

PERSPECTIVES ON THE REVITALIZATION OF A
DOWNTOWN MALL IN CHARLOTTESVILLE, VIRGINIA

by

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ABSTRACT

This thesis presents a retrospective analysis of the successful development of a downtown mall and the subsequent revitalization of a downtown area located in Charlottesville, Virginia. I attribute the downtown's success to the commitment and persistence of those involved in this public/private partnership and base my conclusions on the general improvement in the physical appearance of the downtown area, the increase in retail sales, and the increase in development activity in the surrounding areas.

Documents indicate that discussions pertaining to improving the downtown area began as early as the 1950's. However, the planning stages did not begin until 1972. After much controversy, construction finally began in 1974. The development project consisted of three phases. The first phase began in 1974 and was completed in 1976; the second phase began in 1978 and was completed in 1980; and the third phase began in 1982 and is partially completed.

This thesis primarily focuses on the development process surrounding a downtown mall and involving a public/private partnership, with particular emphasis on the problems that occurred and how they were resolved; and the successful and sometimes difficult interactions of the community, the governmental entities, and the business sectors. Next a comparative analysis of the malls in the area, a financial analysis of the development project, and the market factors relative to their expected and actual impacts on the development process are reviewed.

The basic intent of this thesis is to present an interpretation of the development strategies involved in this public/private partnership and the impact this development project has had on the downtown area.

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Mr. John Allen, H & M Shoe Stores - Downtown Mall, Barrack's Road Shopping Center, Fashion Square Mall.

Mr. A. E. Arrington, Deputy Executive Director, Redevelopment and Housing Authority.

Mr. Alvin Clements, Chairman, Central Fidelity Bank

Mr. Tom Fitch, Executive Director, Downtown Charlottesville, Incorporated

Mr. Satyendra Huja, Director, Department of Community Development

Professor William Lucy, University of Virginia, Department of Urban Design and Planning.

Mr. George W. Ray, Jr., Economic Development Coordinator, Office of Economic Development.

Ms. Natalie Saufley, Leonard L. Farber, Inc., Marketing Director, Fashion Square Mall.

Ms. Mary Lee Twardy, Marketing Director, Barracks Road Merchants Association, Barracks Road Mall.

Representative Mitchell Van Yahres, State Delegate

Introduction

The purpose of this thesis is to present the development strategies used to revitalize a downtown area in Charlottesville, Virginia and to suggest an interpretation of the reasons for the project's success. This thesis provides a retrospective analysis of the development process surrounding the construction of a downtown pedestrian mall. A public/private partnership was used as a vehicle to accomplish this sometimes seemingly impossible task.

Three questions this thesis attempts to answer are as follows: First, what were the reasons for the difficulty in putting forward the plans to revitalize the downtown area? Second, why was it necessary to use a public/private partnership to accomplish this task? And, third, what can be learned from the mistakes made in the development process?

This thesis will not provide a detailed cost/benefit analysis of a development involving a public/private partnership nor will it identify all of the possible strategies a developer could use in successfully working with a public/partnership to develop a downtown area. Rather, this thesis will provide an example of the strategies used to revitalize a downtown area that was in the midst of deterioration, while sharing the experiences surrounding the development of a pedestrian mall. A mall that some strongly opposed and many thought could not succeed.

Three primary issues are addressed to substantiate the conclusion that the project has been successful. First, the general improvement in the physical appearance of the downtown area will be documented. Second, the increase in retail sales during the construction period will be analyzed. Third, increased development activity in the downtown area will be reviewed. It is the author's belief that the successful development of many downtown areas can be attributed to the commitment and persistence of those involved. In many situations, this commitment must come from public/private partnerships.

The Chapter that follows presents an overview of the process involved in the development of the downtown, with particular emphasis on the problems that occurred and how they were resolved; and the successful and sometimes difficult interactions of the community, government entities, and the business sectors. Chapter two presents a brief summary of the perspectives of many of those who played varying roles in the downtown development. Chapter three provides a comparative analysis of the downtown mall with two other malls in the area -- a strip shopping mall and an enclosed shopping mall. Chapter four reviews the expected and actual impact this revitalization had on the development process. Particular emphasis is made on the variations in retail sales and the increased development activity in the area. Chapter five provides a financial analysis of the original cost and income estimates for construction of the mall. Chapter six will summarize the

conclusions presented and outlines a number of possible strategies designed to encourage downtown development.

Chapter One
Development Process

"Fifty years ago, downtown was simply 'Town.' It was where just about everybody worked or shopped or lived," says Kathy Alford. "There was no real alternative; nobody wanted one. Things were just fine. But then there were more shopping centers, and more subdivisions built on the edge of town. Back on Main Street, the merchants were wondering if it was worth the effort to polish that window this morning, to update that merchandise order. It was no longer just all right; it had become shabby. People were beginning to say how it was too bad about downtown."(1)

Evolution of Public/Private Partnership. Concerns about the downtown began as early as the 1950's. During this period urban renewal was considered the solution to all problems, but it soon came to realization that urban renewal did not alleviate the problems. Thus, other types of solutions had to be entertained to try and do something about the downtown area. In 1956, the City Council appointed a Commission, headed by Mr. Alvin Clements, Chairman of Central Fidelity Bank, to study the downtown's problems. The Commission worked with the University of Virginia to develop a plan for downtown. The plan was submitted to the City Council with recommendations. Although the plans were not implemented at this time, this was the first step towards the public/private partnership.

In the 1970's, Cole Hendrix, the City Manager and a group of merchants called Downtown Charlottesville, Incorporated,

(DCI), discontent with the looks of the downtown area, did not believe, as others did, that this was "supposed to be". It was not "natural for a city to wither at its core, and thrive only on the fringes." They decided to do something about it. This led to the second major step toward the public/private partnership. In my opinion, it also led to the first cause for misunderstanding.

DCI was comprised of a group of three bankers, two business men, and a newspaper publisher. Another commission set up and represented by businessmen, city councilmen, and members of the University of Virginia worked with DCI to develop a plan. The commission proposed a pedestrian mall as a solution for the downtown problems. The results show that the commission was right, however, it does not appear that the concept was discussed with the various other merchants on the mall. Instead, the commission moved forward and solicited consultants to develop the plan. This I believe led to some of the misunderstandings that may have been avoided. All of the merchants were not involved in making the decision and therefore, were threatened by potential loss of control of their own stores.

Design and Planning. Three consultant firms were hired to provide professional and technical advice -- Hammer, Siler, George Associates (HSGA), System Design Concepts (SDC), and Lawrence Halprin & Associates (Halprin). HSGA, based in Washington, D.C., prepared economic and investment analysis

studies. Market projections were based on anticipated retail sales, employment and population growth, and personal income variability. SDC, based in Washington, D.C., studied traffic patterns and parking issues -- evaluating the feasibility of a "one way parallel loop system" and parking demand. Halprin, based in San Francisco and New York, prepared the master plan for the downtown area.

Halprin & Associates were noted for their achievements at Ghiradelli Square in San Francisco and at Nicollet Mall in Minneapolis. As a basis for their study, Halprin conducted community workshops to ellicit community input. In conjunction with the community workshops, Halprin conducted studies relative to the economics, traffic patterns, and land uses of the area. See Exhibit III.

The studies indicated a pedestrian mall would be economically feasible. The plan was proposed to and approved by the Central City Commission. However, it took approximately two years to get approval from the City Council because of strong community opposition.

Politics and Legal Issues. Public hearings were held to discuss the proposed plans for the mall. Merchants strongly opposed the mall. The leading opposers stated that seventy percent of the merchants were against the creation of a pedestrian mall and the removal of traffic from the mall area. One storeowner believed the downtown was "not adaptable to the mall concept" and that the streets were not wide enough."

