



The Erie Canal Harbor Development: Building on Community Assets for a Sustainable Future

A Partnership for the Public Good Report April 21, 2009

Executive Summary

This policy brief frames the redevelopment of the Erie Canal Harbor as a tool for building on our existing assets and addressing our chronic challenges. Ultimately, development of this vital and historic district will be accomplished on public land and with additional public resources and subsidies. As such, Buffalo's Inner Harbor redevelopment, like any development receiving public funds, should have clear and achievable goals that advance public purposes.

The Partnership for the Public Good 2009 Community Agenda, endorsed by more than fifty community groups, calls for a Community Benefit Agreement (CBA) for Erie Canal Redevelopment, stating explicitly that "No subsidies should be given to Bass Pro or other corporations without a community benefit agreement requiring living wage jobs, environmentally friendly building and operations, and a building and site design appropriate to the location".

Goals that need to be met by this development must include economic viability as well as economic and social benefits to our community, and these goals must be codified in a community benefit agreement that holds both the public and private sectors accountable. The prospective benefits of a successful Inner Harbor redevelopment, and the means to achieve them, can be placed into six categories.

- Implementing Design Standards to Encourage Green, Pedestrian-Oriented and Mixed-Use Development
- 2. Building an Authentic, Livable Neighborhood With a Destination Element
- 3. Creating a Mixed-Income and Diverse Community
- 4. Incorporating Locally-owned Retail Businesses
- 5. Creating Living Wage Jobs
- 6. Stating Clear Objectives and Establishing a Realistic Timeline

By incorporating these elements, the harbor redevelopment can be an economically viable project that creates an authentic, aesthetic, and walkable destination neighborhood, providing a place for quality employment and an opportunity for local businesses to succeed, a comfortable place to live, and a welcoming destination for visitors – all done in an open and transparent way.

Community Oriented Measures of Redevelopment Success

1. Implementing Design Standards to Encourage Green, Pedestrian-Oriented and Mixed-Use Development

The physical appearance of the development can be relatively uniform but should be flexible enough to allow for different materials, styles, heights, entrances, and signage in a context that sets an example for environmental responsibility. Good design encourages pedestrian, bicycle, and public transportation and should foster mixed-use development and multi-seasonal use of the harbor. An increasing desire for dense, urban living convenient to shopping indicates a market for this style of housing, shopping and recreation.

2. Building an Authentic, Livable Neighborhood with a Destination Element

The harbor redevelopment should operate like any vibrant neighborhood by providing a space in which to live, work and play; a dense landscape; public spaces; and multi-modal transportation. In addition, the redevelopment should reflect the rich history of the district; the current architectural and social context in the Inner Harbor vicinity; and the needs and desires of the community in the coming years.

3. Creating a Mixed-Income and Diverse Community

Increasing the diversity among housing tenants and owners helps to create a more vibrant and inclusive community, while providing access to opportunity and pathways to success.

4. Incorporating Locally-owned Retail Businesses

A development that has a larger proportion of local businesses, as opposed to big-box retailers and chain restaurants, can have positive economic impacts for the community at large. Locally-owned businesses can be integrated without an increased risk to the developer, and may actually prove to be a better investment in the long term.

5. Creating Living Wage Jobs

Developing the harbor while failing to provide quality employment with a living wage and basic benefits would diminish the development's overall value. Contrary to common thought, ordinances which require that a living wage be paid do not tend to reduce the number of employees or the hours of employment, nor do they tend to benefit any socioeconomic group, age, or gender over another.

6. Stating Clear Objectives and Establishing a Realistic Timeline

The harbor redevelopment has been discussed for more than ten years, and over this period the public has been given numerous versions of what objectives will be attained and through what means. The public deserves a realistic timeline with clearly stated benchmarks.

Introduction

Water has always been integral in the growth of communities. Without a consistent supply of fresh water, no community can grow. Even today, when the most arid deserts have lush golf courses, we continue to have a great fascination with water. Millions of visitors come to our region for the sole purpose of visiting Niagara Falls. Over the past twenty years, there has been a strong movement towards developing urban waterfronts.

