City of Morrow
Technical Assistance Program (TAP)
Panel
October 2011
Overview of TAP Recommendations

1. **Upfront**: Define a cohesive vision for success in the City of Morrow and make strategic decisions about how to best use the City’s constrained resources.

2. **Near term**: Focus on aspects of the strategy that are realistic in the near term and create a “heart” for the Morrow community. Make those sites “development ready” for when the market is there.

3. **Long term**: Focus on levers that can improve timing and opportunities for turnaround. Continue with parallel, long-term strategy of redevelopment of mall and area around mall, recognizing that it will take a unique set of circumstances and a long-term phased approach to actualize.
1. Define a Vision for Success for Morrow: Key Strategic Issues and Decisions
Define Success for Whom: First Who, Then What?

- The panel had considerable discussion about community identity, how to determine the vision, and trying to understand what success looks like for Morrow.
- The panel understands that getting community and stakeholder input is challenging in Morrow for a host of reasons ranging from historic mistrust of City government, to transient populations, to diversity of property owners and interests. In that context, the panelists had the following suggestions and observations:
  - All of the strategies for redevelopment, investment, and repositioning of Morrow need to be reassessed through the lens of a majority minority demographic. The increasingly diverse and increasingly international population base can be an asset and needs to be taken into greater consideration with overall planning.
  - Keep in mind that planning today is being done in large part for people who do not live in Morrow yet. The City is planning and designing for people who will have a voice in the future and will seek quality of life, great access, and additional quality of life amenities.
  - Some panelists observed that it may be difficult to get public input because there is not a strong identity for Morrow and the city currently lacks anything that residents can “put their arms around.” (More on public realm later.)
  - Significant strides have been made to strengthen and rebuild relationships with key stakeholders. Consideration should be given to creative ways to deepen the engagement with General Growth Properties and Clayton State University in order to work toward a cohesive vision that both will champion.
In order to be successful, the City of Morrow and all of its stakeholders need a shared, cohesive vision of the future. What does success look like? What is the future identity of Morrow? What are the main priorities? Is the primary goal to bring in more residential? Are residents and stakeholders most concerned about redeveloping the troubled land?

The panel observed that Morrow has some key assets in the mall and Clayton State University and in order to be successful, the City, community, and key stakeholders need to define what success looks like relative to those assets.

**Strategic Issue:** Is the future of Morrow as a shopping/mall town or as a college town? These futures are not necessarily mutually exclusive but with limited resources, where and how should the City invest relative to these two potential futures?
Different Potential Visions of Success

Depending on the goals and overall vision, the City could feasibly focus on:

- Growing the residential base to help compensate for and potentially mitigate the commercial decline. Over time, there would likely be opportunities for:
  - University-related housing, which may include student housing and/or a broader target market;
  - Senior housing to cater to the portion of the population that wants to age in place. Additional due diligence would need to be done to identify what type of senior housing concept would make sense in Morrow; and
  - Senior housing next to the mall where residents could take advantage of opportunities to walk around as well as inside the mall, potentially putting a grocery in place, and overall security of the mall setting.

- Continuing to flesh out the re-use of vacant commercial buildings:
  - The past work and the opinion of the panelists is that most of the retail is not coming back and vacancies may grow;
  - Vacant commercial space could be adapted to become a charter school or some other educational complex, a civic center, and/or a senior facility.

- Creation of the mixed-use center either as proposed in the LCI near the mall or in a new central location between the mall and Clayton State.
  - It would serve as a destination to help anchor the community if the mall fails and help support the mall if it doesn’t.
  - It would become the public realm of Morrow.
  - Location may hinge on timing and related market conditions as well as relationships with stakeholders.

- Creation of a Community Improvement District (CID)
  - This tool is a means of having commercial property owners fund key place-making and other infrastructure improvements in the mall area.
What to do about the mall?