Further discussion surrounded the fact that some of the City Council members would be violating the State's statute if they voted on the mall since they had a "material financial interest" in the mall. This "material financial interest" was defined as "ownership of 5% or more of any firm or business, or aggregate annual income of \$5 thousand or more from any firm or business, affected by council action." One of the council members was the vice president of a national bank located along the proposed mall and had a salary greater than \$5 thousand, one member was a partner in a law firm that did more than \$5 thousand in annual business with two of the downtown businesses, another member's husband was one sixteenth owner of a firm that owned several \$100 thousand in downtown properties. Since the definition of conflict of interest was "broad" the council members asked the attorney general to rule on this proposed violation. The attorney general found that three of the five council members would present a conflict if they voted on the mall. Interestingly enough, these three members were the most vocal about their advocacy for the mall.

Therefore, only two of the members could vote. One of the members, Charles Barbour (Mayor in 1974), was upfront about his interest in seeing the project completed. In addition to the improvements it would make to the downtown, he also knew what difference it would make to the surrounding lower income neighborhoods and the jobs it would provide. The other member,

Mitchell Van Yahres (Mayor in 1970), was not as enthusiastic about the mall initially. Mr. Van Yahres and one of the leading opposers of the mall agreed to visit other cities that had malls similar to the one that was being proposed for Charlottesville. In my opinion, this was a good attempt to involve those who were opposed to the mall. It would give the merchants an opportunity to see how this concept worked in other areas of the Country.

However, Mr. Van Yahres and the storeowner came back with different reactions. The council member decided the mall idea was a good one, and the storeowner remained unmoved by the idea. Apparently, the merchant had already made his mind up and was not able to view the situation objectively.

In July, 1974, the council voted to go forward with the construction of the mall. However, as a compromise, the construction would only include the first five blocks rather than the proposed seven. The merchant was still not satisfied with the compromise and remained concerned with the traffic flow.

The construction contract for the first phase was awarded in October, 1974, and construction began. Opposers of the mall again united to fight a proposed special tax assessment -- another form of public/private partnership, although involuntary, in that both sectors would share the construction cost and benefits. Under Virginia law, "the governing body of the City of Charlottesville may impose taxes or assessments upon abutting property owners for construction of permanent

amenities. However, that portion could not exceed half the cost." The rationale for the special tax assessment was that "those who would benefit most directly should bear the cost of developing the common facilities." The "renovation of the individual establishments -- new facades, expansions, and new construction -- would be the responsibility of the respective owner." It was believed that the increase in retail sales would be more than adequate to permit new reinvestment.(2) This was I believe the next major misunderstanding. Again, the merchants were not involved in making the decision and were forced to pay for a pedestrian mall despite their opposition. Subsequently, in opposition to this special tax assessment, twelve downtown merchants and property owners filed a suit on December 4, 1974, in circuit court in an attempt to stop construction of the mall. Their grounds were inability to protest the special tax assessment. The owners requested the City give legal notice of how much they would have to pay prior to completion of the mall and allow them an opportunity to protest the assessments. During the week of December 24, 1974, the Circuit Court denied the request due to "insufficient cause for the court to intervene in ... the affairs of a duly elected and representative public body -- the Charlottesville City Council -- against whom the suit to halt construction was filed." The court further denied the request to delay construction and refused to order the City to issue tax assessments for properties prior to the mall's comple-

tion.(3)

Construction and Development Phase I. Phase I included five of seven blocks on East Main Street. Some say the City attempted to allay merchants concerns and therefore, compromised by stopping at block five; others say it was retaliation. In either case, the leading opponent of the project owned the store at the block where the construction ended. A pass through street was made at this intersection.

The first phase included realigning of traffic into a one-way, "looping pattern"; the bricking over of the street originally passing through the mall, making it into a pedestrian walkway; the construction of a 500 car parking garage and two parking lots; and the building of one of the mini-malls -- Central Place. The City modified zoning, land use plans, and sign regulations to encourage development of diverse uses. The cost for construction of the first phase was \$2.5 million and was funded from a combination of public and private funds -- \$1.9 million city funds, \$105 thousand of City utility funds, and \$500 thousand of a special tax assessment to be paid by the 80 building owners over a 5 year period.

Once the first phase was completed in 1976, the concept generated more enthusiasm. Thus, the second phase included extending the mall the next two blocks.

Construction and Development Phase II. Phase II included the next 2 blocks of the mall, cost \$826 thousand, and was funded from urban renewal, Department of Housing and Urban Development funds of approximately \$600,000, public utility funds of \$55,000 and \$171,000 from building owners as a special tax assessment over the next 5 years. Construction began in 1978 and was completed in 1980.

Construction and Development Phase III. Construction of Phase III began in 1982 and is still in operation. It includes the construction of 12 side streets and plazas at each end. The plaza at the western end of the mall is a part of the Vinegar Hill Development. Vinegar Hill was an urban renewal area purchased in the 1960's by the Charlottesville Redevelopment and Housing Authority. The 12,000 square foot Radisson Hotel/Conference Center, (See Exhibit VI), having 209 rooms, opened in May of this year and was part of this project, as was the 25,000 square foot General Electric Corporation Training Center, which opened in February, and a 400 car parking structure.

The total cost for this project was approximately \$24 million, of which \$9.5 million was financed through General Obligation Bonds issued by the City of Charlottesville. The remaining portion was financed through public/private mechanisms. The Redevelopment and Housing Authority maintains ownership of the center through the form of a ground lease with Jefferson Court Associates Corporation, an Atlanta

Development Firm.

Future Construction and Development. Development of the surrounding areas of the mall was also an important part of the development's success and will be discussed briefly in Chapter 4. Future plans include extending the mall area further, and reconstructing the now vacant Paramount Theater into a shopping gallery with small shops and a central atrium. In addition, a private developer is now developing on the site of an old grocery market that burned. Plans for this site include the construction of a 4 to 5 story building, with retail and office space on the ground floor and 1 to 2 floors of condominiums and penthouses. Further, the Redevelopment and Housing Authority has recently purchased the lot across from the Radisson and is presently entertaining redevelopment possibilities. (See Exhibit XVII) The parking lot adjacent to the Radisson is also being investigated for development uses.

Public v. Business Objectives The City Council played a major leadership role and made the policy decision to go forward with the downtown mall. The city manager was responsible for coordinating the construction and revitalization, with planning assistance from the Department of Community Development, and construction supervision and implementation of development activities by the Department of Public Utilities. A Central City Commission comprised of business leaders and university representatives provided advice throughout the development process; and Downtown

Charlottesville, Incorporated, an organization of businessmen on Main Street, played a major role in supporting the mall.

The difficulties faced by the City of Charlottesville in the planning and construction of the mall are not unlike those faced by a developer. In my opinion, these difficulties were created because of problems with communication which led to misunderstanding. Only a few of those who were affected by the changes were involved in the development process. These merchants were forced to accept the outcome of decisions, e.g. a special tax assessment without having input. Many of the merchants owned their stores free and clear and were not interested in any additional debt and were uncertain about the benefits that would be gained. Obviously, with input not everyone would have been satisfied and not all problems are easy to anticipate, however, better communication may have averted some of the intense opposition.

The City's objective was to improve the downtown area's appearance, as well as its economic base. The merchants were comfortable with the way things were. With better communication the merchants may have realized the potential benefits and could have become advocates, as some did after Phase I was completed and they were able to see the results. Instead, the merchants competed with their own interests and saw the City as a threat to their security and control.