Redeveloped waterfronts have become attractions for visitors to cities and destinations in and of themselves. These developments can create an increase in community pride, but they sometimes have proven to be mixed blessings, leaving residents to wonder whether they were worth the cost, or how they might have been done differently, to ensure that they actually improved the local quality of life.

Much can and should be learned from the many other communities that have already gone through this process. Large public works can give the misleading appearance of economic development, even when the ultimate effects are negative. In the tri-state Cincinnati metro area, local governments built, on opposite sides of the Ohio River, baseball and football stadiums, an Underground Railroad museum, an aquarium, a suburban-type mall, and a "signature" bridge. The two stadiums and the museum on the Cincinnati side brought in approximately 2.7 million visitors last year, but the overall economic impact has been limited. The Cincinnati development is removed from residential neighborhoods and is not integrated into the social or economic fabric of the city. It thus functions much like an "island development", whose benefits accrue primarily to a small set of corporate stakeholders.

Cleveland's waterfront development has some similar flaws, but it does better in building on the existing city assets. The Rock and Roll Hall of Fame and Museum, along with it's a basketball arena and football and baseball stadiums were all built along Lake Erie or along the canal. These edifices are the heart of Cleveland's waterfront and downtown redevelopment, but Cleveland has also made steps to make its waterfront district more pedestrian-friendly and to base its efforts on the existing businesses and downtown environment. This creates a more

authentic development that incorporates traditional elements from the Cleveland of one hundred years ago, while looking forward to its next century.

Pittsburgh scrapped a plan to raze acres of urban real estate to build big-box retail stores and instead developed its waterfront with existing buildings and smaller scale projects. The result is an attractive waterfront neighborhood that reflects Pittsburgh's history, is economically viable, and has to some extent avoided big-box retail. Pittsburgh also built their stadiums on the waterfront, but within walking distance of city neighborhoods and integrated new development to with the traditional urban fabric. This creates a more genuine and authentic district that is congruent with the community around it: an attractive place for diverse people to live, work and play.

Buffalo has some advantages when considering how to develop its Inner Harbor. The Buffalo downtown already has two sports arenas, but these arenas are easily accessible by mass transit and do not require parking that sprawls across the downtown. An existing network of streets and other infrastructure can be adapted and renovated to new purposes; allowing for pedestrian, bicycle, motor, and both light and heavy rail traffic. Many older buildings still stand in the broader vicinity, most notably in the Cobblestone District, which can serve as a model and as an important part of the larger view for the Inner Harbor development. By viewing the successes and failures of other cities, we can better consider how we can reach our community's economic and social goals, build to our already vibrant local character, and see how a redeveloped Inner Harbor can best contribute to these objectives.

Implementing Design Standards to Encourage Green, Pedestrian-Oriented and Mixed-Use Development

The Inner Harbor Plan should encourage sustainable development by integrating environmentally friendly design and building requirements, multi-modal transportation access, and a walkable, vibrant neighborhood. As envisioned by planners and in the New Urbanism school, mixed-use developments with strong design standards are the primary means of

fostering pedestrian lifestyles in the contemporary city. The presence of retail, residential, recreational and office uses encourages mass transit, walking, and bicycling and is often associated with low vehicle ownership rates. Additionally, mixed-use developments help to ensure stability. Retailers have the assurance that they will have customers living above and around them, while residents benefit from being within walking distance of grocery stores, entertainment venues and employment opportunities.

The Inner Harbor Plan should also ensure that all Western New York citizens can access the waterfront easily with as little environmental impact as possible. Two excellent opportunities already exist to accomplish this—the NFTA Metro Rail stop at the Erie Canal Harbor and the Riverwalk bike path. The Inner Harbor plan should promote and leverage these access points.

