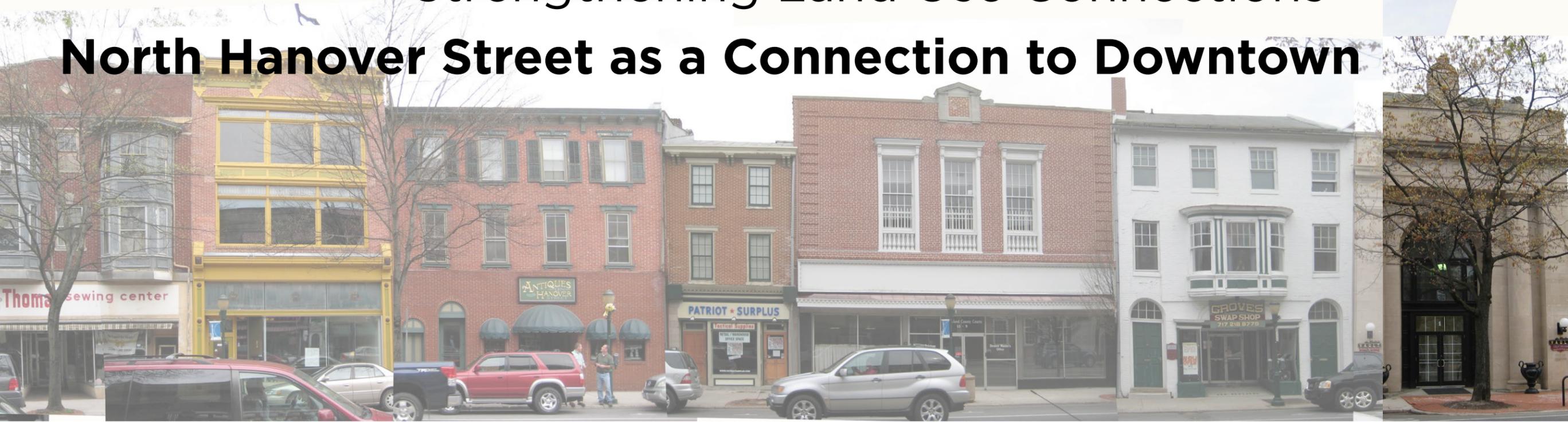


4

Strengthening Land Use Connections - North Hanover Street as a Connection to Downtown



STRENGTHENING LAND USE CONNECTIONS

4.1 THE NORTH HANOVER STREET CORRIDOR - CONNECTING THE TARGETED REDEVELOPMENT SITES TO DOWNTOWN

The North Hanover Street Corridor from the Square at High Street to the IAC/Masland redevelopment site will serve as the primary connection between the heart of Carlisle's downtown retail "main street" and the new infill redevelopment. The proposed redevelopment concept for the IAC/Masland site prepared through the CURP and the AWP processes identifies the market opportunity to create a mixed-use development with an emphasis on traditional retail and entertainment-oriented commercial, i.e. food, dining, brew-pubs, lodging, etc. In order to ensure that this major new development area becomes a logical extension of the traditional downtown and not a new central hub which depletes downtown's vibrancy, an effort was placed on ensuring that the North Hanover Street Corridor is a vibrant pedestrian-oriented district between the two retail concentrations.

One of the top community priorities expressed throughout the CURP planning process was the notion that the success of any significant redevelopment must be intrinsically tied to the success and "image" of Downtown Historic Carlisle. The connection between the redevelopment sites, especially the IAC/Masland site and downtown must be a single, strong, and well connected commercial/retail center in the town. As a result, the AWP planning process includes an element which focused on the issues, opportunities and constraints within the corridor and the identification of potential improvements that could be undertaken simultaneously with the redevelopment activities on the targeted brownfield sites.

Current Corridor Conditions – Issues and Observations

Based on an analysis of physical factors, combined with discussions with existing business and property owners in the downtown and especially within the North Hanover Street Corridor, the following issues and observations were identified that may shape the ability for increased economic and pedestrian-level vibrancy to be achieved:

- The triangular area between Penn Street and the Norfolk Southern railroad consists of auto-oriented land development patterns and land uses which greatly diminish the ability to create a seamless pedestrian-oriented experience between the IAC/Masland site redevelopment and the downtown.
- There are numerous vacant ground-level retail spaces, especially in concentrations of two or three properties in a row, that create pedestrian level "dead zones" that diminish the attractiveness for walking along the corridor. These properties have dark storefronts which are calling cards for vacancy and promote a sense of economic distress.
- Vacant buildings range in size from a few thousand square feet to large buildings which consist of 10,000 square feet or more space, on multiple floors.
- There are concentrations of services in some blocks that create large zones with limited sidewalk appeal from the pedestrians' perspective. These services include several public uses such as public agencies, courts and health care providers. By their very nature, services often desire privacy or limited exposure, especially at the sidewalk level, creating expanse of darkened or reflective windows, and closed window coverings and blinds.
- Many of the retail spaces are small, are awkwardly or inefficiently divided into marginal spaces which limit their attractiveness for new retail uses, even of the smallest variety.
- There are several older structures, which although contributing to the overall historical character of the corridor, also have utilization limitations due to the age and type of construction. These limitations include: low first floor ceilings, varying floor levels, narrow stair cases and construction of non-compliant building materials for modern floor loading, fire rating, and other safety ordinances..
- Many of the buildings require extensive system upgrades to meet current codes for electrical and HVAC systems. In some cases the cost of upgrades of building systems alone exceeds the cost per square foot yield to rent space, prohibiting the ability to traditionally finance needed improvements for modern uses and systems code compliance.
- ADA accessibility in many of the buildings, even within the ground floor, is difficult to achieve due the building modifications that happened over decades, using varying materials and construction approaches. ADA compliance is greatly

impeded when considering the utilization of upper floors, especially when a change of use is considered.