Involvement of developers or other interested parties who were involved in downtown revitalizations, and/or presenta-

tions using videotapes of other downtown malls may have been helpful. This would have allowed the merchants the opportunity to view before and after pictures of other downtown malls. Thus, they could have visualized what difference a pedestrian mall could have made. Merchants and the public could have been invited to planning meetings. Once they recognized construction was inevitable, they may have engaged in generating worthwhile ideas. Their input would have allowed them to feel a part of the new revitalization.

A public/private partnership was necessary as a means of sharing the costs and benefits. The City had the commitment and persistence as well as the resources to influence the results. However, the support was needed from the private sector to make the project a success. Exhibits V, VI, and VII will show the evolution of the downtown area from the 1920's to the present period. I believe these exhibits will portray one of the measurements of the mall's success -- the improvement in the downtown's general physical appearance.

Chapter Two Perspectives on the Process

In July 1965, the Charlottesville Daily Progress undertook a study of downtown and found "Downtown Charlottesville is neither sick nor dying, but is beginning to exhibit some symptoms which cannot be ignored." The reasons the downtown needed attention included those which were considered to be typical of other communities such as competition of shopping centers, traffic and parking problems, streets designed for horse and buggy, and old buildings not always economically adaptable to modern merchandising methods.

In this Chapter, I plan to present a brief summary of the perspectives of some of the people who played varying roles in the downtown development. I will focus on three general areas -- their perspectives on the reasons for the deterioration, the controversy that surrounded the development of the mall, and general improvements that could be entertained to further enhance the downtown.

Reasons for Deterioration

"For many years the downtown was the heart of the tax base and subsidized the tax base of the community, it deserved to get something in return," says Mr. Alvin Clements, Chairman of Central Fidelity Bank. The Central Commission agreed that the project had to go forward regardless of the opposition. They knew it would be in the best interest of the community in the long run.

Most agree that the downtown area was headed for the "questionable", i.e., X rated movie houses. People did not want to go downtown anymore. Mr. George W. Ray, Jr., Economic Development Coordinator, Office of Economic Development, says "downtown was becoming the typical small southern town with neon signs ... all sizes and colors." (See Exhibit VI)

Many generally agree that downtown deteriorated primarily because of the movement of shopping centers to the suburbs resulting in absentee landlords, vacant buildings, and decreases in sales; parking shortages that no longer made it convenient to shop downtown; and changes in the general atmosphere of downtown -- crowded streets, vagrants -- led people to question the security of the downtown areas and therefore, caused them to seek other means of shopping. In addition, Mr. Satyendra Huja, Director, Department of Community Development, believed the deterioration resulted from "deterioration of the physical structures, poor merchandising, and complacency." Mr. A. E. Arrington, Deputy Executive Director, Redevelopment and Housing Authority, stated further that "increases in interest rates and a general unwillingness by private owners to do anything" contributed to the difficulties.

Controversy

The primary problems resulted from the loss of parking spaces to the pedestrian way, the cost of the project relative to the use of public funds, and the requirement that merchants contribute towards the cost in the form of a special tax

assessment. The merchants used public hearings, suits, and whatever other means they could to protest what they perceived as a loss of control and security.

Mr. Clements believed traffic was the "most controversial issue." Merchants felt they needed parking spaces right in front of their door. However, "they didn't realize how many people could actually park in front." Merchants felt a pedestrian mall would ruin their businesses. Mr. Huja, agreed parking was a real concern and said the City built a parking garage to accommodate consumers who would want to park on the mall. However, there was also some opposition from parts of the community who had no interest in downtown. For example, one of the shopping centers felt it was unfair for the City to use public funds to build a parking garage when they had to provide their own parking.

Mr. Huja stated that many of the merchants were opposed to the mall because they "had already paid off their mortgages, owned their properties free and clear, and had no incentive for additional debt;" i.e., special tax assessment or loans to renovate their properties. Merchants filed a suit against the special tax assessment, as stated in Chapter One, however, they were required to pay the assessment. It was expected that retail sales would help to offset the costs to the merchant. Apparently, their assumptions were correct as will be seen in Chapter Four.

Possible Improvements

There was general agreement that improvements to the downtown area would include easier traffic flow, additional improvements to the surround areas, additional housing, improved signage, more parking, and architectural design control. Mr. Clements says, downtown is in "an old historic district and there is a need for easier navigation" around the downtown area. Many tourists pass through the area and without proper navigation, the additional traffic can add to the problems that may already exist with thraffic flow.

One potential improvement to the surrounding area would include South Street, on the southern side of the mall. This Street could be made into "a real entrance to downtown," says Mr. Ray. The Market Street area, the northern side of the mall, had already been totally renovated. As a part of the third phase, the side street entrances will become walkways to the mall -- and bricked over like the mall itself.

Professor William Lucy, University of Viriginia, Department of Urban Design and Environment says, in relation to housing, "we need a mix of people, more in tune with contemporary trends, and support." He believes the idea of having housing above the stores and shops is terrific -- as far as what downtown needs. Merchants have alrady, however slowly, began renting apartments and renovating condominiums above store fronts. Many agreed housing and condominiums, particularly above store fronts on the mall, would provide for

a more vibrant downtown community.

The present signage is inadequate and in fact, can be very confusing to a person new to the area. Improved signage can help to invite people to the downtown and can be used to "announce" the mall. More appealing signs can add to the attractiveness of the downtown and can complement the historical significance of the area.

Characteristically, with the addition of a hotel/conference center, more traffic will be generated downtown resulting in the need for more parking. Many already acknowledge the fact that parking is a concern. Additional parking is presently undergoing consideration.

Other suggestions included keeping stores open later, and encouraging the merchants to take on more leadership. Professor Lucy suggested a "three presence museum" -- Madison, Munroe, Jefferson -- as a tourist attraction. He believed this museum would be a natural addition to the Radisson Hotel/Conference Center. Mr. Ray also suggested improvements in the transit system, which I agree is very slow. He also discussed problems with the length of the mall and the need for transport, particularly for the elderly. The type of transit might include trolleys or "snake trains" -- like those used in entertainment parks.

Architectural design needs to be controlled to provide consistency and assurance of complementing design types. This factor can aid in preserving the atmosphere that presently

exists in the downtown area. A downtown architectural review plan has already been adopted.

Conclusions

Mr. Clements believes "validity speaks for itself. The mall is now a pleasant place to be. WE're seeing an evolution of business, more interesting restaurants, boutiques ... we can only go forward. Representative Mitchell Van Yahres, State Delegate, says the downtown mall is one of the better revitalizations. It's "more than a skeleton for a fantastic downtown".

Mr. Huja stated that the mall area is the "heart of the City." However, although the "mall worked for this community, it will not work for all communities." "The mall worked because the scale was there; e.g., the option for the parallel circulation of traffic was there". It's important to note that the mall "could succeed only as part of a larger package." The concept was a "social, economic, and physical" one. The package included zoning changes from commercial to mixed use to encourage development, extension of streets to provide easy access to the downtown area, and improvements to the neighboring areas. Also important was the strong leadership of the city council and city manager, and alot of "patience and persistence."

"For quite a while people felt the mall was a failure," says Professor Lucy, "only recently do people believe it's a success." The movement of department stores out of the mall

area provided the means for a change in use. Adaptive use has been substantial; i.e., preservation -- the conversion of a post office into a library, a school into an office building. A tremendous amount of women's clothing stores have opened as well as theaters and restaruants. At the same time some retail uses have survived and grown, despite the change. All of these factors contribute to the gradual transition of ownership and management of the downtown area.

