	\$435,600	\$5.00 \$/SF
On-Site Improvements (Surface Parking)	\$0	\$2,500 \$/Space
On-Site Improvements (Structured Parking)	\$3,360,000	\$12,000 \$/Space
Site Development	\$87,120	\$1.00 \$/SF
Building Construction (Hard Costs)	\$6,800,000	\$80 \$/SF (Wtd. Avg. All Uses)
Construction Contingency	\$1,024,712	10% % of Construction Costs
Soft Costs (% of Hard Costs)	\$1,024,712	10% % of Hard Costs
Developer Profit	\$1,273,214	10% % of Total Costs
Development Economic Summary		
Total Project Cost	\$14,005,358	\$164.77 \$/SF
Total Project Value	\$10,321,667	
Project Margin/"Gap"	(\$3,683,692)	
% Project Margin/"Gap"	-26%	
Potential Contributions to "Gap":		
Land Contribution	\$435,600	100% of Total Land Cost
Parking Garage Contribution	\$0	0% of Total Construction Cost
Supportable TIF (20 Years)	\$4,800,000	\$2.8970 Total Property Tax Rate
Sales Tax Sharing (10 Years)	\$156,250	100% % of 1.5% Local Sales Tax
Streamlined Development Approvals (6 mos)	\$15,246	
Total Contributions to "Gap"	\$5,407,096	





Appendix C - Economic Development Tools and Strategies Glossary

Density Bonuses: Incentive offered to developers of projects that meet specified goals (i.e., affordable housing, public spaces, transit, etc).

Design Guidelines: Formal set of guidelines (with oversight by a board comprised of area stakeholders, neighborhood representatives, and design professionals) for use by investors doing projects within priority areas. Guidelines address character and quality levels and frame discussions with staff.

Design Standards: Formal set of standards (either administered through an appointed design-review committee and/or municipal staff) for development which require certain development character and quality levels for the built and natural environment.

Developer RFPs: Request-for-Proposals from potential developers of projects in designated areas. Selection of developer based on dollar amount of bid; quality of design; developer's track record; and preferences of neighborhood residents.

Development Fee Waivers: Development fees are monetary charges on development to recoup a portion of the capital and operating costs required to accommodate a project. Note: Fees for sewer/water hook-ups, building permits, processing fee, etc. can be waived or delayed until the developer sees a positive cash flow as a means to encourage infill projects.

Development Standard Waivers: During approvals process, City can grant waivers or variances for items including height limits, setbacks, density, lot coverage, rear access, etc.

Economic Development Administration (EDA) (Federal): Public entity which provides assistance in form of planning grants and construction financing - for the development of projects in rural and urban locations which will result in the creation of jobs for the community.

Educational Seminars: Programs hosted by a variety of entities (i.e., lender,

developer, municipal, etc.) which promote an open dialogue among those individuals and organizations which represent delivery system; can occur in a variety of forums; purpose is to provide participants with various perspectives and an understanding of initiatives designed to facilitate development process.

Empowerment Zone (Neighborhood or Federal): Allows businesses that construct or rehabilitate commercial property to deduct one-half of "qualifying revitalization expenditures up to \$10 million;" within neighborhoods (local), -- located entirely or partially within a CDBG-eligible area designed to promote the creation or rehabilitation of affordable housing; increase economic development; or increase the quality of social service, education or public safety provided to residents in the zone through a waiver of fees combined with other municipal incentives.

Engage Elected Officials: Variety of methods by which elected officials are engaged in planning and implementation efforts; improved communication between staff and elected officials. Note: This should be a common practice, not project-specific.

Enterprise Zone: State-designated area where businesses located within them that make capital investments, hire new employees, contribute to economic development plans, rehabilitate old buildings and/or do research and development are provided a tax credit. An approach to revitalizing distressed areas by offering tax incentives, regulatory relief and improved government services.