Design standards should discourage homogeneity and encourage mixed-use development. Visionary urban planner Jane Jacobs notes that homogeneity or superficially diverse-looking homogeneous areas lack beauty. Recently, when a Seattle development with homogenous design elements was proposed, residents balked. The Seattle Post-Intelligencer noted, "Architects, developers, city officials and neighborhood residents all seem to agree that townhouses built to meet the code, ... are largely formulaic, mediocre looking and disconnected from the streets on which they're plopped down." Residents much favored the aesthetic of a townhouse development which deviated from the rules. The Charrette Center, an international online community developed by the MIT School of Architecture and Planning and the University of Texas at Austin School of Architecture, believes small plot platting and a variety of buildings not more than four stories high generate a cohesive urban pattern that allows streets to be civic places of circulation.

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¹ Robert Cervero, *Mixed Land-Uses and Commuting: Evidence from the American Housing Survey,* 30 TRANSP. RES. PART A: POLICY AND PRACTICE 36 (1996).

² JACOBS, *supra* note 2.

³ Aubrey Cohen, *Unique Townhouse an Exception to the Rules*, Seattle Post-Intelligencer, June 26, 2008, *available at* http://www.seattlepi.com/local/368423_townhouse26.html.

⁵ Charrette Center- Planning the Public Realm, http://www.charrettecenter.com/charrettecenter.asp?a=spf&pfk=7&gk=294&plk=563.

A local example of a workable set of design standards is the Elmwood Village Commercial District Design Guidelines. The Guidelines begin by clearly defining the aspects of the community being protected and the goals to be met by protecting these aspects. These goals could serve as an example to any waterfront development:

The easy identification of the Elmwood District as a unique place within the City and the region; A lively and active street life along the Elmwood District; The promotion of safe and pleasant pedestrian access to and around the Elmwood District; [and] The promotion of small-scale commercial enterprises that compromise the intricate web of commerce keeping the Elmwood District healthy and vibrant.⁷

The Guidelines include workable regulations to ensure the achievement of these goals, such as:

- primary entrances may not be located off a parking lot,
- signage and awnings should be pedestrian-oriented, and
- dumpsters should be completely and attractively screened from the public right of way.⁸

Though good urban design in and of itself creates a lower environmental impact, to ensure long term viability and reduce the impacts at this environmentally sensitive location, building construction should be held to a high standard of green design. By implementing LEED or similar standards for both building and neighborhood design, not only will the environmental impacts of the development be improved, but the project will be an initial step toward realizing "Green Dividends" now being reaped but communities that have married the pursuit of environment and economy.

⁸ *Id.* at III(L), (IV)S-AA, FF.

⁶ Flynn Battaglia Architects, ELMWOOD VILLAGE COMMERCIAL DISTRICT DESIGN GUIDELINES 7.

⁷ Id

2. Building an Authentic, Livable Neighborhood With a Destination Element

Waterfront development projects face the daunting challenge of satisfying the interests of both local residents and prospective tourists. Those planning waterfront developments are often saddled with unreasonable expectations regarding their ability to spur dramatic increases in regional tourism. Balancing the interests of prospective users is no easy task.

In the case of the Buffalo waterfront, local residents, especially those living in close proximity to the prospective development, should be viewed as the primary users. While the waterfront is likely to become an attractive destination for visitors, Buffalo is not a major center for tourism. A fully-realized waterfront development will draw first-time visitors, but it is unlikely to transform Buffalo into a tourist mecca. Tourism is also a very problematic form of economic development, as Niagara Falls has proven. Most of the jobs generated by tourism – retail salespeople, hotel chambermaids and clerks, food service workers – pay poverty level wages that do not aid the local economy. Most of the profits generated by tourism often go to the out-of-town companies operating hotels, chain restaurants, and chain stores.

The ECHDC should focus on creating an authentic, livable, mixed-use, neighborhood capable of satisfying the local community's interests in waterfront recreation and expanded residential and retail options.

Urban planners typically cite the following elements as essential for an authentic neighborhood:

- a minimum density of five residential units per acre;
- an internal balance of housing, jobs, and services;
- a variety of public open spaces; and
- streets for both people are cars.⁹

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⁹ Charrette Center, *supra* note 12.