- The limited parking supply is an issue, especially when considering new higher intensity uses, such as office space.

Older Buildings and Code Compliance as an Economic Barrier to Modern Adaptive Reuse

Although often exhibiting desirable architectural and/or aesthetic elements, older buildings, especially urban multi-story structures can be extremely challenging to adaptively reuse based on current building code requirements. The following provides an overview of the technical and regulatory purview and potential obstacles that downtown buildings face. Often small and mid-size multi-story buildings are the most challenging because the level of investment required cannot be offset by a sufficient enough return (i.e. useable or lease-able space) to support the upfront costs.

The State of Pennsylvania first adopted the Uniform Construction Code (UCC) on April 9, 2014. Previously, the PA Department of Labor & Industry Fire and Panic Regulations was the only statewide commercial code in effect in most areas. The new UCC consists of the various model codes of the International Code Council and the currently adopted edition of these codes in effect (as of 2014) is the 2009 edition. The code covers all commercial (and residential) buildings and can be administered either by the municipality itself, a third party inspection agency, or the PA Department of Labor and Industry depending on each local preference. Residential structures (one and two family) are not administered by the Department of Labor & Industry.

Existing buildings have been designated their own code, the International Existing Building Code (IEBC) but alternatively can follow Chapter 34 on existing structures of the International Building Code (IBC). Repairs, alterations, additions, and changes of occupancy are all included as part of the work. In addition, the code (IEBC) has sections for historic and relocated buildings which are more specific.

Under the IEBC, the type of work to be performed is broken down into different categories that define the degree of work as Level 1, Level 2, or Level 3 with Level 3 being the most intensive. The level or levels that apply will determine the extent of code compliance that will need to be achieved. A change of occupancy occurs when the use of the existing building changes from a previous one to a new classification and can result in a necessary higher level of compliance with the building code.

Alternative compliance under Chapter 34 of the IBC allows for the building to be evaluated under specific categories and point totals applied to a mandatory minimum. If a building lacks in some areas but exceeds in others, the total may still be achieved.

Existing buildings encounter challenges not only from their potential age but most commonly from accessibility and fire safety. It can become difficult to utilize the upper stories because of exiting concerns, structural considerations due to new intended occupancies, and the lack of an accessible route to those floors. The code does say, however that an elevator is not required for buildings three stories or less with an aggregate square footage of 3000 or less per floor. It is important that the primary functions of the occupancy be located on an accessible route, therefore only on a floor which can be reached appropriately from the exterior. This means toilets, conference rooms and other facilities that may be used by the public must be placed where they can be reached and not on an inaccessible floor.

Residential occupancies in existing buildings such as apartments and hotels, etc. may require the installation of an automatic sprinkler system depending on whether they meet exceptions in the code. This can be a significant expense and contribute to additional project costs and complexity.

Buildings that are deemed historic by definition may have some unique conditions which make complying with the building code difficult or impossible. Because of that, some considerations are incorporated for compliance and also given to the code officer for their discretion.

When applied to the N. Hanover Street Corridor, many of these requirements greatly compound the economic viability of the structures. Programs which especially support the rehabilitation of mixed-use structures, most likely with modern residential units on upper floors, should be considered which potentially aid in providing gap funding to overcome the stringent code compliance requirements which may otherwise limit future reuse and indirectly promote vacancies.





North Hanover Street Corridor - West Side Building Facades



North Hanover Street Corridor - East Side Building Facades



W. Locust Avenue

130 Residential	134 Residential	138 Visions of You Hair Salon	146 American Legion Club	150 Nationwide Insurance	152 Moyer's Doll Shop & Miss Jades Tea Room	164 Vacant
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W. North Street

200 Griffee Law Office	202 Residential 204 Luigi's Restaurant	206 Residential	212 Carlisle Chamber of Commerce	216 Nero's Hair Salon	Two Penn Center
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W. Penn Street

North Hanover Street Corridor - West Side Building Facades



E. Louthier Street

37-39 North Hanover Grille	35 American Artisan Gallery	31 Vacant 29 Residential	23 Thomas's Sewing Center	21 Residential 19 Carlisle Arts Learning Center	17 Antiques on Hanover	15 Patriot Supplies (Army Surplus Store)	9-13 Cumberland County Courts	5-7 Vacant	1 The Vault
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E. Mulberry Avenue

Square

North Hanover Street Corridor - East Side Building Facades

Demographics and Funding Relative to Economic Distress

The immediate neighborhood can be characterized as low income: median income in census tract 122 is \$29,809, compared to \$51,651 for Pennsylvania, \$60,832 for Cumberland County, and \$45,963 for the Borough of Carlisle. From a market perspective this means that any relatively upscale shopping would not be relying on the immediate neighborhood and may have to overcome some perceptions of the area as a little downtrodden. One interviewee mentioned the presence of two low income housing projects as one of the barriers to new investment.

The upside of the relatively low income population profile is that the area appears to meet the economic distress criteria for a number of federal and state financing programs. CT 122 qualifies as:

- Qualified Census Tracts (QCT) meaning the areas are designated for a higher eligible basis for the LIHTC program;
- Federal Medically Underserved Area (MUA);
- Low income and low access to food according to the U.S. Department of Agriculture (USDA);
- Investment Area under the CDFI Fund as of 2013, making it eligible for New Markets Tax Credits;
- CDBG and HUD 108 eligibility;
- Pennsylvania Neighborhood Assistance (tax credit) Program.
- The MUA designation could have significance for any potential expansion of the Saddle Health Center.