Environmental Impact Reports (EIRs): Used to assess environmental impacts and determine mitigation measures needed for building a redevelopment plan, specific plan, or community plan. As projects are identified, the City may be asked to conduct additional environmental reviews or focus on few identified areas.

Façade Maintenance Program: Any program -- local, state or federal -- including low interest loans and/or grants -- which encourages investment in, and improvement to, building facades within a planning area. May also be designed as a matching funds program, within a district, for building façade maintenance.

Foreign Trade Zone: Also known as Free Trade Zone, parts designated by the government for the duty-free entry of non-prohibitive goods; merchandise



may be stored, displayed, assembled, packaged, or used for manufacture within the zone and re-exported without duties being levied.

Government Liaison: Individual or committee charged with establishing and maintaining a dialogue between various branches of government (local, county, regional) regarding issues such as – intergovernmental agreements, regulatory reform, facilities planning, etc.

Historic Preservation Easement: A mechanism which permanently protects historic properties; a private legal interest conveyed by a property owner to a preservation organization or to a government entity. Once in place, it binds both the current owner and future owners to protect the historic character of the property subject to the easement. While some easements are for a period of years, in most instances easements are created as permanent restrictions.

Historic Preservation Investment Tax Credits (Federal): Percent of rehabilitation costs of income-producing properties can be used as a tax credit which can be sold on the market.

Historic Preservation Revolving Loan Fund: Available to provide low interest loans to property owners at any income level in historic districts. The loans are usually available on a competitive basis to all property owners any income level for exterior rehabilitation projects.

HOME: HOME Investment Partnership Program, whereby HUD allocates funds by formula among eligible state and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing for very low-income families.

Improvement District: Both an organizing and financing technique for area revitalization. District provides stable stream of income for activities and projects considered special to area or in addition to general municipal services. Districts are vehicle for providing additional services for a fee and not to substitute for services funded through traditional tax revenues.

Infill Development: Development of new homes, commercial and/or retail buildings, and public facilities on unused or underused lands in existing communities.

Infrastructure Cost Participation: Cost of infrastructure (either on-site or off-site) shared by developer and/or property owner with an entity (public (city/county), private (developer co-op), or semi-private organization which will benefit from its availability – can be offered through a formal program or on a case-by-case basis.

Land Assembly: Land assembled by public, private or non-profit entity in effort to position for development of larger projects. Assembly can happen through purchases of properties, vacating and/or rerouting streets, alleys, etc.

Land Donation/Write-Down: Property owner -- public (city/county), private (developer), or semi-private organization – contributes land to a project either as a donation without an expected return, or at a reduced price. City-acquired property through fee simple transactions and foreclosures are an obvious source for land contributions.

Land Swap: To develop specific infill site in specified way, potentially contrary to existing property owner or developer, cities can offer an exchange of city-owned land of similar value in alternate location.

Level-of-Service: Roads within community are designed to meet specified goals regarding mobility, connectivity, and regional planning and land use development. Level-of-service is measure used to describe street standards necessary to address role of the street. By adjusting level-of-service you address the tension between through-trips and access to activities and services along the road (corridor).

Leverage Infrastructure Funding to Support Private Money: Within a predefined area, public investment for infrastructure located strategically to leverage private investment.

Limitations on Infrastructure Extensions: Method used in regional growth management whereby efficient development patterns are rewarded.

Linked Deposits: Local development agencies and downtown development organizations use their bank deposits to leverage bank lending for activities supported in the area. City or development agency deposits its funds in one or several banks with provision that bank make loans in support of identified community objective. Note: In select instances, cities have foregone interest



on these deposits so that the bank can make loans at below market rates.

Liquor License Restrictions: Limit on the number of liquor licenses which issued in a designated area. Restrictions generally tied to businesses which generate over a certain percent of their revenue from liquor sales. The purpose of this action is not to eliminate restaurants, but concentrations of bars.

Loan Pool (Lending Pools): Several lending organizations contributing financing to a project or projects, thus sharing risk. An amount of capital pledged by several entities for lending to businesses based on some agreed upon goals or other criteria. Pledges can be in the form of loans, letters of commitment and stock purchases. Pool can be either organized formally or on a case-by-case basis.