Certain waterfront cities have been able to leverage their historic character and authentic neighborhoods to foster tourism. Charleston, South Carolina and Savannah, Georgia rank high among tourist destinations because of their ability to blend arts and culture, nightlife, dining, unique shopping, and a variety of housing while maintaining historic architecture.¹⁰

Buffalo offers a similar mix of history, architecture, cultural opportunities, shopping and dining. When making final determinations about the mix of building types and uses to be included in the Inner Harbor development, ECHDC should favor the creation of a multi-use, livable community over any attempt to replicate commercial shopping destinations such as Faneuil Hall or the Baltimore waterfront. Although national commercial tenants are likely to pay higher rents in the short-term, the long-term prospects and local benefits of a Buffalo waterfront district built on tourist attractions and shopping are suspect.

3. Creating a Mixed-Income and Diverse Community

The ECHDC should preserve a portion of the residential units in the Inner Harbor plan for affordable housing, thereby fostering the growth of a mixed-income and racially diverse community.

Buffalo is among the most segregated and impoverished cities in the country. The Inner Harbor development cannot be expected to solve these deeply-rooted social conditions by itself, but certainly it should not reinforce and exacerbate them by creating another exclusive, segregated community within our city.

The Inner Harbor development provides a rare opportunity for Buffalo to construct a more equitable and diverse neighborhood, which could serve as a model for other neighborhoods. Mixed-income and racially diverse housing has documented benefits for all residents and neighborhoods. First, both academic performance and life opportunities of low-income students improve significantly. Studies prove that economic integration increases low-income

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¹⁰ See generally Id.

students' test scores without negatively influencing the middle class students' scores. Research has also shown that mixed-income housing has not decreased the resale value of market-rate homes in the surrounding neighborhood.

Mixed-income waterfront housing has achieved success in Chicago. Lake Parc Place, on Lake Michigan in downtown Chicago, consists of middle-income tenants, earning between 50 and 80 percent of median income, and very low income tenants, earning less than 50 percent of the median income. A survey concluded that both groups of tenants felt safe and satisfied, interacted with neighbors, formed friendships with neighbors, supported the building's rules and norms, and volunteered in activities that maintain order and help the community and children.¹¹

The ECHDC should follow Chicago's lead in using the allure of waterfront living to establish a mixed-income neighborhood representative of the broader community. This can be accomplished on a project-by-project basis, but can also be accomplished through an inclusionary zoning ordinance that outlines these requirements throughout the district.

4. Incorporating Locally-owned Retail Businesses

Big-box retailers and chain restaurants are all too often the norm for new commercial developments in both urban and suburban settings. This need not be, as fostering local business has a far superior economic impact for the community. Relying on big-box retail may be necessary for a suburban development needing massive, space-consuming anchor tenants to maintain its balance sheets, but the Inner Harbor is a relatively small project when compared with other commercial developments. The total commercial space available in the Inner Harbor project (not counting the Bass Pro) is less than one-quarter of the size of the Walden Galleria. 12

¹¹ James E. Rosenbaum et al., *Lake Parc Place: A Study of Mixed-Income Housing*, 9 HOUSING POL'Y DEBATE 703, 704-05, 731 (1998).

¹²"Directory of Major Malls, Walden Galleria." International Council of Shopping Centers. http://www.icsc.org/apps/dmmdisp.php?dispid=NY8930

No retail conglomerate need occupy this space. Encouraging local businesses will be better for the business owners, the developers, and the public.

Approximately 480,000 square feet of the project is being set aside for retail and restaurant space (this does not include hotel and museum space). Of that space, 150,000 sq. ft. will be dedicated to the Bass Pro store. The balance of 330,000 sq. ft. will be open for other businesses. Many local businesses that have reliable customer bases could benefit greatly from a location in a burgeoning new development. Giving primacy to local businesses would lend a degree of authenticity to the development, which is critical for long-term sustainability and integration into the regional economy as a whole. Locally-owned and rooted companies are better bets for the long term, as they are much less likely to abandon the location in search of higher subsidies or profits in other regions.