Chapter Three Comparative Analysis

There are three major malls in the Charlottesville Area -- the Downtown Mall, the Barrack's Road Shopping Mall, and the Fashion Square Mall. (See Exhibit II) All three malls have their own unique characteristics. This Chapter will briefly discuss these malls and their differences. I plan to focus on the following three areas: general appearance, management and maintenance, and costs and benefits.

General Appearance.

The Downtown Mall is located in the historic district of downtown. The original vehicular street called East Main Street is now a bricked over pedestrian mall of 7 blocks with plazas on each side. The store fronts are diverse with victorian, colonial revival and modern architectural designs. As seen in Exhibits VII and VIII there has been significant improvement in its appearance. Stores include Page Foster, Smith's of Bermuda, and other speciality type stores. In addition, there are several cafe' type restaurants, professional offices, and apartments and condominiums now exist above some of the stores. Customers include professionals working in the area, some students, and members of the surrounding black community. Parking is provided for a minimal cost in a 500 car enclosed garage, and in an open lot; and free in two open lots. There are approximately 800 spaces available.

The Barrack's Road Shopping Center is a strip shopping mall comprised of 40 acres located close to the University and less than 1.5 miles from the Downtown Mall. The site originally built in 1959 had 21 stores on 20 acres. In 1965, 15 new stores were added, at a cost of \$1.75 million. The development was sold in 1969 to a Charlottesville Developer under a sale/lease back arrangement at a purchase price of \$11 per share. At that time, the developer acquired 80% of the stock. In 1971 the property was again sold at a price of \$7 million. In 1983 the mall expanded to 40 acres, with 430 thousand square feet of buildings with 70 stores. The building store fronts are of modern design. Stores include Leggett's Department Store, Safeway Grocery Store, and People's Drug Store. There are several fast food type places such as McDonald's and DiLites. Ample free parking is provided for 2,800 vehicles. The typical customer includes students and people located near the University of Virginia.

The Fashion Square Mall is an enclosed, climate controlled shopping center developed by a Florida based development firm. The original plan in 1976 was for a mall to be built on 37 acres, at a cost of approximately \$13 million, under a 99 year lease arrangement on a site located in the City of Charlottesville. However, because of difficulties with the planning approvals, the developer decided to build on a 65 acre site in Albermarle County, approximately 2 miles from the Fashion Square Mall. Construction was completed in 1980. The

mall design is modern and the stores are very similar to those of the Barrack's Road Shopping Center. Examples of stores include Sears, Leggett's Department Store, and Casual Corner Clothing Store. Fashion Square also has fast food type restaurants like McDonald's in addition to Cafeteria style food. There are four major department stores and 80 specialty shops on 573 thousand square feet. There is ample free parking for 3,375 cars. The customer includes all parts of the community, particularly the elderly and teenagers.

Management and Maintenance.

The Downtown Mall is maintained by the City. Individual stores are owned by the merchants and limited control exists on their displays and appearance. However, the stores in the minimalls such as Central Place and Exchange Place (See Exhibits XIII and XIV) are leased. General advertising is done by the Downtown Charlottesville Merchants Association. Participation in the Association is voluntary.

The Barrack's Road Shopping is managed by a professional management company. Advertising is voluntary and a certain amount of money is paid for costs such as snow removal, the only common area charge. The City maintains parking areas. The Merchants Association has 2 or 3 general meetings annually and board meetings every 6 to 8 weeks.

The Fashion Square Mall is managed by a professional management company. The marketing firm does all the advertising and maintenance for both the interior and exterior

of the mall. Advertising is compulsory and several other fees are specified in the lease. The store also controls the store front displays.

Costs and Benefits

The costs to the merchant in the downtown mall include the individual costs for store improvements and the special tax assessment. The primary cost to the consumer is the parking fees. For the elderly customer, there is also the inconvenience of walking the distance of the mall. Costs for renovations are the responsibility of the merchant, but, the merchant is not required to make improvements. I would suggest that a control system be implemented to require upkeep of storefronts. Low interest loans can be provided as a means of defraying the costs to the merchants.

The mandatory special tax assessment charged to merchants and paid over a 5 year period is a contribution towards the downtown revitalization. Although the merchants pay a special tax assessment over a period of time, the increased retail sales generated from the improvements are expected to continue long after the debt is paid. Because of the improvements, the downtown is now an area that attracts tourists -- the area has alot of historical significance.

Membership in the Downtown Association is voluntary. Those who are members pay an annual dues as low as \$25, up to \$1200 for stores with sales volumes greater than \$2 million. The Associate provides general advertisements for the entire

mall, and coordinates several recreational and entertainment activities. Unlike the other two malls, parking is provided at \$.40 per hour, or \$23 per month, in an enclosed parking lot, \$.50 per hour in open parking lots, and free two hour parking along adjacent side streets. Nevertheless, the costs appear reasonable and help support the cost for financing the construction.

Although 7 blocks may be a long walk for the elderly, this is not the typical mall customer. As previously stated, the typical customer largely comes from the professional and surrounding communities. The pedestrian walkway provides a safe place for children without the traffic concerns, and a convenient way for those working downtown to shop. However, I do recommend stores stay open later hours so that they may remain competitive with the other malls. Some restaurants and a few stores have begun to do so.

At the Barracks Road Mall, the costs to the merchant include mandatory fees to the Association, costs for leasehold improvements, and costs for advertising. As with the downtown, the length of the mall is long, however, ample parking is available so that the customer can usually park close to the store he/she wishes to shop at. Further, the customer probably pays for the higher cost to the merchant through the cost of the merchandise, particularly the smaller stores. The larger chain stores are probably able to accommodate the additional costs.

At Barrack's Road membership includes a \$25 per year annual fee, plus a cost to the merchant based on square footage, after a certain square footage the cost decreases. The center advertises and organizes four traditional events -- side walk sales -- at a cost to the merchant. Renovations needed are negotiated. The shopping center pays a percentage and the merchants pay a percentage. The Association promotes the center and also generates money into the community to help support community groups. Some disadvantages include the lack of enclosed areas or large community room areas for meetings. However, the customer has the benefit of convenient, free parking.

At Fashion Square, all merchants are required to pay dues in a marketing fund to pay for maintenance, and electricity. Additional charges are paid based on the square footage leased at \$.60 per square foot. Thirtythree percent of the dues collected goes towards income producing events such as antique, car, and flower shows. Each store has an advertising requirement as a separate cost. For this cost there are 10 advertised cooperative advertised events.

The benefits are that shoppers have the convenience of shopping in a climate controlled shopping mall, particularly in the winter and unlike the downtown and Barrack's Road Malls, all of the stores are open every night.

Summary. In sum, each of the malls has its own unique advantages, and like anything else, its disadvantages. Al-

though the Barrack's Road Mall and the Fashion Square Mall are major competitors, it appears that there are enough differences in the consumers they attract to make them both financially viable. The Downtown Mall has the advantage of having unique, speciality type stores, cafe' type restaurants, and the historical attractiveness that allows it to be competitive. I was unable to get actual cost figures from the malls and therefore, did not provide a more detailed cost/benefit type analysis.