Low Income Housing Tax Credits (State): Dollar for dollar reduction or credit against an investor's federal income tax liability on salary, wages, business, etc.; credit is treated like a cash payment or as a reduction against the amount of tax owed; sale of tax credits by the developer contributes to project equity, thereby reducing developer's out-of-pocket investment.

Low Interest Loans/Subordination: Loans for construction, acquisition, operation, etc. are offered to qualifying individuals or organizations at a preferred interest rate; subordination by a public (city/county), private (lender), or semi-private organization of a loan provides a guarantee to the lending organization that in the event of default debt service will be paid.

Main Street Program: Financial and advisory assistance for downtowns and neighborhood commercial districts by use of preservation and economic development strategies; affiliated with the National Trust for Historic Preservation.

Management District: Both an organizing and financing technique for area revitalization. District provides stable stream of income for activities and projects considered special to area or in addition to general municipal services. Districts are vehicle for providing additional services for a fee and not to substitute for services funded through traditional tax revenues. Similar to Improvement District, but emphasis on marketing, management and promotion.

Micro Loan Program: Offers small amounts of capital usually less than \$2,500 to very small businesses for wide range of capital needs including fa-

cade improvements, working capital and personal needs; provide loan guarantees. Downside: Excessive credit analysis and underwriting costs.

New Market Tax Credits: Designed to stimulate investment in low-income qualifying areas by providing financing assistance to qualified projects; investors receive a federal income tax credit equal to 39 percent over seven years. The project, in turn, received an equity contribution equal to 25 percent of the amount of tax credits sold; assuming the project has access to up to \$20 million of tax credits that can be sold to investors, then 25 percent of that amount, or \$5 million could be put directly into the project. Note: A non-profit corporation, known as Community Development Entity acquires and sells the credits for eligible projects.

Non-Profit Developer Support: Variety of financial and regulatory tools and programs which streamline and reduce costs for "eligible projects" by "eligible developers."

Overlay Zone (i.e., historic, parking): Designated area superimposed on one or more existing zoning districts; designed to protect or enhance an area's special qualities; governmental review of all developments, with the power to approve design according to standards contained in the ordinance or in a district plan or design guidelines; program elements include "bonuses" and "requirement adjustments."

Park-in-a-Park: Creative method by which parking is secondary to design and landscaping, giving visual appearance of cars in park rather than trees in a parking lot.

Parking District: Designated area wherein parking design, development and management issues among multiple facilities are controlled by select entity beyond that provided for by standard municipal levels of service and control.

Pedestrian Enhancements and Linkages: Various public, private and non-profit initiatives to improve the pedestrian environment in a designated area, i.e., permanent and temporary streetscape elements, sidewalk widening, reduced speeds, etc. Resulting environment designed to accommodate needs of pedestrians, as well as through- and destination-traffic, by incorporating select infrastructure improvements, design elements, and traffic management mechanisms. Methods to achieving this include: separating traffic through use of



parallel streets; limiting access points; linking parking lots; coordinating traffic signals; adding alternative transportation lanes; widening sidewalks; providing crosswalks; providing street lights and furniture; preventing “deadening” uses without building front; and incorporating transit stops.

Predevelopment Funding Grants: Financing for project expenses incurred prior to construction, i.e., soft costs including consulting, design, engineering, and planning, and marketing, etc. Note: The Economic Development Administration (EDA) has funds for predevelopment and construction costs.

Project Thresholds: Project size thresholds, predetermined and designed to allow smaller projects to be rapidly permitted, saving extensive reviews for larger developments and environmentally sensitive sites.

Public Subordination: City/county provides a guarantee to the lending organization that, in the event of default, debt service will be paid.

Redevelopment: Restoration of existing buildings and properties blighted and/or which diminish the character and function of a neighborhood including adaptive use and historic preservation properties.