Placing successful, locally-owned businesses in one walkable district creates synergies. Those brought to the development by a local restaurant would be more likely to visit the local bookstore, for example. Each business can be primary destination for a visitor, and each other business becomes a possible secondary one.

Due the expanded "multiplier-effect", it has been shown that revenues in local businesses consistently have greater positive impact on the local economy than revenues in chains. ¹⁴ Profits made by locally-owned businesses are more likely to be re-invested in the local economy, compared to profits that flow to executives and investors in far-off locations. Local businesses also tend to be more active in philanthropy and civic affairs, because they have a greater stake in the communities where they live. Local businesses also increase local pride and help build Buffalo's distinctive identity and "brand."

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¹³ "Inner Harbor Project Status," Erie Canal Harbor Development Corporation. http://www.eriecanalharbor.com/project_status.asp

¹⁴"Economic Impact Analysis: A Case Study, Local Merchants v. Chain Retailers," Civic Economics. December 2002.; "The San Francisco Retail Diversity Study." Civic Economics. May 2007. www.CivicEconomics.com/SF; "Local Works: Examining the Impact of Local Business on the West Michigan Economy." Civic Economics. September 2008.; "The Economic Impact of Locally Owned Businesses vs. Chains: a Case Study in Midcoast Maine," Institute for Local Self-Reliance, September 2003.

The ECHDC should consider setting aside a percentage of floor space for locally-owned merchants. Tax rebates and other subsidies can be provided to encourage the presence of local businesses over businesses that operate statewide or nationally. Working relationships should be forged with local business organizations such as Buffalo First to facilitate attainable goals in providing a home for local merchants. More generally, the inclusion of local businesses should be established as a primary goal for the retail and restaurant elements of the development.

5. Creating Living Wage Jobs

With a community benefit agreement guaranteeing living wage jobs, the waterfront development project can generate living wage employment for hundreds of residents, lifting them out of poverty and making them independent of public assistance programs, saving taxpayer dollars in the long run. Living wage policies, which have been enacted in over 150 communities around the nation, including Buffalo, have proven that they can lift wages without reducing employment. In fact, a survey of four studies on living wage ordinances showed that, at worst, there was a reduction of employment of approximately 0.1% while wages increased up to 35%. Nor have living wage ordinances have not had the effect of cuts in hours or in disproportionately granting a benefit to any age, gender, or ethnic class. 16

The development of the Los Angeles Sports and Entertainment District (centering on the Staples Center) included a community benefit agreement with the goal of providing a living wage to seventy percent of employees.¹⁷

Community benefit agreements have improved a number of other development projects, including the New Haven Hospital¹⁸ and of Dearborn Street in Seattle¹⁹. Each agreement was

¹⁵ "Summary of Post-Enactment Living Wage Studies," Center for Economic Development Research. December 2003.

¹⁶ Nissen, Bruce and Jen Wolfe Borum. "A Difference that Matters: The Impact of the Miami-Dade Living Wage Ordinance on Employees Covered by the Ordinance." Research Institute on Social and Economic Policy, Center for Labor Research and Studies, Florida International University. February, 15, 2006.

¹⁷ Julian Gross, Greg LeRoy, & Madeline Janis-Aparicio, "Community Benefit Agreements: Making Development Projects Accountable", Good Jobs First, 2005.

unique, as was the context and goals of each development. These benefits included drawing employees from low-income neighborhoods, the inclusion of affordable housing and a child care center, the presence of recreational facilities, and paying a living wage for employees and/or construction workers. An agreement to provide some amalgam of these benefits will ensure that this project provides net economic and social benefits, and provides some of those benefits to those most in need of them. The Inner Harbor can be a project benefitting not just visitors, residents, and developers, but also those who build the project and those who make it run.

6. Stating Clear Objectives and Establishing a Realistic Timeline

The development of Buffalo's harbor front has been in the pipeline for at least ten years, and only in the past year have any substantial steps been taken to make this a reality. No one party should be blamed for the delays, which have been caused by environmental concerns, political discord, public outcry over poor decisions, and a lack of interest on the part of private developers.