**Context:** The mixed-use center contemplated in the LCI is located in front of the mall. Related to that, the panel had lengthy discussions and at times debate about how the City should be thinking about and planning for what happens at Southlake Mall. The following is a summary of comments, observations, and perspectives shared by panelists about Southlake Mall:

- Southlake Mall no longer has the regional draw that it used to and therefore must continue to evolve. What this evolution will look like is unknown. It is likely tied to the broader evolution of retail. Long-term, one viable option would be to turn the mall “inside out” in order to become more relevant to the market and to open up opportunities for alternative land uses, a complex of “something else.” Another may be to look to regional economic development partners such as the airport to help define alternative uses;

- The mall currently suffers from perception problems in terms of a perception of crime (that do not bear out in the statistics) as well as a perception of decline due to the condition of the exterior. The inside is attractive and well-maintained but that is not obvious based on the outside appearance;

- The mall is owned by General Growth Partners (GGP) and the panel was cognizant of the fact that you cannot plan for what happens on private property. GGP is reportedly planning a facelift to the mall of a similar fashion as was done for Cumberland Mall in Cobb County. With an improved mall, the panelists commented that opportunities for retailing on surrounding pad sites would also likely improve, impacting the value and highest and best use of those sites;

- The LCI notes that the mall is a major contributor to the tax digest. Although the percentage (x%) is smaller than one might have assumed, it is still the single largest contributor. One strategy for the City would be to focus efforts on improving its major revenue source (the mall) as a means to fund quality of life improvements for the community overall.

  → **Efforts to drive traffic and sales at the mall would increase revenues to Morrow through sales tax as well as property taxes (higher sales ultimately driving higher property values and therefore higher tax revenue). The City could then turn around and use those revenues to fund broader community improvements.**

- Part of the conversation also revolved around thinking about a longer-term risk of the mall failing. Would the City want to invest in a mixed-use center in front of the mall to help compensate for that? Or is better to not “marry up to” an asset whose future is unknown?
What to do about the mall: Engage & Influence or Laissez-faire?

Spectrum of tactics the City could take with the mall

Work toward forming a CID that could have deeper relationship and greater influence with GGP. Initiatives such as signage, branding, and creative uses of ring road (bike/ ped) could bring GGP to the table, encourage them to continue plans to invest, and create some leverage.

Continue to build on positive work already underway to rebuild the relationship with GGP. Continue conversations related to overall planning and any potential thoughts on marketing and branding but do not invest any additional City resources since future is unknown. A more proactive approach may be warranted later.

Let GGP “do what they do”. You will never be able to have any major influence on what happens on their property. You may not want to tie the City's future to the mall, that may not be the vision. With limited City resources, engaging further with GGP is not a priority.
Creating a Town Center

The panelists believe that the mixed-use node in front of the mall is the appropriate middle ground for the community and the right idea for the location.

The panelists also observed some key challenges that should influence how the City of Morrow prioritizes this aspect of overall redevelopment plans:

- With 15 – 20 property owners, broad redevelopment is going to be challenging;
- With a healthy mall (which may or may not come to be over time), the highest and best of use of the land is what it is currently planned for/what is there;
- 3-4 story residential is not currently viable on these properties as achievable revenue from such development does not support the current land values. Even if land values “revert to the mean”/fall, that will take a long time and achievable market rents for apartments would not support the type of construction required for a higher density environment.
- With or without involving mall ownership, redevelopment of the commercial sites is a very large, very complicated project that would require a large player/investor (AIG of past) with deep, institutional capital. In this economic environment, that is not likely to happen in general and not likely at this location.

It is the recommendation of the panel that The City of Morrow should continue to use the LCI plan for marketing and to communicate what a future reality may look like, recognizing that it is not likely to be realized without a very unique set of circumstances and/or not in the near term.
Overall, where we are in the real estate and development cycle means very limited opportunities for new development. The primary segment where there are opportunities is in multi-family housing and that will likely continue to be the segment of opportunity for the next several years. Given a unique set of circumstances, there may be an opportunity for student, senior, or mixed-income multi-family in Morrow. A primary obstacle, however, is that investors have taken it on the “chin, gut, and knee” in Clayton County and are probably not enthusiastic about additional investment in the county. This is not unique to Morrow but “mainstream” multi-family development is not likely going to happen now. The City’s primary focus should be on what to do as a community to position yourself to be attractive and ready when development is feasible. This can be grouped in near-term strategies that will make targeted sites and the community overall “development ready” when opportunities arise and long-term strategies that can make development and investment more attractive in the over time.
Near-Term Strategies: Focus on Creating a “Heart” for the Community

- Explore Alternative Mixed-Use Town Center
- Consider Putting in Place “Incentive” Zoning
- Create Economic Development Bag of Tricks
- Define Strategy for Non- and Under-Performing City Assets
- Continue and Tweak Marketing Plan
There was broad agreement from the panel that a town center with a strong public realm would be highly desirable in Morrow. For a variety of reasons previously discussed, there were concerns about the current location near the mall, either for strategic purposes or due to feasibility concerns. The panelists, from a broad set of perspectives, arrived at the conclusion that an alternative location for the town center, located between the mall and CSU should be explored.