Regulatory Reform: Initiative by government entity to amend existing regulatory documents to be responsive to prevailing market and economic conditions; examples might include: new or amended zoning designations, planning approval process reform, updated comprehensive plan, etc.

Revenue or General Obligation Bond: If a project has a secure revenue stream, such as parking fees resulting from construction of a parking structure, bonds may be issued and amortized by the anticipated revenue which results from the improvement that was funded. Bonds are not secured against the taxing authority of the City, and therefore do not require a public vote.

Reverse Mortgage: Low interest loan based on equity in home; particularly relevant for seniors. Use of reverse mortgage dollars are generally restricted to property reinvestment projects.

Revolving Loan Funds: Flexible funding in the form of loans, guarantees and interest subsidies to firms which further local development goals; designed to alleviate high costs and short supply of capital for businesses, particularly small

ones, or those located in distressed areas. Components include: lower rates, longer terms; many capitalized by/with federal funds combined with private funds.

Re-Zone Parcels: Either city-owned and initiated, or petition-based, through an organized effort initiated by the “advocacy entity” to enlist the support of property owners within a designated area – request for a change in property zoning designation (to mixed-use); the objective is to provide landowners the incentive and economic strength to maintain and redevelop a high-quality environment and react more swiftly to market trends.

Sales Tax Refund: Refunds on net state sales and use taxes and franchise taxes for paying local school taxes up to \$10 million.

Sales Tax Sharing: Future sales from a development can be rebated to developer to pay for infrastructure - city/county agrees to split sales tax revenue with developer, then developer uses to pay for infrastructure.

School Programs: Programs (i.e., essays, art, civic participation) which encourage the involvement of students in a designated area.

Self-Certification Program: Contractors assume responsibility for inspecting and certifying the correct completion of their own work. Quality is assured by random spot checks; contractors who cheat lose their licenses.

Self-Supporting Municipal Improvement District (SSMID): District providing stable stream of income for activities and projects considered special to area or in addition to general municipal services. Districts are vehicle for providing additional services for a fee and not to substitute for services funded through traditional tax revenues.

Signature Project: Public-private effort whereby public sector contributes land, financing, or the like, and private sector (developer) contributes their expertise and money to joint development of a significant project within a designated planning area; program is designed to encourage development of project which will serve as a catalyst for additional investment.

Smart Growth: Growth management program which combines incentives, disincentives, and traditional planning techniques to promote a pattern of



growth that achieves economic, environmental, and quality-of-life objectives.

Streamlined Development Approval: Initiative by government entity to facilitate a timely approvals process for (re)development projects meeting certain criteria. Also referred to as a “green-tape” permitting program. Critical elements of program: 1) streamlined permit and entitlement process; 2) greater predictability; and, 3) fairness in fees and exactions. Components: 1) appointed case manager; 2) consolidated permit process; 3) waived or reduced fees; 4) reduced number of changes to previously approved plans; 5) stoppage to the issuance of conflicting requirements by different departments; 6) a single public hearing; 7) streamlined environmental review process.

Tax Abatement or Rebate: Taxing entity (usually the city) abates or rebates a portion of tax burden; this can happen in the form of an adjustment on an individual property basis, or in an abatement zone.

Tax Exempt Bond Financing: Method of financing long-term debt issued by government whereby bondholders need not include interest payments on taxable income.

Tax Increment Financing (TIF): A district obtains funds from increases in regular tax revenues that arise from new development in the district; incremental increase in tax revenues over designated base year revenues is diverted to a special fund; diversion of regular tax revenues rather than additional fees to generate revenue for district investments. Can be used in conjunction with municipal bond issues whereby increment is pledged to repayment of the bond issue, or actual increase allocated to an administering agency directly to finance redevelopment activities.

Transfer of Development Rights (TDR): Ability to transfer property entitlements from one property to another when one of the parcels is located in a designated development area.

Transit-Supportive Land Use: Land uses and land use forms supportive of alternative forms of transportation. Typical elements include: high-density residential, employment uses, commercial developments and public spaces.