FOCUS ON 100-130 N HANOVER: CURRENT OWNERSHIP USES, CONDITIONS, AND GROWTH POTENTIAL

100-130 North Hanover has been identified as the key focal point for creating the connection between the redevelopment areas and historic Downtown Carlisle. This section that has the largest number of vacancies and non-contributing uses in a concentrated cluster along the N. Hanover Street Corridor.

100-112 N. Hanover, Sadler Health Center

Current Space:

- Sadler Health owns 100-106 North Hanover Street.
- 108 North Hanover, while technically owned by CCHRA, is governed by a condominium arrangement such that Sadler Health effectively owns the ground floor.
- Sadler Health occupies a total of about 14,000 sf, which is inadequate for their needs.

Space Needs:

- The current location has disadvantages for Sadler Health, especially inadequate parking and no room to grow.
- If the Borough's objective for the N. Hanover Street Corridor is street-activating retail, Sadler Health is not a contributing use.
- Sadler Health would prefer a more spacious setting with parking; prefer ownership over leasing; and need an estimated 20,000 sf building with room to grow.
- They have operating cost-related financial difficulties and would not be in a position to finance a move for about 5 years.
- They need to be proximate to their lower income clientele and they need to be in or near a federally-designated Medically-Underserved Area (CT 122 is an MUA).
- Sadler Health is hoping to gain federal financial support first for operating costs, then for facility expansion, under the designation as a "Federally Qualified Health Center."

Long-Term Options:

Sadler Health feels that the borough needs to create the big picture vision and then advise them on where they should locate to best serve their clients and the community. There are two possible long term solutions that make Sadler Health a contributor to redevelopment plans:

- 164 N Hanover (an approximately 30,000 sf mostly vacant building) would be an option for Sadler Health that accommodates their growth needs, keeps them on the block but moves them to a location where "street activation" is less critical, especially if they do not occupy the retail space directly fronting on N. Hanover Street. Their parking needs are the principle obstacle other than financing.
- Relocation to one of the two larger urban redevelopment areas (IAC/Masland or Carlisle Tire and Wheel).

114 N Hanover, Cumberland County Housing and Redevelopment Authority (CCHRA)

Current Space:

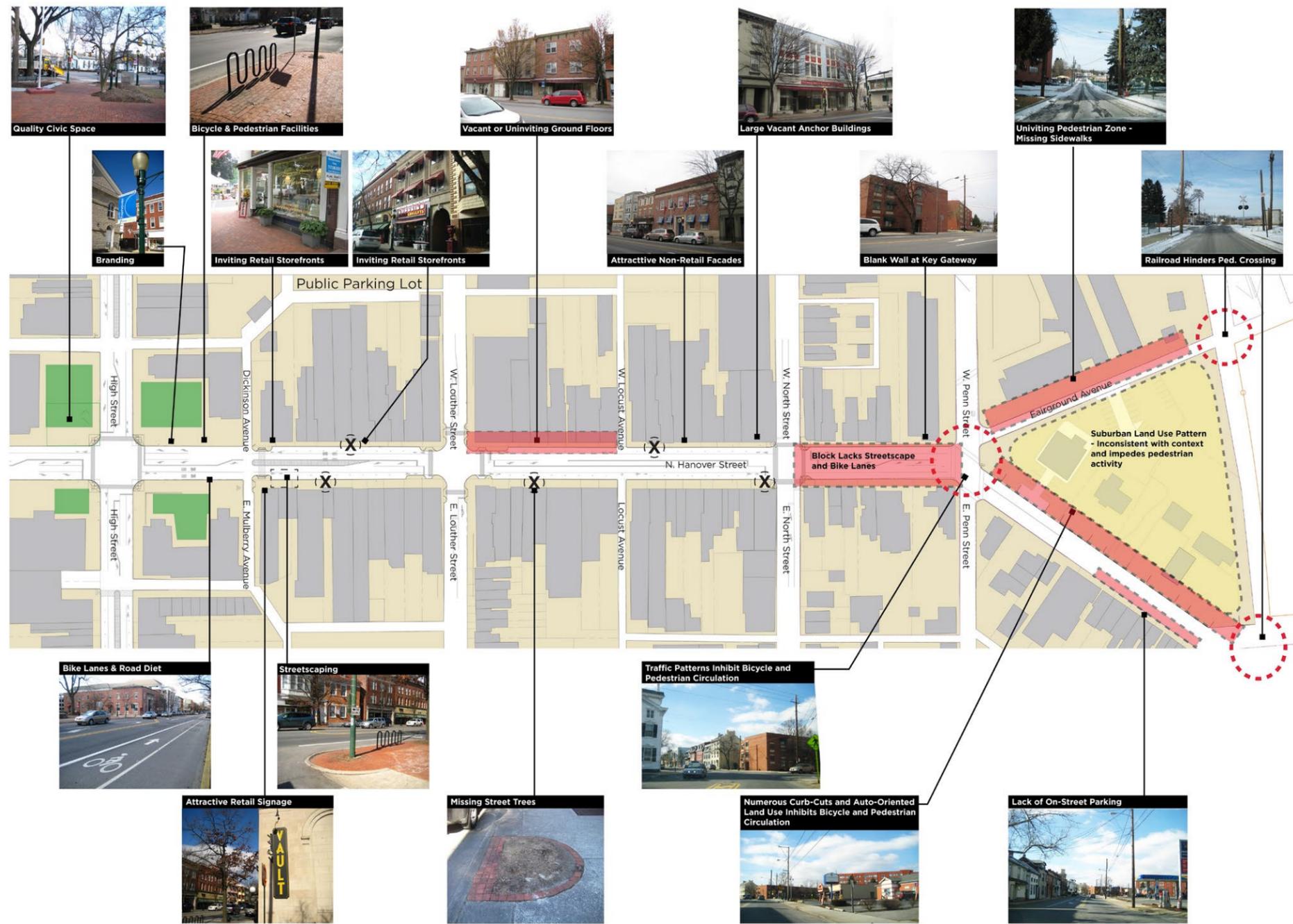
- CCHRA owns and occupies 114 N. Hanover and the second floor of 108 N Hanover; totals approximately 15,000 sf.