Several panelists commented that it would be desirable to create a town center experience in between the two anchors (Southlake Mall and CSU):

- Recommended as a small area master plan with gridded streets, potentially city hall, and a residential feel that people are looking for.
- Developers on the panel indicated that if they were to pursue multi-family development in Morrow in the near term, they would want to be closer to CSU or connected to potential amenities in a more residentially-oriented town center. Further, it is perceived as too difficult to make an impact near the mall in the near term as it is a large, challenging environment.
- It could help “connect the dots” between Morrow’s greatest assets, the mall and the university.
- Something of this scale is likely achievable in a shorter time period and could have a real impact on quality of life Morrow;
- It could fulfill some of the wants identified through the LCI such as a place to get coffee before concerts, a place for community gathering and events, laying the framework for a more walkable environment; and
- This could serve as a “town center” for residents even beyond the Morrow city limits, similar to Suwanee/ Smyrna.
Alternative Town Center Location
Consider Putting in Place “Incentive Zoning”

The City has budgeted to rewrite the zoning code and is considering form-based zoning. The Panel had some recommendations as to how to utilize zoning to get the results the City would like to promote smart growth:

- Given the likely market opportunities, have zoning that supports and encourages multifamily;
- Consider offering “incentive zoning.” This would involve leaving the existing (in the case of multifamily this would be the two-story zoning) in place and then put together an incentive package that you take to the owner and say, “you can keep what you have… or here is an alternative that will yield more. If you choose the alternative, there will be things that you will have to do.”
  
  → It would be a voluntary program so no one is threatened
  → Difference from form-based is in the marketing. It is the carrot versus the stick.
  → It needs to be explicit and limited to exactly what you want.
  → Be sure to run some numbers to show how it would work on their property.
  → Structure so that no one would refuse. It needs to be so cost effective that no one would do it any other way. (e.g. 1.25 spaces per unit instead of 2)

- There was some discussion that in this environment, there needs to be a stick too. Call it “carrot on a stick.”
  
  → Place some restrictions on development
  → Give the next person (party or developer) who is coming in that there is some certainty relative to level of quality
    - Need a minimum standard to which everyone has to adhere
    - Use urban redevelopment plan. If property owner wants to change in the future, they have to comply with the plan.
Pull out the Economic Development Bag of Tricks

- Community Improvement District (CID)
  → This tool was explored as a means of having commercial property owners fund key place-making and other infrastructure improvements in the mall area.

- Create a redevelopment plan for Urban Redevelopment Act.
  → Urban Redevelopment Act – allows you on a broad basis to address some of the problems, public and private; perhaps the most effective economic development tool available under State law.
  → City Council would need to designate an area as suffering from slum and blight conditions, designate the area as a Urban Redevelopment Area and adopt an Urban Redevelopment Plan.

- Housing Authority may be the only legal entity with the power to condemn property for future private development
  → Morrow has a housing authority but does not own any property

- Opportunity Zone – job tax credits now allow retail and residential which you normally do not get. Put it in the tool box!

- Tax Allocation District (TAD) (Redevelopment Powers Law)
  → City Council should pursue the approval of a local act allowing it to create TADs and otherwise use Georgia’s Redevelopment Powers Law.
  → Upon approval of legislation by the General Assembly, the City would have to hold a referendum of the voters to approve use of the Redevelopment Powers Law.
  → If the referendum is successful, the City could create TADs in areas qualifying under the RDPL (also requires the approval of a Redevelopment Plan for each TAD/Redevelopment Area).
New Markets Tax Credits (NMTCs)

- Provides a nice incentive for projects and businesses lying within qualifying low-income census tracts.
- Investors in eligible projects/businesses such as retail, restaurants, hotels, etc., qualify for a 39% tax credit (5% in the first three investment years and 6% in investment years 4-7); the tax credit “subsidizes” the yield/interest rate required by the NMTC investors on the underlying investment. (Among others, pure for-rent housing is not a permissible investment.)
- Major Banks, like SunTrust Bank, among others, may have allocations of NMTCs which may be used in the City of Morrow and they should be pursued as the City creates its tool kit. (Entities with NMTC allocations can be found by visiting the site for the Community Development Financial Institutions Fund of the U.S. Treasury Department.