Chapter Four Market Analysis

The City of Charlottesville (the City), the "home of Thomas Jefferson and the University of Virginia, is one of the most historically significant cities in Virginia." (4) Charlottesville is a town of 10.4 square miles, surrounded by Albermarle County (the County) comprised of 73.9 square miles, and nine other Counties. The two closest major cities are Wasington, D.C., approximately 115 miles North, and Richmond, Virginia, approximately 70 miles East. (See Exhibit I)

Historically, the reason for the development of a downtown was the need for a central place to conduct the region's business, particularly trade. In 1762, what is now the downtown center of Charlottesville, fifty acres of land surrounded the Albermarle County Courthouse. These fifty acres were "divided into half-acre lots with four east-west streets and five north-south streets." These fifty acres were on the "region's principle east-west route, the Three Notched Road -- named for the three notches chopped in nearby trees to identify its route." With the development of the University of Virginia in 1817, Charlottesville began to grow. It was the main thoroughfare between the "village" and the University. Further, "with the introduction of the railroad into Charlottesville in 1850," Charlottesville was becoming a major economic center of the region as "rail travel became more important than the state's river and canal system." (4)

The total growth in demand for various development activities typically depends on the ability to compete and subsequently, determines its ability to succeed. The primary parameters for growth include population, employment, and income characteristics. The following statistical information provides a basis for analysis for market conditions in Charlottesville and provides a basis to use for comparison of projections prepared by the Economic Consultants, Hammer, Siler, George Associates, (HSGA) in 1973.

Population Characteristics

According to the U.S. Census, the total population for Charlottesville was 38.9 thousand in 1970, and 39.9 thousand for 1980. In 1980, the population count for both Charlottesville and the City was 95.7 thousand, compared to HSGA's projection of 97.7 thousand. Theoretically, increases in population provide for increases in the demand for goods and services, thereby creating an incentive for development. As seen below, development activities have increased significantly during this period. HSGA's population projections came very close to the actual figures in this category.

Employment Characteristics

The major industries and their perspective employment breakdowns in Charlottesville are services 24%, retail trade 23%, government 19%, and manufacturing 14%. The other primary industries include finance, insurance, and real estate 5.9%, transportation and public utilities 5.4%, construction 5.4%,

wholesale trade 3.4%.(5) The major employer in the Charlottesville and Albermarle County is the University of Virginia with 42% of the employment in 1984, with local government next with 12%.(7) HSGA's projections for service and professional employment was 19.5% in 1980 and 25.7% in 1990. The actual for 1984 was 25.7%. Employment opportunities are typically one of the primary determinants of population growth. These statistics indicate that there is some merit to this assumption.

The unemployment rate in January, 1985 was only 3.5% for the City while the State of Virginia's unemployment rate was 5.9%. For the periods 1976 to 1985, the unemployment rate has decreased from 5.6% to 3.5% for the City.(5)

Retail Sales

The total retail sales increased from \$248.5 thousand to \$660 thousand or 165% for the Charlottesville and Albermarle County, and from \$11.6 million to \$28.5 million or 146% for the State of Virginia for the periods 1974 to 1984.(6) The largest number of businesses in the City and County is in the specialty retail category, representing 444 business and 21% of the total businesses.(7)

The retail sales for the City of Charlottesville increased from \$187.4 thousand to \$379.9 thousand or 103% for the periods 1974 to 1984, representing 58% of the City and County total retail sales. The retail sales in the Charlottesville's Central Business District increased from

\$29.5 thousand to \$63.3 thousand or 114% for the same period. From 1980 to 1983, retail sales increased from \$41 million to \$63 million in the central business district representing a 54% increase.(6) In 1983, the central business district had the greatest retail sales dollars of the major shopping areas in the City. Note that the retail sales figures for the Fashion Square Mall, located in the County, were not available.

During the initial revitalization period, retail sales in the Charlottesville Business District decreased from 7.5% in 1974 to (- 8.2%) in 1975. During this period several shopping malls were built in the surrounding areas and many of the department store chains left the downtown area. This resulted in the closing of many of the smaller department stores. However, after completion of construction of Phase I, in 1976, retail sales increased by 13.2% and again by 25% in 1977. Sales only increased minimally in the next 2 years, and actually decreased by 1.4% in 1980. This is the year the Fashion Square Mall was completed.

Since 1980, retail sales have increased and new investments have come into the area as evidenced by the increase in building permits from 470, and a construction value of \$9.9 million in 1970, to 586 building permits, and a construction value of \$32.6 million in 1983.(8) "The majority of permits that were issued were for projects that were valued for \$10,000 or less and were for interior or exterior renova-

tions." (9)

The type of retail trade prevalent in the downtown mall area includes restaurants, women's clothing stores, and speciality type stores. Department stores, auto related stores, and appliance stores have decreased as most type stores have moved to the outlying mall shopping centers.(9)

In 1983, retail sales in Charlottesville by major shopping area indicates that four areas had the largest retail sales as follows: the Central Business District had 25.7%, Barracks Road Shopping Center had 24.9%, Emmett Street had 18.4%, and West Main Street had 9.7%.(10) (The Fashion Square Mall retail sales figures as noted above were unavailable.) Emmett Street and West Main Street are smaller stores which are not considered malls, located near the University.

Increases in retail sales are indicative of gains in household growth and personal income. "As retail sales improve in an area, properties are perceived as being more valuable which can affect rents, thus increasing the value of a building and its assessment." "The Central Business District commercial property assessments show a 3 to 7% increase above all of the City's Commercial properties during the period 1981 to 1984."(11). "Indicators are that commercial properties in the CBD are prospering as a whole, and that perhaps economic activity is increasing at a faster rate in the CBD than in the rest of the City."(9)

Development

Development in the surrounding areas of the downtown has included both new construction and rehabilitation. Residential units, condominiums, and conversions of existing buildings to alternative uses have all played their part in the revitalization process. and recreation centers.

Residential development has increased in the downtown area -- both new construction and rehabilitation. Increases in residential building permits in the City from 1974 to 1984 were primarily multi-family, representing 44%, and single family 32%. (8) Forty units of condominiums at McGuffey Hill have been built, a 96 unit elderly project at Midway Manor was constructed, and Monticello Hotel was converted into 40 condominiums. Many single family homes have been converted into office and retail uses as professional services -- attorney's offices, architects, community and professional service organizations have increased in the downtown area. (9)

The Charlottesville Redevelopment and Housing Authority has underwritten loans through tax exempt bonds and has made loans available through private banks totalling over \$4 million. These loans were available through the Central City Rehabilitation Programs whose purpose is to provide money to upgrade structures in the downtown area. (9)

Several projects have been entertained and completed as a part of the downtown revitalization as stated above. An important part of the revitalization included the improvements

of the downtown surrounding areas -- Vinegar Hill, Starr Hill, Garrett Street, Fifth Street, and McIntire Road. (See Exhibit IV) Projects, many of which have changed their use in a preservation effort, include the following:

- (1) A surplus elementary school was converted into an art center where artists can work and display their work.
- (2) An old post office building in the downtown area was converted into a regional library.
- (3) An old high school building in the central City was converted into offices for the County.
- (4) A downtown recreation center has been renovated.
- (5) Housing improvements have been made in the northern downtown area through private development efforts.
- (6) The Starr Hill Area has had major public facility improvements and renovations of existing buildings.
- (7) The Garrett Street area has been redeveloped, including the new construction of 300 units.
- (8) The historic Monticello Hotel has been converted into a condominium apartment complex.
- (9) Improved access to the downtown areas via Fifth and McIntire Streets.
- (10) Some of the spaces above stores on the mall have been converted to apartments and condominiums.

As stated above, these development efforts have been important to the entire revitalization effort and its subsequent success.

Chapter Five Financial Analysis

On the following pages, you will find projections based on the original estimates of development costs, construction costs, and income and expenses for the Vinegar Hill Development Project. Vinegar Hill is located on the western plaza of the mall (See Exhibit XV) The purpose of this Chapter is to determine whether in fact the Vinegar Hill Project was an attractive investment. The results indicate that developers were probably disinterested in the project because of the returns and the probable financial difficulties the project would have. Therefore, it is apparent that the project could only go forward as a public/private partnership venture.