Space Needs:

- They own the space outright;
- They are "bursting at the seams;"
- When evaluating relocation alternatives, CCHRA cannot take on greater space-related costs. The only way relocation works is for CCHRA to sell their current space at a high enough profit to cover relocation and the cost of larger space.

Long-term options:

- Like Sadler Health, if the borough's objective for the Hanover Street Corridor is street-activating retail, CCHRA is not a contributing use;
- The CCHRA does feel that it is critical for them to be located in the downtown core;
- CCHRA has considered occupying space in the Stuart Center (a converted school) and regard the space as almost ideal if the financial transaction could be done within their means.



Summary of the North Hanover Street Corridor Conditions.

116-130 N Hanover

Current use:

Owned by a local developer Deitchman Properties;

- Assembled for a mid-rise residential project that was a victim of the 2009 financial crisis and competition from other redevelopment projects that moved ahead of the proposed project;
- All but one of the commercial spaces are vacant;
- Most of the upper floor apartments are rented at \$475 - \$800/month with an estimated 75% occupancy;
- Total sf: 25,200 (estimated).

Marketing:

- Being marketed either as separate properties or as a unified parcel; the commercial space is available for lease but is not being marketed because it would only be short-term leases;
- Realtor thinks the ideal buyer would take the whole strip; ramp up marketing; secure an anchor retailer; gradually lease up the rest of the space, while also upgrading the upper floor apartments and marketing to young professionals.
- Realtor also sees the potential for Dickinson College campus-related retail focused on students, faculty, staff and out-of-town visitor needs on this block; he argues that the problem with Hanover Street is that much of the space is occupied by uses that would be hard to relocate, including attorneys who want to be near the courthouse and county offices.
- There is a potential for arts-related uses to locate on N. Hanover but there may be conflicts between this corridor and the Pomfret Street arts district which is the current focus for art-related businesses and facilities.

Surrounding blocks and surrounding uses

In the next half block to the north there is one large vacant property at 164 N Hanover Street. This is a former consignment shop that is approximately 30,000 sf.

The remainder of the North Hanover Street Corridor contains the following active uses:

- Market Cross Pub, 113 N Hanover
- Colucci & Company Goldsmiths & Fine Crafts, 117 N Hanover
- J W Music, 127 N Hanover
- Visions of You Hair Salon, 138 N Hanover St
- American Legion, 142 N Hanover
- Nationwide insurance, 150 N Hanover
- Mt Fuji restaurant, 149 N Hanover
- Law Offices of George J. Costopoulos, 153 N Hanover
- Carlisle Family Life Ctr., 155 N Hanover,
- Howard Hanna - Real Estate, 163 N Hanover
- North Hanover Grill, 37-39 N Hanover
- Antiques on Hanover, 17 N Hanover
- Carlisle Kung Fu Center, 40 N Hanover
- Tuxedo Rentals, 32 N Hanover
- Emporium Design Concepts, 24, N Hanover
- Cumberland County Veterans Affairs, 20-22 N Hanover
- The Garden Gallery, 10 N Hanover
- Nancy Stamm’s Art Galleria, (Art Instruction), 2 N Hanover St

It is of particular note that there are six business that are arts or antiques-related in the corridor. This points to a potential opportunity to build on this base of arts-related businesses to establish an arts, crafts, and/or antiquing center.

Another observation is that, although the surrounding blocks have higher occupancy than the subject block, the area is also dotted with uses that do not contribute to the objective of having lively, street-activating commercial activity (, law offices,

insurance offices, veteran’s affairs, and social services.) These types of uses are generally “9 to 5” operations that would not attract pedestrians from the redeveloped sites into the downtown district.

MARKET ANALYSIS AS IT RELATES TO 100 BLOCK N. HANOVER ST

The 2013 CURP Office, Residential & Retail Market Study was produced primarily for the brownfields redevelopment sites of that project but some of the data is applicable to the 100 block of North Hanover Street since the analysis also amended a slightly earlier retail study for the downtown also prepared by the Gibbs Planning Group. The study calculates potential demand for retail services, indicating the potential for expansion in several sectors that might be attracted to the subject block.

The study also notes that there are 13,900 employees in the downtown area. The study indicates that:

“Annualized, each office worker expends \$8,164 before, during and after work. Much of this potential expenditure can be captured within the CBD... The annual impact of the almost 14,000 daytime employees working near the Carlisle study area is: \$8.3 million in prepared food and beverage establishments, \$5.2 million in retail goods sales, \$2.2 million in grocery purchases, and \$1.5 million in convenience items, totaling \$17.1 million in captured expenditure.”

Dickinson College students, faculty and staff represent another market segment that could be captured within the subject block. According to the market analysis:

“Student, faculty, staff and visitor spending equates to \$4 to \$6 million in potential annual retail spending, or approximately 20,000 sf of retail (equivalent to 10 to 15 restaurants and stores).”