When developers and those representing the developer perspective were asked what would be required to get them to think more seriously about developing in Morrow, they had the following thoughts for consideration:

- **Senior Housing Incentives:**
  - Improved community assets or connection to the community assets that exists such as enrichment through the University, healthcare, and partnerships with those entities.
  - Senior services centers and/or community centers.
  - Opportunity to develop in a mixed-use node proximate to the neighborhoods and University.

- **Multifamily Housing Incentives:**
  - Traditional incentives – tax abatements, low impact fees, infrastructure assistance (tear down old buildings), expedited permitting is great but typically not a problem here
  - Density is not important – reasonable environment
    - Three-story is appropriate as long as density is in the mid teens
    - Higher density three-story (20, 30, and 40/acre) in three-story buildings could be attractive

The Georgia Department of Community Affairs (DCA) has an excellent publication summarizing many of the key State economic development tools captioned “Downtown Development Resource and Program Guide” (Revised Sept. 2007) which is available on DCA’s website.
Resources and Implementation

- Given context of limited funds, focus investment in areas around Clayton State University where you can have more of an impact.
- There was discussion that at some point Morrow will have to consider a general obligation bond issuance. It is not likely feasible in current political and economic environment but longer term will likely be feasible and required.
- Human Resources:
  - Staff is very talented but limited in their time and resources so you will need to leverage outside resources to create a steering committee.
  - Staff should focus on what they can tackle in next year.
  - Think about the two things that can be started tomorrow.
  - You need the big ideas and then the small steps to get there. What are the one to five things to do in the next year?
- As you pursue new concepts and initiatives, engage and “use” more of Clayton State University through student involvement:
  - As with Midtown and Georgia Tech, Morrow can engage students to do projects. Get to know key professors to utilize free, energized resource and provide a great real world learning experience for students.
  - Initiate an intern program with CSU instead of UGA
- Morrow needs a consortium such as one achieved in CID. This would provide a framework of all of the stakeholders working together toward the same goal.
  - The format should be one that creates a vested group and no one likes to feel like everyone else is at a meeting and they are not getting the information.
  - “Leadership Morrow” or some other advisory group could be instrumental to building consensus and engaging key stakeholders.
  - Consider holding a forum or roundtable or go on a tour to find out what incentives make the most sense.
  - Keep education on the issues and opportunities alive and dig deeper.
  - Have a luncheon series with topical speakers.
Public Private Partnerships

- Public-Private Partnerships are formed when two parties participate in profits and losses, by entering into a relationship where the risk is shared in the activity. This is the way the public sector intersects with the private sector. The City needs vehicles to engage in public-private partnerships. The City cannot enter into P3s directly, but can do so through the housing authority, a development authority, or other such entity.

- Opportunities:
  - City has non-performing asset in the parking deck
    - City would have risk in putting to use parking in additional uses
  - Mixed-use area
    - The City would have to share in part of the risk

- Partners:
  - University could be development partner, which is currently being discussed. Keep in mind that any time you partner with a University, you partner with the Board of Regents which has its own legislative process and timing considerations.
  - Can you go to University and see if they have class which focuses on and can assist with the City’s redevelopment planning efforts?
Thinking through what the City can do with its non-performing and under-performing assets....

Parking Deck - City owns the park and the deck and both are completely paid for...

→ How can you get creative? Are there opportunities by being adjacent to Archives?
→ It is currently believed that the parking deck has to be for a public purpose or $3.5 million would have to be paid back.
→ What can we learn from other communities?
  - There is Project in Charlotte, NC that took a similar parking deck and put lofts around it.
  - What are legal limitations?
  - Pollock Partners has built using public parking deck with apartments having access directly into
→ Could you turn the top of parking deck into playground and basketball court or other use for neighboring school?
Old Town Morrow – Cannot be focus but need to deal with

→ City is going to have to take risk as developer or make it work as a public-private partnership

→ Commercial sprinklers will cost $500,000 and there has been discussion that the City has to do it so they can move forward. The opposing view was that for the money, the City is better off putting a gate around it until a viable, alternative use can be identified and no more money should be invested.