The projections were estimated in the early 1970's and did not include one of the office buildings; they indicate that this development would have had alot of financial difficulties without the support of public funds. The original cost extimated was \$6 million, however, the actual cost in 1984 was \$24 million. Apparently, these projections were prepared for a totally different type of project.

In the paragraphs that follow, I will briefly discuss the projections for before tax cash flow -- which incidently is as far as the consultant prepared -- the after tax cash flow, the net present value, and the internal rate of return. My assumptions were of course based on todays costs; e.g., interest rates, appreciation rates, and inflationary expense increases. Thus, the outcome of the original projections would

obviously have had different results.

The purpose of this Chapter is not to invoke in a detailed financial analysis of costs and benefits. Rather, it will provide a brief discussion of the financial implications of developing such a project through private mechanisms -- based on the original cost estimates. The Tables on the next three pages will provide information on my assumption, net operating income projections, cash flow projections, cash flow after debt service, and tax shelter benefits. I will then present net present value and internal rate of return results.

PROJECT NAME: VINEGAR HILL DEVELOPMENT
 DATE OF PROJECTION: AUGUST 1985
 LOCATION: CHARLOTTESVILLE, VIRGINIA
 TITLE: ORIGINAL PROJECTIONS

=====

FINANCING

=====

CONSTRUCTION:

Amount (CL) \$5,260,000
 Rate (cl) 14.00%
 Points(cpt) 1.50%
 Term (ct) 14 months

PERMANENT:

Amount (PL) \$5,260,000
 Rate (pl) 12.75%
 Points (pts) 2.00%
 Term (PTM) 5
 Amortization (N) 30
 Fixed Payment (FDS) \$689,488

=====

UNIT COSTS:

BASIS FOR PROJECTION

=====

REVENUES:

GROSS RENTABLE AREA	69,500	Motel (MO)	\$2,483.33
TOTAL PROJECT COST	\$5,260,000	Office Space	\$6.00 Per SF
		Retail Space	\$5.00 Per SF
Motel (Motel)	150 Rooms	Parking	\$250.00
Parking Spaces	200 spaces		
Retail Space (Retail)	7,000 sf		

GROWTH FACTORS:

Appreciation 6%
 Operating (IOE) 5%
 Tax 3%

DISCOUNT RATE BEFORE TAX (BT) 20%
 AFTER TAX (AT) 10%

TAXATION:

Ordinary Income(OI) 50%
 Capital Gains(CG) 20%

=====

TABLE 2: NET OPERATING INCOME

=====

1984	6 months 1985	1986	1987	1988
Construction	Lease Up	Operations	Operations	Operations
MARKET RENT				
Office Space	208,500	417,000	450,360	486,389
Retail Space	17,500	35,000	37,800	40,824
Motel	186,250	372,500	402,300	434,484
Parking	25,000	50,000	54,000	58,320
Vacancy @ 5%	10,425	20,850	22,518	24,319
Total Rev	426,825	853,650	921,942	995,697
OPERATING EXPENSES				
Office Space	52,820	105,640	110,922	116,468
Retail Space	1,400	2,800	2,940	3,087
Taxes	42,120	84,240	86,346	88,505
Parking	10,000	20,000	21,000	22,050
TOTAL EXP	106,340	212,680	221,208	230,110
NOI	\$320,485	\$640,970	\$700,734	\$765,588
RETURN ON INVESTMENT (TOTAL ASSET)			11.0%	
RETURN ON EQUITY (LAND COST)			108.7%	

=====

TABLE 3: CASH FLOW PROJECTION

=====

YEAR	1	2	3	4	5
	Const	Leasing	Operations	Operations	Operations
COST	3,005,714	2,254,286			
NOI	0	320,485	640,970	700,734	765,588
	=====	=====	=====	=====	=====
CF	3,005,714	2,574,771	640,970	700,734	765,588

=====

TABLE 4 : CASH FLOW AFTER DEBT SERVICE

=====

YEAR	1	2	3	4	5
	Const	Leasing	Operations	Operations	Operations
Mortgage offsets					
Construction Costs					
	(\$3,005,714)	(\$2,254,286)			
Debt Service					
	499,700	630,287	689,488	689,488	689,488
	=====	=====	=====	=====	=====
Cash Flow After Debt Service					
	(499,700)	(309,802)	(48,518)	11,246	76,100

=====

TABLE: 5 AFTER TAX CASH FLOW

=====

YEAR	1	2	3	4	5
	Const	Leasing	Operations	Operations	Operations
NOI		320,485	640,970	700,734	765,588
DEDUCTIONS					
	481,290	999,300	1,000,655	997,907	994,893
TAX SHELTER					
	240,645	339,407	179,842	148,606	114,652

NET PRESENT VALUE AFTER TAX (\$737,531)

INTERNAL RATE OF RETURN -199.5

Summary

The before tax cash flow is very favorable. Net operating income is positive for every year. The return on the total investment results in a 11% return and the return on equity is substantial. From this standpoint, the project looks financial feasible. However, these ratios are based on a free and clear income. The return on investment indicates the amount of income before debt service earned on the total invested capital and measures the current profit to the developer. This is important to assure that money is available for proper maintenance. Return on equity measures the current cash dividend earned on the equity invested (cash on cash return). The problem comes in when we account for the debt payments.

Since the developer would have to make mortgage payments, it is important to look at cash flow after debt service. In this case, the net operating income is not sufficient to support a permanent mortgage at a rate of 12.75%. However, in year 4, the property begins to improve its financial condition. On the other hand, the after tax cash flow shows that allowable deductions would provide a fairly good tax shelter throughout the holding period. Another concern arises when looking at the net present value and internal rate of return. Both measures indicate that the project is not economically feasible.

Therefore, this deal would only be attractive to the private developer with some incentives such as lower interest

rates, or other sources of funding. Thus, the rationale for a public/private partnership as was done in this case. Public funds and/or some kind of subsidized interest rate mechanism were used for the Vinegar Hill Project. The Redevelopment Authority maintains control through a ground lease, and other types of private/public mechanisms were put into place. Obviously, the City of Charlottesville considered this project a worthwhile risk.

Chapter Six Conclusions

In the community workshop organized by Halprin & Associates in March of 1973, 16 items were proposed for the downtown area. Those I consider to be the most relevant are as follows:

1. Areas for pedestrians only,
2. Housing close to the CBD,
3. Diversity,
4. Amenities such as fountains, benches, trees, and lighting,
5. Commercial center,
6. Cultural activities such as art, music theater,
7. Mixed building uses such as apartments over stores, restaurants and open spaces.
8. Renovation of older buildings such as the Paramount Theater and the C & O Station,
9. Minimal traffic,
10. Establishing a park belt between the Main Street and Garrett Street housing, with good access to downtown,
11. Preservation and conservation of older structures on Main Street and in the historical area,
12. Design control,
13. Vinegar Hill as a planned unit development with a variety of uses such as commercial, shopping, offices, and housing.

I am of the opinion that the majority of these suggestions have been successfully implemented.

The predominant causes for the downtown deterioration appear to be age, obsolescence, and lack of incentives to improve the area. Although expansion of commercial development in other parts of the City aggravated the problems, I do not believe the relocations caused the problems. The symptoms of neglect seen in the downtown of Charlottesville are not unlike those seen in other downtowns. Public/private partnerships can aid in continuing the revitalization process that is presently happening in many cities. Better planning can help to see that mechanisms are set up to preserve that which should be preserved, such as historical architectural design, while allowing for changes where the old systems no longer work.

In preparing this thesis, I have attempted to answer three questions: the reasons for the difficulty in putting forward the plans to revitalize the downtown area, the reasons for the need for a public/private partnership, and the lessons that could be learned from the development process.