The realtor for the Deitchman Properties indicated that rents in the area are only \$6.00 to \$10.00 per sf, considerably lower than the average rents for the larger Carlisle area listed in the above-noted market analysis: \$14.35 for office and \$11.80 for retail. This relatively low rent might be an opportunity for arts-related promotion, which will be elaborated upon below.

As noted above, the demographics of the immediate census tract do not support high end retail, and one interviewee mentioned the presence of two low income housing

projects as one of the barriers to new investment (See Chapter 5 for a detailed explanation of the study are demographics).

Several interviewees believe, however that there is unmet demand for youth-oriented upscale retail and restaurants and that the 100 block is a good location for those types of commercial businesses. Most interviewees also thought there is a market for expanded arts-related businesses on the block.

Further comments received also gave credence to the market for upscale apartments in the upper stories above ground floor retail or offices. The borough’s former redevelopment director counted approximately 50 units of upgraded upper story apartments in the downtown area, all successful, with rents going from \$1,100 to \$1,400/mo.

	Supportable Retail (SF)	Annual Sales	Sales Per SF
Full Service Restaurant	3,500	\$3,602,000	\$456
Limited Service Restaurant	8,200	\$6,512,000	\$354
Optical/Vision Care	1,200	\$1,860,000	\$372
Personal Services	3,200	\$2,017,000	\$354
Florists	600	\$139,000	\$232
Office Supplies, Stationary	3,800	\$1,037,000	\$273
Pet Supply Store	14,100	\$1,082,000	\$264
Video/Entertainment	2,100	\$315,000	\$150

Lastly, one interviewee stressed the opportunity to attract day-trip visitors from nearby urban centers such as Philadelphia, Baltimore, and Washington which are all well within a 2-hour drive. A few businesses are tapping into this potential, but there is a perception that there currently is a lack of a critical, even to attract those visiting the borough for the major attractions, as a side trip.

4.2 REDEVELOPMENT CONCEPTS AND OPTIONS

Short term strategies and interim uses

The 100 block of North Hanover Street has a number of obstacles to revitalization that may not be resolved in the near term:

- CCHRA and Sadler Health are not contributing uses with regard to generating pedestrian foot traffic and economic drivers but neither are likely to relocate for a number of years;
- 116 -130 N. Hanover is owned by a large developer who is not actively marketing the first floor commercial space for lease; the owner prefers selling the parcels to find the ideal buyer of the unified assemblage of parcels; this strategy has proved to be unsuccessful for several years as the property has continued to remain vacant; until a new strategy is deployed this property may continue in its current for some time;
- The IAC/Masland and Carlisle Tire and Wheel redevelopment areas create uncertainty related to the Hanover Street Corridor and its market niche as the in-between area connecting downtown and the redevelopment areas. It may take a few years before N. Hanover Street gains a redefined identity. The corridor could use a champion to take on the branding and revitalization of this crucial area.

This leads to consideration of short-term interim uses that would help activate the area, while waiting for the above issues to settle out.

The following are preliminary concepts that can be explored further and perhaps addressed in partnership with the Downtown Carlisle Association, the County EDC, the Redevelopment Authority and the Carlisle Chamber of Commerce:

- **CCHRA and Sadler Health as Interim Uses** - CCHRA and Saddler Health are certainly superior to vacant space and should be considered good interim uses.

- **116-130 N Hanover marketing for commercial leases** - The borough may want to discuss marketing strategies with the owner of 116-130 N. Hanover Street. The borough could make a case that the ideal buyer of the whole assemblage is unlikely and that active marketing of commercial space (for lease, as well as for sale) would produce benefits to both the owner and the borough.

- **Interim and short term uses:**

- **“Co-working spaces”** – Shared or co-working office space represents an alternative for work-at-home professionals, independent contractors, artists, and people who travel frequently and end up working in relative isolation. Co-working facilities usually stress the advantages of: potential collaboration; shared facilities, like meeting rooms; social interaction; and short term lease/space use agreements, ideal for start-ups. One topic specific website lists more than 700 co-working facilities in the US. The Creative House of Lancaster is the closest facility to Carlisle. A number of articles have been written about co-working facilities giving new life to downtown or near downtown vacant spaces, often as interim uses requiring little capital investment. Successes have been cited in towns as small as Zeeland, MI (pop. 5,000).

Some of the co-working facilities have an orientation to artists, such as Real Creative Space in Los Angeles. An arts-oriented co-working space would be both a test and (potentially) a path to a more permanent arts incubator and live-work facility (see Long Term Option 3).

- **“Pop-up stores”** – The Borough might consider promoting what the real estate business generally terms “pop-up” stores as interim uses. In general, these are short term uses that are do not involve a large capital investment. Examples include: artists’ exhibition space, seasonal retail, product launches, sample sales, experiential marketing, meetings, training days, events, exhibitions, filming locations, and community groups. Some national chains also use pop-up stores for test-marketing a new location. In Birmingham, Alabama a strategy was developed to fill downtown vacant spaces with pop-up stores. The International City/County Management Association (ICMA) has a webpage devoted to the concept. http://icma.org/en/BlogPost/1049/Pop_Up_Stores

- **Multi-use events space** – A basic vanilla box with track lighting that can be rented for flea markets, art openings, farmers’ markets, small theatrical productions, filmings, meetings, private events, etc. One of the interviewees mentioned a past effort to activate vacant space in the area through an indoor farmers market. It was not successful, but that was partly due to management issues.

- One example: in Baltimore is the Loads of Fun facility in an uptown location. www.loadoffun.net

- **Displays in vacant stores** – If vacancies persist, work to make vacant spaces appear active through window displays. There are several ways this can work advantageously:

- If zoning laws allow, renting window displays can generate some revenues by leasing storefronts for advertising;
- Window displays can be used to promote downtown and/or the region;
- Window displays can showcase local artists’ work.