Turnkey Facilities: Buildings, frequently institutional, developed (and some times managed) by a private entity for another entity. Benefits to developer

include a developer fee, management fee, position in the project, etc.

Urban Renewal: Tool used for purpose of eliminating slum or blighted areas within municipality, and positioning areas for development or redevelopment. Actions under urban renewal include demolition of structures; construction of infrastructure and public spaces; sale of property; and, relocation of businesses and residents.

Underground Utilities: City works with local utility and cable companies to place all utility lines underground; maintenance, weather-related repairs, and service disruption costs are reduced. City also encourages low-rate programs to assist developers with burying utility infrastructure.





Appendix D - Goals and Objectives

City of Midland's Master Plan

The Midland Master Plan 2025 serves as the community's long-range planning tool to guide its growth. This document functions as a guide to City staff, elected and appointed officials, citizens, and investors regarding the City's growth and development.

CHAPTER 2 – Vision/Goals and Objectives

Planners working on the Midland SMART Downtown Plan reviewed the other chapters in the Master Plan to identify recommended updates and to highlight areas where the Final SMART Downtown Plan addresses Master Plan recommendations.

A. Thoroughfare Plan

Goal A-2: Ensure that the City's roadway system is cost-effective and adequate to meet the needs of the current and projected population.

Objective A-2.1: Identify current roadway deficiencies, in terms of both access and mobility.

Objective A-2.2: Investigate ways in which developers can participate in roadway system improvements.

Objective A-2.3: Maintain an inventory of thoroughfare needs to ensure that available funds are allocated for high priority projects.

Goal A-3: Ensure that future growth areas will have adequate access for anticipated land uses.

Objective A-3.1: Ensure that potential traffic increases are considered during the development review process and result in a traffic impact analysis, if anticipated increases warrant.

Objective A-3.2: Review standards for roadway types based on their anticipated function and traffic volume.

Objective A-3.3: Incorporate updated standards for roadway types into the City's Subdivision Ordinance.

C. Land Use Plan

Goal C-1: Identify potential growth areas within the City and within the City's extraterritorial jurisdiction.

Objective C-1.5: Develop a prototype neighborhood design to guide growth in undeveloped areas.

Goal C-2: Ensure that the locations recommended within this Master Plan for new development reflect current conditions and respect areas with specific land-use related challenges.

Objective C-2.1: Identify areas of Midland that need specific developmental policies and incorporate such policies into applicable ordinances.

Objective C-2.2: Consider existing neighborhood and special environmental features within the development review process.

Goal C-3: Ensure that current development-related ordinances are reflective of the type and quality of development that the City desires.

Objective C-3.1: Examine Midland's Zoning Ordinance to determine whether the existing variety of zoning districts meet the City's expectation of quality development.

Objective C-3.2: Identify districts that need modified standards; draft such standards and amend the zoning regulations accordingly.

D. Downtown Plan

Goal D-1: Identify specific ways in which Downtown Midland can be enhanced as the City's cultural, government, business, and social center.

Objective D-1.1: Identify opportunities and challenges in Downtown Midland related to transportation, land use, housing, and economic development.

Objective D-1.2: Increase pedestrian circulation.

Objective D-1.3: Identify specific ways in which the number of people visiting, working and living within Downtown Midland can be increased.

Objective D-1.4: Promote adaptive reuse of existing structures.

Objective D-1.5: Coordinate City initiatives with Downtown business owners and property owners.

Objective D-1.6: Continue to improve the streetscape within Down-



town Midland with landscaping, pedestrian-oriented features, etc.

Goal D-2: Explore the feasibility of utilizing various funding mechanisms, both public and private, in the revitalization efforts of Downtown Midland.

Objective D-2.1: Work with the Midland Development Corporation (MDC), the Midland Municipal Management District (MMMD) and Downtown Midland, Inc. (DMI) on a proactive, continuous basis to ensure that public and private entities are working in a mutually beneficial manner.