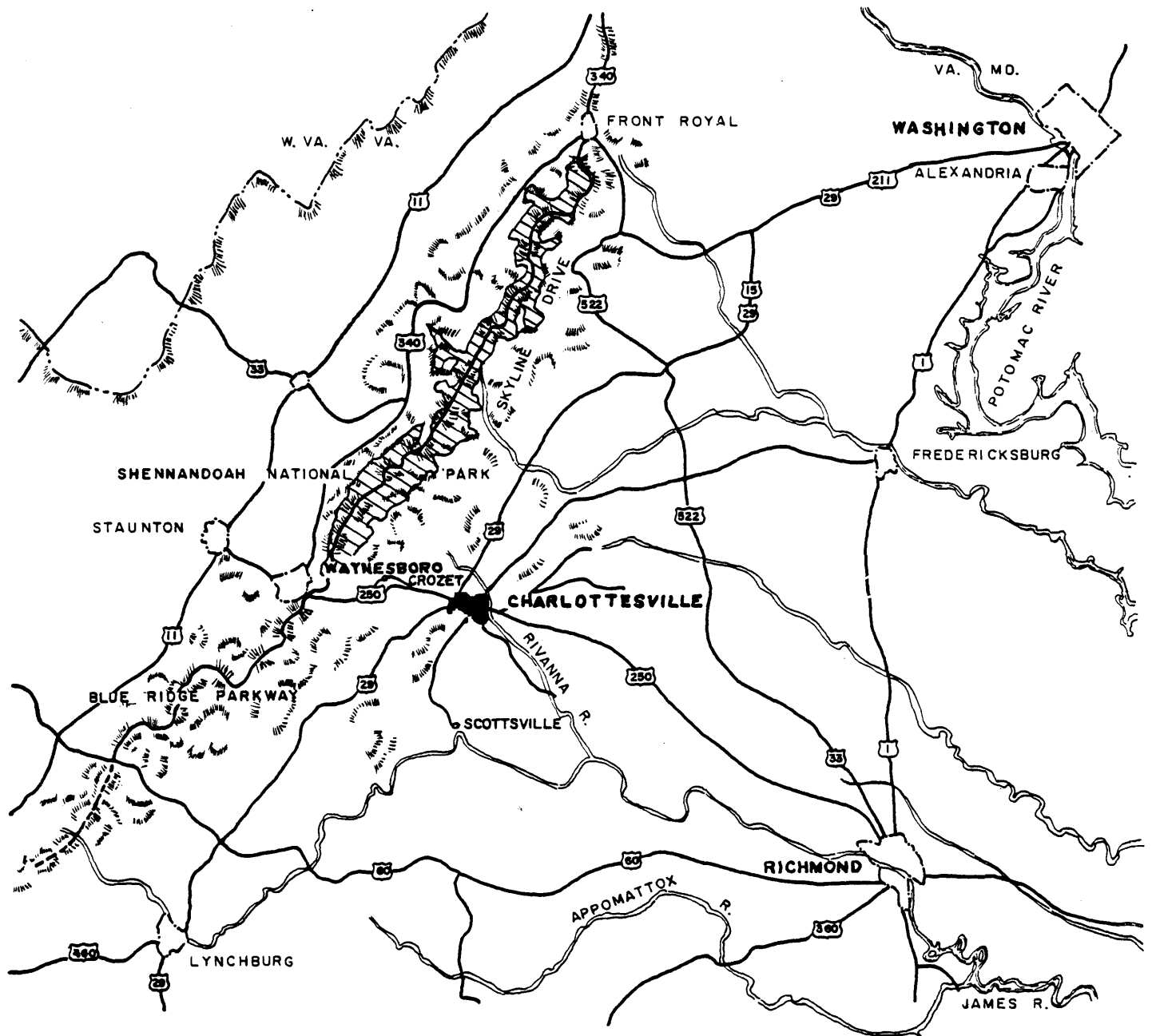
The primary difficulty in this revitalization effort appeared to be problems with communication. Although not all of the problems that arose could have been alleviated with more open communication, I believe some of them could have been dealt with more directly.

The public/private partnership was necessary as a means of soliciting support for the project. The City had the resources, the patience, and the persistence to see that the revitalization took place. The merchants owned the buildings

and would be responsible for paying the taxes and seeing that the revitalization efforts are maintained; i.e., renovating their buildings when necessary, upgrading their merchandising, and providing the necessary support mechanisms. The continued success of the downtown requires a cooperative effort between both sectors.

Many lessons can be learned from the experiences of this downtown mall. Some of them include an awareness of the ability to get political strength when there is no competing interest from other sources, methods of influencing opponents to become proponents, the need for cooperation between the public and private sectors to advance opportunities that might not be possible otherwise.

Charlottesville has made a significant improvement in its downtown area as evidenced by its general physical appearance, the increased retail sales, and the increase in development activity in the surrounding areas. Cooperation between the public and private sectors is a worthwhile mechanism to see that these improvements continue.