LONG-TERM OPTION 1 – GRADUAL UPGRADE THROUGH MANY SMALL INTERVENTIONS

Option 1 does not envision any dramatic wholesale change; rather it builds on strengths and takes advantage of marketing opportunities.

The marketing opportunities/strategies are:

1. Assets and Locational Advantages:

- Take advantage of the corridor’s physical location as the connection between downtown and the IAC/Masland site;
- Capitalize on proximity to Dickinson College;
- Build on the six businesses that are already present in the arts, crafts, and antiques sector.

2. Promote smaller, independent, even quirkier businesses:

- Market for independent businesses, especially upscale, youth-oriented, arts-related, and campus-oriented retailers. We would speculate that the retail in the redevelopment areas will likely be chain-dominated, leaving Hanover Street as a good option for quirkier but more fun retail: second-hand books, coffee shops, outdoor cafes, ethnic food, unique gifts, arts, antiques, and galleries. Bars with live music, if managed properly, can be an additional asset. Note that some realtors also think there is a market for apparel and shoe stores.
- Upgrade the upper story residential, geared to higher income young professionals.
- As with the “short term strategies,” above, engage with the owner of 116-130 N. Hanover Street on marketing first floor retail space. Link the public improvements, below, and incentives to owner cooperation.

3. Sadler Health Relocation: Explore accommodating Saddler Health at 164 N. Hanover Street.

4. Public improvement to support the marketing push:

- Complete the streetscape in the blocks from Locust Avenue to Penn Street.
- Do major branding and gateway treatments in conjunction with intersection improvements at the N. Hanover/U.S. Route 11, Penn Street, and Fairground Avenue intersection.
- Evaluate and consider physical improvements to improve the connection to Dickinson.

LONG-TERM OPTION 2 - WHOLESALE

REDEVELOPMENT THROUGH UNIFIED RFP PROCESS

Within five years, Sadler Health and CCHRA may develop plans to move from the block. If 116-130 N. Hanover remains largely unused, that means the whole west side of the block is potentially available. In this scenario, the borough could promote a unified redevelopment of the block by coming to an agreement with the property owners and issuing an RFP that responds to the agreement. The agreement would cover everything from public incentives and public improvements to property sale prices, preservation standards, and expected re-use. Carlisle’s incentives should

include consideration of CDBG funding linked to job creation for low- moderate income persons. A TIF district could also be considered (note that Pennsylvania allows TIF funds to be used for private property improvements).

The borough should also, as much as possible, line up state funding support for the redevelopment – potential sources of State assistance are outlined in Chapter 6 of this AWP report.

The borough would release a request for proposals (RFP) to developers advertising the availability of the block with the property owners’ agreement as the substance of the offering. The RFP should be very attractive to developers because of the opportunity to change the image of the block, the locational advantages previously noted, and the pre-negotiated incentives.

Ideally, other vacant property in adjoining blocks (especially 164 N. Hanover Street) might be brought into the RFP package.

Proposed Reuse – The nature of the envisioned redevelopment would need to be re-evaluated at the time of the RFP. If the RFP were prepared today, the consultant team would recommend a similar mix to that envisioned in Option 1: youth and campus oriented retail, including the bookstores, restaurants, coffee shops, art galleries, antiques, and gift shops. The wholesale redevelopment approach might mean that the redevelopment can and should be more upscale (e.g. new retail products versus second-hand items). Upper story apartments should also be geared to a young and upwardly mobile population.

If 164 N. Hanover Street is included in the RFP, give consideration to an artists’ live-work project (see discussion below) and greater stress on the arts as the centerpiece of the redevelopment.

LONG-TERM OPTION 3 - ONE PROPERTY AS THE TRANSFORMATIVE ACTION BASED ON AN ARTISTS’ INCUBATOR AND LIVE-WORK PROJECT

Promote the corridor as a “Craft and Artisan” destination as a compliment to the Pomfret Street Corridor which is focused more on visual arts. Convert 164 N. Hanover Street (or 116-130 N. Hanover Street) into a major artist incubator with exhibition space, studios, live-work lofts, and common facilities, such as, a glass-blowing furnace, an iron work foundry, furniture making studio, clay studios, etc. plus a restaurant.

- 164 N. Hanover St is the largest building in the corridor. Multi-list services describe it as a total of 35,000 sf: 6000 sf on 1st floor with 2nd and 3rd floor, including 2700 sf of premium office space, and a 16,000 sf warehouse, which may be partially leased.
- A number of interviewees supported the development of an arts-related cluster in the block and specifically an arts incubator and live-work project at 164 N. Hanover Street (or 116-130 N. Hanover Street). If successful, the arts building could stimulate complimentary retail, as well as additional arts-related space on the block.
- A potential resource of planning an artists’ live-work project is ArtsSpace. Their services include assembling public and private financing sources, and they have pioneered the use of Low Income Housing Tax Credits for artists’ live-work projects. Their website describes 43 projects that have been assisted or developed by the group.
- One interviewee also indicated a potential obstacle: that the current zoning does not allow for some of the activities envisioned so a review of current zoning along the corridor maybe a consideration.

Distinction with Pomfret Street

Several interviewees indicated that a new arts cluster, as compared to Pomfret Street and CALC, could be more geared to: professional artists as opposed to hobbyists; a younger age cohort; and a more all-encompassing view of the arts, including crafts, artisans, music, dance, digital arts, etc.