Objective D-2.2: Track the progress of the Tax Increment Reinvestment Zone (TIRZ), and consider possible advantages and disadvantages of establishing other financing tools for Downtown Midland.

E. Urban Design & Community Image

Goal E-2: Identify specific areas of the City where key image enhancement opportunities may exist.

Objective E-2.1: Develop or enhance design guidelines, including the use of overlay zoning districts if necessary, within identified areas.

Objective E-2.2: Identify major gateways to Midland and develop methods of enhancing these areas.

Goal E-3: Review the City's development standards and examine ways in which such standards can be improved to achieve better urban design.

Objective E-3.1: Develop standards for transitional elements to enhance the relationships between residential and nonresidential development.

Objective E-3.2: Ensure that nonresidential uses are developed to a high standard, especially along major thoroughfares.

Objective E-3.3: Examine ways in which the City can proactively address issues that may cause urban blight, such as deteriorating or abandoned buildings.

Goal E-4: Ensure that residents and visitors in Midland feel safe from crime and injury.

Objective E-4.1: Review, and amend if necessary, the City's develop-

ment standards related to public safety, such as lighting, pedestrian access, and median design.

F. Housing Strategies

Goal F-1: Encourage the development of quality housing throughout the City that meets the diverse housing needs of the community.

Objective F-1.1: Ensure that high density housing is dispersed throughout the City to avoid overcrowding.

Objective F-1.2: Identify areas that are appropriate for a variety of housing types to ensure diversity within the local housing market.

Goal F-2: Promote rehabilitation and reconstruction of substandard housing.

Objective F-2.1: Focus on neighborhood integrity programs.

Objective F-2.2: Investigate specific ways in which the City can actively participate in upgrading deteriorated areas through organized community programs and funding.

Goal F-3: Encourage infill housing development in order to utilize existing infrastructure systems.

Objective F-3.1: Identify areas within Midland that should be targeted for infill development.

Objective F-3.2: Examine ways in which the City can help make infill properties increasingly attractive for investment and development.

G. Utilities, Water & Drainage Plan

Goals G-1: Ensure that local water and wastewater service will accommodate the projected growth in Midland.

Objective G-1.2: Use the Future Land Use Plan to guide decisions regarding the need for infrastructure improvements.

Objective G-1.4: Identify incentives for growth inside the City in areas that are currently served or can be readily served by infrastructure.

H. Parks, Recreation & Open Space

Goal H-1: Provide quality recreational facilities and programs according to the needs of the citizens of Midland.



- Objective H-1.1:** Maintain City park and recreational facilities through in-house quality control.
- Objective H-1.2:** Conduct in-house evaluation of existing facilities, including parks and playing fields, as well as various amenities such as picnic areas, benches, fountains, and safety lighting.
- Objective H-1.3:** Maintain recreation programs based on community-identified needs.
- Goal H-2:** Establish a plan with guidelines, for the purpose of responding, in a timely and cost effective manner, to the needs expressed by citizens.
- Objective H-2.1:** Conduct surveys, neighborhood meetings, and Park Commission meetings for identification of community needs.
- Objective H-2.2:** Prioritize projects according to need and then proceed with planning and implementation of those projects.
- Goal H-3:** Utilize all available outside resources to ease the cost to City taxpayers.
- Objective H-3.1:** Research public and private funding sources for development of facilities and programs.

I. City Government & Public Facilities

- Goal I-1:** Encourage on-going interaction and coordination between local, regional, and state government entities, higher education institutions, the Midland Independent School District, non-profit organizations, and medical facilities for the overall benefit of the community.
- Goal I-2:** Ensure that public facilities are adequate to meet the operating needs of the City and to serve the population of Midland.
- Objective I-2.3:** Construct a convention/performing arts center with the capacity for hosting a wide range of conferences and other civic-related functions, and that is designed as a venue for concerts, symphony performances, ballet, and theater; this objective is consistent with an objective contained within the 1987 Centennial Comprehensive Plan.