→ Continue to think through who might be attracted to or have some use for:
  - Agriculture with farmers market and/or community garden
  - Opportunities with a State agency
  - Market it a permanent festival such as for CSU events or family entertainment space
  - A major challenge is being authentic to what it is.

→ The best case scenario is likely that the city continues to own the infrastructure and then leases/sell off the buildings
Marketing and Branding

The panel generally believed that the City is taking the right steps toward rebranding Morrow with the five key icons on the new website. Consideration should be given to adding a sixth that would point to the international character and diversity.

1. Clayton State University
2. Spivey Hall
3. Shopping
4. Trails and Nature Preserve
5. Research/ Archives

Additional discussions about branding and marketing included:

→ Spivey Hall not being known as being in Morrow and potential to make stronger connections to this valuable asset. With a new town center there would be places to go before or after events such as restaurants and a coffee shop that could be distinctly Morrow.

→ Branding should be done in the context of where do you put your mast head for Morrow and what the primary image should be.

→ Trails are a real asset that most communities are trying to create. Stripe roads to complete the loop.

→ Marketing is to get more people to live here:
  - Focus on the value for quality housing stock that would be attractive to singles and couples of all ages.
  - No property taxes! Can you advertise that if you can’t commit to it longer term.
  - Can’t move more people in with only existing housing stock
  - Marketing needs to redefine success for Morrow
Marketing and Branding:
Think about becoming an authentically green community

Panel Observations:

- It is good for economic development and attracting people.
- You can focus on being authentically “green” in your public buildings and spaces.
- Appeals to younger audience, which was identified as a key target market audience in the LCI, as well as corporate prospects.
- It helps with grants you are going to go after.
- ARC has standards that you can follow.
- Do not reinvent the wheel - “borrow” someone else’s standards.
- The standards and implementation need authenticity. Don’t just support it, show action.

→ One strategy would be to pick one pilot project which means it isn’t a permanent buy-in and you don’t have to make as big of an investment.
3. Long-term Levers to a Turnaround Strategy

- Improve Perception and Reality of Education
- Make Strategic Transportation Investments
- Invest in Stronger Sense of Place, Public Realm
- Continue Conversations and Marketing/ Visioning for Redevelopment Around the Mall and at the Mall
Even if the primary target market audience for new residents is young professionals without children, the perception and reality of high quality education is an important component of a turnaround strategy. Future homeowners perceive quality schools as an indicator of whether or not they can protect their investment. Clayton County has major challenges to overcome in the perceptions of the public school offerings. Morrow, specifically, needs to engage in some form of a public relations strategy to communicate that the local elementary school is a good option and distinct from the County.

Panelists counseled that many communities in analogous situations have had success with charter schools. There may not need be a need with the elementary school but a charter middle or charter high school could become a positive influence in the community, particularly given opportunities to partner or have some relationship with Clayton State University. A high quality, university-affiliated charter middle or high schools would be a tremendous amenity for Morrow as well as serve to change perceptions of schools in the area.

Panelists recognize that making changes in education takes time and has to be part of a long-term strategy and should run parallel to short-term strategies and objectives.
Lots of money has gone into trail system and the panel agreed that it was a great, unique investment.

Focus on connect the dots around CSU:
- Some of that is marketing in the near term
- North Lee Street connector will be important to that once complete
- More connections in general in the public realm

City should be putting political will behind getting the train funded
- Anything you do now can be a future in-kind contribution for local match
- Where the station is located is less of an issue than getting the train running, which could be a game changer.

Conduct a Comprehensive Transportation Plan to get standards in place.
- Establish standards so it is a beginning point for negotiation with GDOT. Federal Highway does not want to fully trump what was locally adopted so have a policy on record.

Address huge divide on Jonesboro Road.