Potential Models

One potential model is the Goggle Works in Reading, PA. A larger project @145,000 sf, Goggle Works features galleries; classrooms; dance and music studios; a darkroom; a glass blowing facility, plus a warm and cold glass studio/classroom; a woodshop; ceramics and jewelry studios; a 131-seat film theatre; a café; community meeting places; 34 artist studios where working artists educate the public about using their process and means of expressing themselves through their art; and offices for 26 local community arts and cultural organizations. Part of the draw is the vast array of communal facilities, like the glass blowing furnace. A recent article cited the role of the Goggle arts center in spurring revitalization of adjacent downtown blocks in the city.

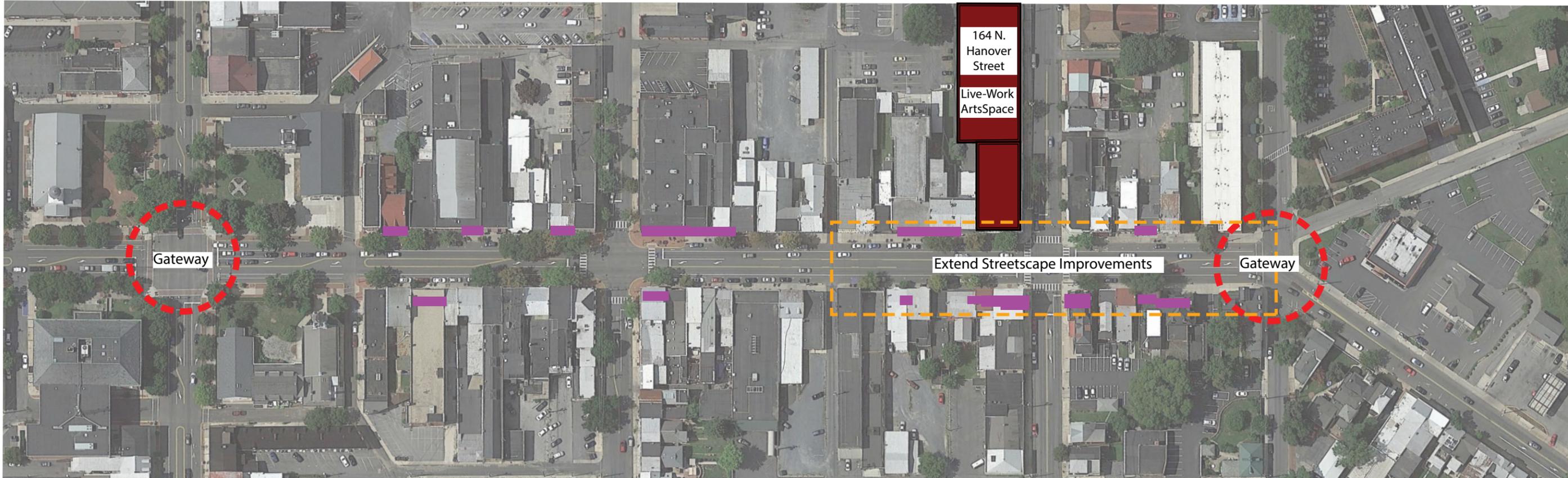


Diagram Depicting Options #1 through #3 for the North Hanover Street Corridor.

Another is Artspace Everett Lofts, Everett, WA, which occupies a new four-story building that provides 40 units of affordable live/work housing for artists on the upper three floors plus a home for the Arts Council — now renamed the Schack Art Center — on the ground floor. The Schack features the most advanced glass works facility of its kind on the west coast, with glassblowing, framewriting and sandblasting, as well as a gift shop, a gallery and two studio spaces that can be rented for special events, meetings and celebrations. The \$17 million project was part of a larger economic development initiative designed to revitalize downtown Everett while stabilizing its creative community.

Marketing and Financing

One of the potential problems with arts incubators and artists’ live work is the perception that artists do not make enough money to afford market rate rents. The answer to this is twofold: artists very often have more disposable income than is generally the perception; and there are multiple funding sources that can be brought in to the project to close gaps.

Artists’ Income – Surveys of Artists for Live-Work

Analysts had access to surveys that were conducted in support of artist live-work and related initiatives in Boston, New York City, Regina (Saskatchewan), and Jacksonville. Pertinent data includes:

- Many of the artists that are candidates for live-work are not making their living from their art. In Jacksonville, part-time artists exceeded full-time artists. In Boston less than 1/6th of respondents made more than 50 percent of their income from their art.
- Artists have a wide variety of incomes: in Boston (2003) 25 percent had incomes under \$25,000 and 25 percent had incomes over \$75,000;
- About 1/3 of artists surveyed have strong interest in live-work facilities;
- Shared space and common services that are appealing to many artists include: shared administrative or business center; storage space; meeting rooms, photocopier and other office equipment; and assistance with marketing,

business plans, event management, and grant applications;

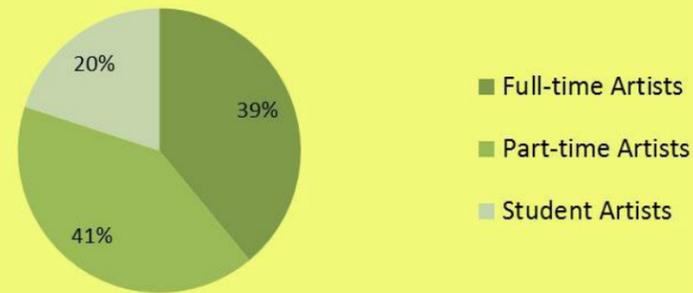
- About 20 to 30 percent of artists are currently renting separate studio space, and can pay more for shared live-work space because of the savings from not renting the studio. These and other economic advantages of live-work led Boston to increase the expected percentage of income that artists can pay for residential costs from 30 to 35 percent;
- Location attributes valued by surveyed artists, rank ordered, were safety, access to transit, and proximity to parks.