J. Economic Development Strategies

- Goal J-1:** Create a stable, diversified local economy that enhances this region’s role as a business and employment center.
- Objective J-1.1:** Attract new businesses and promote the expansion of existing businesses to increase the tax base and provide jobs that encourage young people to locate in Midland.
- Objective J-1.2:** Work closely with the Midland Development Corporation and local Chamber of Commerce to establish mutually beneficial relationships.
- Goal J-2:** Support a cohesive marketing strategy to promote the City’s image and its economic development opportunities.
- Objective J-2.1:** Promote Midland as a business-friendly City by highlighting characteristics that reinforce this vision.
- Objective J-2.3:** Utilize the Midland Assessment and Action Plan (MAAP) to guide economic development efforts and related marketing strategies, with a focus on attracting target businesses identified in the Plan.

CHAPTER 3 – Future Land Use Plan

One of the recommendations listed in Chapter 3 of the City’s Master Plan encourages the need for Traditional Neighborhood Development (TND) in appropriate areas of the City, notably in Downtown and infill areas. This recommendation ties into Objective C-1.5 from Chapter 2 – Vision/Goals and Objectives, which states the following:

“Develop a prototype neighborhood design to guide growth in undeveloped areas.”

In the Final SMART Downtown Plan recommendations, both the Urban Residential Village and the Traditional Residential Village are prototypical neighborhood design plans that build on a primary residential land use type with supporting land uses components. In each of these prototypical neighborhood plans is a central city-block park that serves as a community focus and neighborhood green space amenity within the urban landscape.



CHAPTER 4 – Thoroughfare Plan

In this chapter, Table 4-2 summarizes the Thoroughfare Plan recommendations with related goals and objectives. It is recommended that, that the Plan be updated to allow for ‘urban/pedestrian streets’ that are designed with an adequate amount of right-of-way to allow for roadway paving and pedestrian-friendly sidewalks. These urban/pedestrian streets would be applicable in all five district recommendations in the Final SMART Downtown Plan.

CHAPTER 7 – The Downtown Re-Vision Plan

One of the main recommendations in Chapter 7 was the development and adoption of a Downtown Master Plan. This recommendation is being carried forward with the creation of the Midland SMART Downtown Plan. Because this chapter focuses primarily on the downtown area, the guidelines and recommendations noted in this chapter were given greater consideration, including the following:

- Promoting land use diversification by encouraging:
 - Residential uses
 - Retail uses
 - Mixed uses
 - Public uses
 - Cultural uses
- Creation of a downtown entertainment district
- Establishing a new zoning district/overlay district
- Focused capital improvements
- Identify gateways
- Place-making
- Maintain government functions downtown
- Public/private cooperation through the Tax Increment Reinvestment Zone Number 1, also known as the Downtown TIRZ
- Encourage the use of the transit system:
 - By downtown employees and for organized programs/activities
 - In relation to a downtown entertainment district

Most of the Master Plan recommendations in this chapter were identified in the Final SMART Downtown Recommendations.

CHAPTER 9 – Parks, Recreation, Open Space & Trails

This chapter of the Master Plan discusses characteristics for the classification of the City’s parks and identifies five distinct park types. Parks serve as a major component for each of the five district recommendations in the Final SMART Downtown Plan. The recommended downtown parks would be designed and coordinated to be catalysts for the development within the surrounding urban environment. In support of this, Chapter 9 of the Master Plan should be updated to include a sixth distinct park type identified as ‘urban parks.’

CHAPTER 10 – Economic Development Assessment

The Final SMART Downtown Plan supports those recommendations and related goals and objectives identified in Chapter 10 that enhances the economic viability of Downtown Midland.

CHAPTER 11 - Public Facilities Plan

The Final SMART Downtown Plan supports those recommendations and related goals and objectives identified in Chapter 11 that address the need for new or expanded public facilities that will enhance the importance and economic viability of Downtown Midland.