The panel had discussion around there being four main streets in Morrow that all traffic must travel on because there are so many cul-de-sacs. Recognizing that getting rid of cul-de-sacs will be politically very challenging, take small but meaningful steps:
- Identify two pilot cul-de-sacs to connect through
- Do bike and pedestrian connectivity first
  - Particularly if it is to address barrier (state road, railroad tracks, etc.)
- In future, have policy of no dead-end roads
- Allow for inter-parcel access and shared drives

Through a CID or other vehicle, the panel recommended using the local street along Lee for bikes and, longer term, small natural gas buses

Outside of policy the City can fill in sidewalks after conducting a gap analysis
- Shows that you are doing something immediate and in the public realm
The City generally has the public capacity required but is lacking in sense of place and sense of community. Residents seem to have disinvested themselves of the City and the City needs them to reengage and reinvest because they are the ones who will “sell” the community to future residents.

This is not unique to Morrow and is a result of all stakeholders thinking of space in silos and only building on and planning for their “own land” and not thinking of how it relates to and creates an overall community.

Unlike real estate development, when it comes to the public realm, it really is a critical first step by the community because it is where the community gathers.

→ There is no downtown in Morrow – so create
→ There are parks but not strong identity associated with a major/ public park

The City needs to do an assessment of public spaces and help determine what the ideal public spaces are for Morrow:

→ How much do we have? Where is it? Who owns it?
→ What, where, how are the bones?
Markets shift gradually and the community needs to have “everything ready” when opportunities for new investment and/or redevelopment at the mall area occur. To the extent the City has capacity to pursue the following, they should: Long-term, a proactive strategy with the mall area would be desirable. Activities that the City could initiate or help facilitate would include:

- Create an overlay on whole mall area to provide for the type of development contemplated in the LCI over longer term.
- Do the CID ground work and get the redevelopment powers in place. This will communicate that the area is not a “sinking ship” and investment is being made. Figure out a way to draw a CID – parcels, owners.
  - Work to get everyone to agree on boundaries, standards, do legwork so when economy turns around you haven’t lost that time
  - Have to have 50% by count and 75% by value (property owners)
  - Expanding CID has to meet same requirement
  - Takes act of general assembly and vote of city
- Once the CID is established it can focus on:
  - Signage, branding, streetscape
  - Have a marketing story for when the market comes back
  - When redevelopment occurs, make sure it is done to standards
- Explore opportunities for future development in the mall parking lots as that type of infill is being done all over the country. Density of construction is more expensive and higher rents are required, making this type of development unfeasible in the near or mid-term.
  - Greenbrier Mall example isn’t owned by national, it is now a workout
  - Even with free parking or free land – can’t do 8 story with steel frame and elevator (3 story @ $800/20 units/acre. Higher density in mall parking lot @ $1200/month 70 – 80 units/acre)
  - Question is how much land you have to use up because the tenants in the mall require high parking ratios.
**ULI Next Steps**

The panelists had key recommendations as to the steps they would focus on in the next three to six months:

1. Conduct a candid assessment of the existing public assets and determine which are performing, which are under-performing, which are non-performing, and how can you can make them better performing. There may be opportunities with performing assets and the parking deck.

2. Align zoning and regulatory tools with the vision articulated in the LCI and outcomes identified by this TAP.

3. Create, with the Downtown Development Authority, a retention and recruitment package so that time and effort is well-focused on key parcels and with a clear vision.

4. Get together with the property owners to determine what viable options would provide an economic return on investment. Then, identify what is needed to make development happen – financial incentives, zoning exceptions, partnerships, etc.

5. Focus on/ prioritize efforts that create synergy with residents and CSU and having a sense of place such as completing the bike/pedestrian path.

6. Make sure the website and other communications are done well and reach the broadest possible audience.

7. Begin to identify a project for implementation of streetscape, signage, bike/pedestrian, and greenway.

8. Develop a regional economic development strategy with Southlake Mall, the University, Hartsfield-Jackson International Airport, and Georgia State Tourism. Explore how the mall area could become more of a tourists destination verses a changed employment center.

9. Continue to be a voice and champion on transit station advocacy.

10. After putting together the “to do” list of everything imaginable, pick three things to work on and do not do anything else until those three have been accomplished. (HINT: start with three small things)

11. Continue to actively engage all stakeholders. This can be done through programming and branding that will better engage the property owners and residents/renters; use online “quality of life surveys,” put flyers in schools and the water bill, put a kiosk at the mall – all to solicit better input from those who live and work in Morrow.

12. Focus on the things that you can control: (1) public realm (2) create framework for redevelopment, don’t be a developer, and (3) foster partnerships to champion the new vision for the city.