Financing sources for Artists Incubators and Live-work Projects

Artists’ Live-Work projects have been able to use a wide variety of funding sources, including:

- Artists’ Live-Work projects have been able to use a wide variety of funding

Percentage of all Interested in Live-Work



Jacksonville Case Example: percentage of all those interested in Artists' Live-Work who are full-time, part-time, and students.

sources, including:

- Historic preservation loans, grants, and tax credits;
- Affordable housing sources, including Low Income Housing Tax Credits, HOME, and CDBG;
- State arts councils;
- New Markets Tax Credits;
- State economic development funds;
- Ford (and other) Foundation(s).

Options Explored but not Recommended at this Time

Two potentially linked options were explored: a new public services office building and a parking garage; however neither are recommended for further consideration.

The considered proposal included completely redeveloping the 100 to 128 N. Hanover Street block as a new government services office complex with ground floor retail. Construct a parking structure with a government office complex as the anchor



Diagram Depicting an Alternative Location of a Public or Private Park Structures as Part of a Future Redevelopment of the N. Hanover Street "Triangle." The pending application of the UM District in this location will provide for the ability to obtain a greater development yield. This area is essentially the "hole in the donut" with its current suburban land uses which sharply contrast with current adjacent urban character as well as the proposed urban mixed-use format on the IAC/Masland Site.

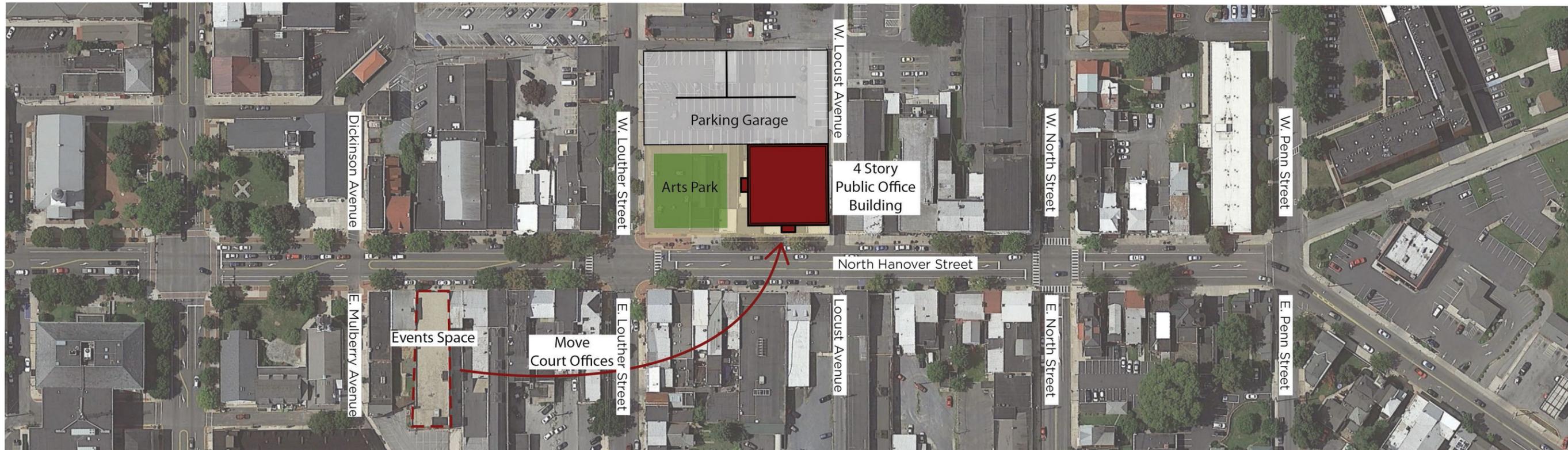


Diagram Depicting of a New Public Services Office Building, Public Square and Parking Structure.

development and ground floor retail. Consolidate the divorce court into the complex and convert the current court building into an events space. Form a public Arts Park greenspace on the northeast corner of N. Hanover and Louthier Streets.

Interviews with borough officials did not reveal any substantial need for more (or upgraded) public office space other than the aforementioned need of the CCHRA for more office space.

The discussion of downtown parking brought a mix of comments:

- There is a perception on the part of some businesses that downtown needs more parking.
- However, most thought that current facilities (which includes a relative abundance, and usually-available, on-street parking) are sufficient. Of course it important to consider that level of current parking demand is based on numerous vacancies, so as additional business activity hopefully occurs, parking needs will increase.
- If the subject block is redeveloped with more intense use, that might create a

need for a new garage;

- If Carlisle does need a new garage, there are several surface lots that can be converted to garages, and that would be a superior option relative to demolishing valuable buildings.

POTENTIAL FUNDING CONSIDERATIONS

As noted in the demographic section of this Chapter, the 100 block of N. Hanover Street is located in a census tract that qualifies for a variety of economic-distress-related funding resources. Additionally, the block is located within the boundaries for:

- Carlisle Borough Historic District (A National Register district)
- Carlisle Elm Street
- CDBG and HUD 108

One interviewee called our attention to new CDBG guidelines that create more

opportunities to use CDBG for retail development projects. The new program, "Streetview," can fund a broader array of external building improvements relative to the former "Façade Improvement" program.

This combination (distress-related funding, community development funding, and historic restoration funding) creates many opportunities. A more detailed discussion of funding opportunities is discussed in Chapter 6 of this AWP report.