The delays affecting the Inner Harbor project have not been all bad. They have provided our community the ability to see how other communities have succeeded and where they have failed in similar developments. They have provided us with the time to develop a consensus on how the Inner Harbor should look and what it should provide. Unfortunately, they have also heightened the sense of frustration and lack of confidence in the development's progress. An honest and realistic timeline for achieving manageable objectives will help win back the public's confidence.

The original master plan for the Buffalo Inner Harbor was issued by Jambhekar Strauss Architects PC with Flynn Battaglia PC in the Inner Harbor Project Master Plan of 1999. The

¹⁹ Stuart Eskanzi, "Coalition Talks Reach Deal on Goodwill Street", Seattle Times, Sept. 2, 2008, at http://seattletimes.nwsource.com/html/localnews/2008152450_dearborn02m.html.

¹⁸ http://communitybenefits.blogspot.com/2008/01/yale-new-haven-cba.html

discussion of developing the Erie Canal Harbor began in earnest in July 2001, when then-Mayor Anthony M. Masiello lobbied Federal officials to assist in funding what was then known as the Erie Canal Harbor Urban Entertainment District. 20 For nearly six years, the project was placed in limbo, waiting on a commitment from a single anchor tenant and attempting to partner with a single developer for the lion's share of the project. During that time, the plan went through many incarnations.

In November 2004, a comprehensive view of the project and its goals was released, in a piece sponsored by local municipalities and authorities, and state and federal governments. ²¹ This master plan covered more general concerns (aesthetics, transportation, community assets) as well as the nuts-and-bolts of development (finances, site location, development partners, mixed use development). The plan was not released until Bass Pro announced that it would participate in the development in a significant way. In the intervening three years, precious little occurred to advance the project, while waiting for some commitment from an anchor tenant.

It was not until last year that substantial progress in executing the master plan was made. Recent accomplishments include the ongoing demolition of the Memorial Auditorium, the building of pedestrian walkways and the wharf, the reconstruction of historic streets, and the opening of the relocated and rehabilitated Naval Park.²² But the progress of the project has continually been stifled by a willingness to satisfy the demands of a single anchor tenant: Bass Pro.

In New York City, decades of failed efforts in Battery Park City relied on a single silver-bullet development scheme. Tangible progress was not made and the community did not flourish until the land area was divided into individual parcels and released as individual and phased RFPs. By opening the process to multiple bidders, each parcel received an individual review and

²⁰ Lindstet, Sharon; "Bass Pro Landed – At Last;" Buffalo News; March 30, 2007.

²¹ "Erie Canal Harbor Project: Buffalo, NY;" Flynn Battaglia Architects, P.C.; November 2004. www.nylovesbiz.com/pdf/erie/ECHP Public_Workshop_FINAL.pdf

²² "Inner Harbor Project Status," Erie Canal Harbor Development Corporation.

http://www.eriecanalharbor.com/project status.asp

competing proposals were able to be judged on their merits rather than a blanket designation for the entire neighborhood. Similarly, earlier this decade, a blanket request for proposals on Buffalo's Outer Harbor produces grand visions and renderings but has failed to produce any actual development on the expansive stretch of fallow land.

However, as the pace of progress and legacy of inaction on the Erie Canal Harbor has created a lack of confidence in the government's commitment and ability to execute redevelopment, small investors may now lack the confidence to be 'first-in' on our waterfront. The way to build confidence within the private sector is to establish and implement an incremental timeline, delivering on realistic benchmarks, and demonstrating a cooperative approach that demonstrates real benefits to a cross section of the community – not just the usual bigdevelopment players.

Conclusion

Expectations are high for the Inner Harbor development, as it has been a focus of public attention in our region for more than a decade. Project leaders should communicate an achievable and realistic vision, including a community benefit agreement that guarantees benefits to the whole community, not just a few developers and out-of-town companies. The development cannot be expected to solve all our problems with one silver bullet. But it can make our region a more attractive place in which to live, work, and play, and give a much needed boost to our morale. With these realistic goals in mind, we can move forward to build a new destination neighborhood of which we can be proud.