GEOGRAPHIC LOCATION CHARLOTTESVILLE, VIRGINIA

CITY PLANNING COMMISSION
CHARLOTTESVILLE, VIRGINIA

HARLAND BARTHOLOMEW & ASSOCIATES
CITY PLANNERS
ST. LOUIS ATLANTA HONOLULU

EXHIBIT I

JULY 1956

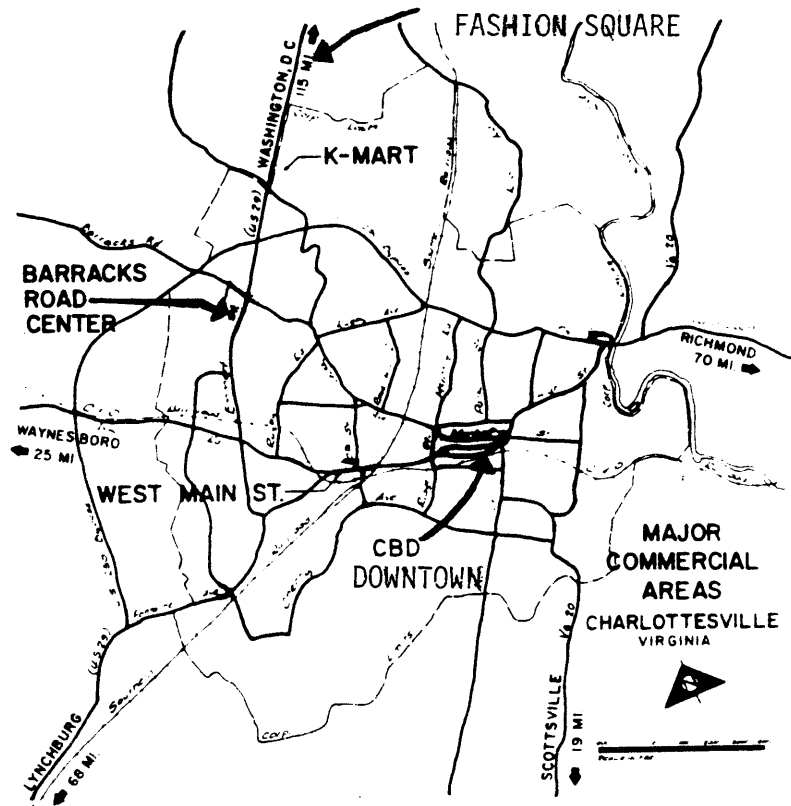
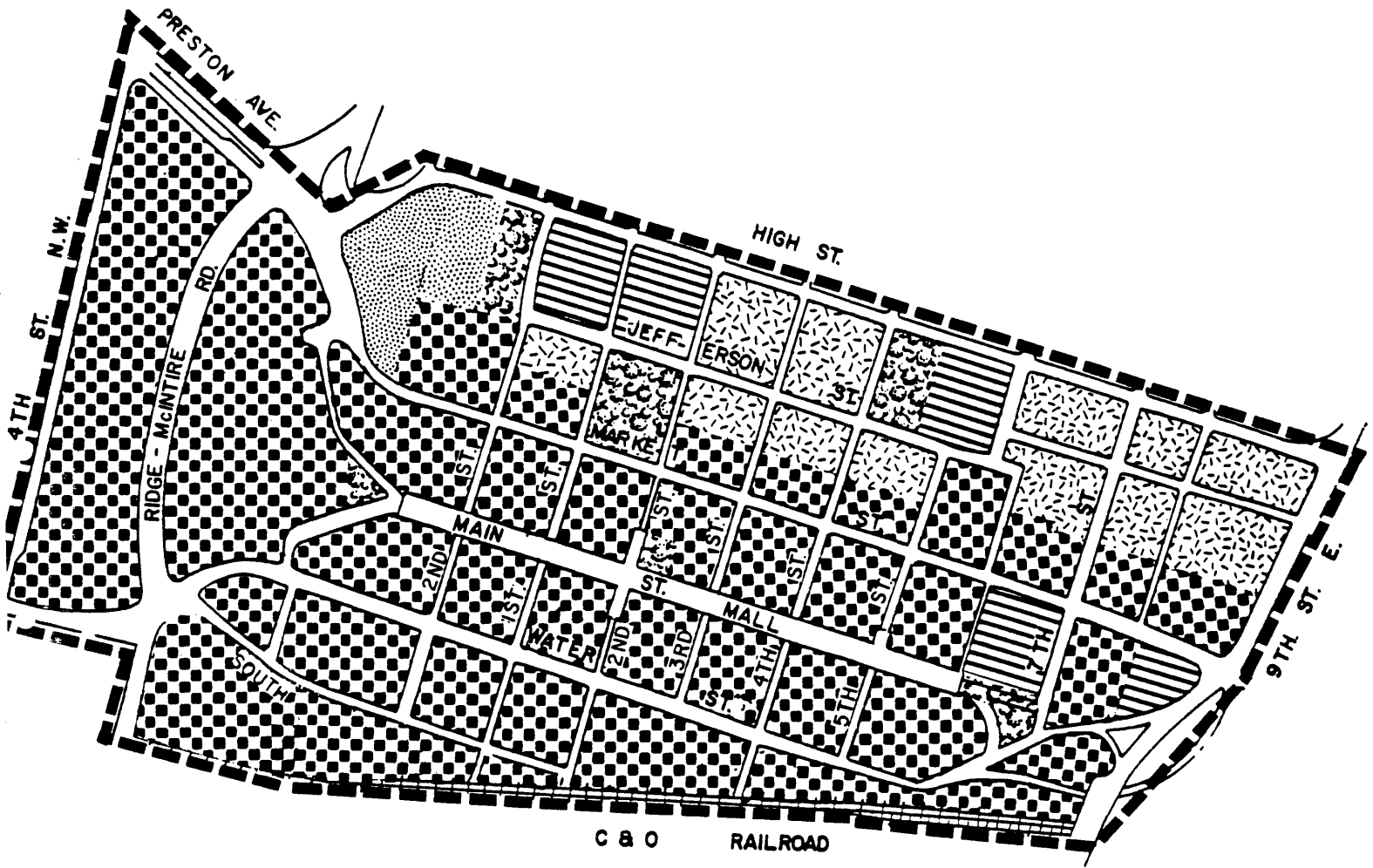


EXHIBIT II
MAJOR SHOPPING CENTERS

Source: Transportation & Downtown Charlottesville
Prepared by System Design Concepts, Inc., Feb 1974, p. 3.

CENTRAL BUSINESS DISTRICT LAND USE PLAN









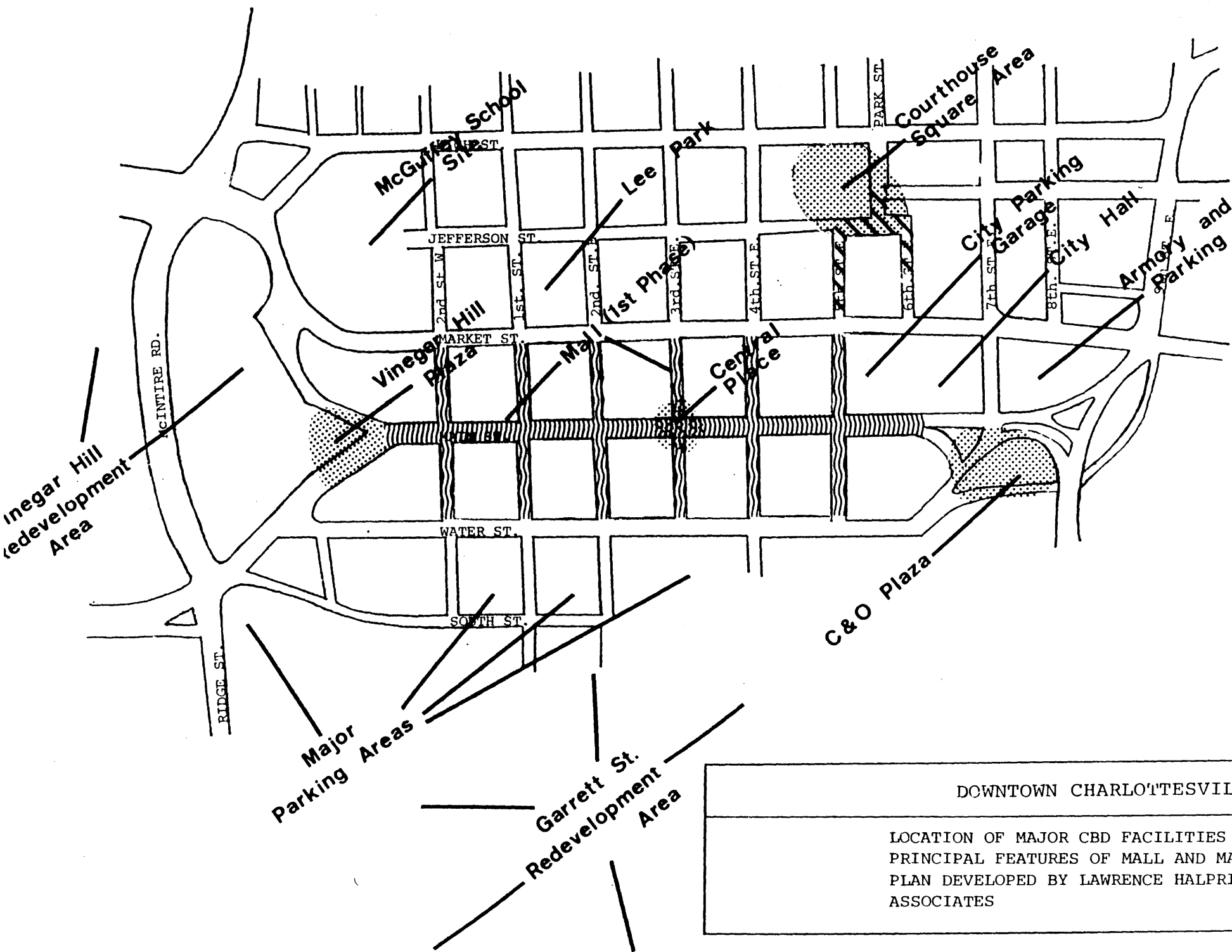
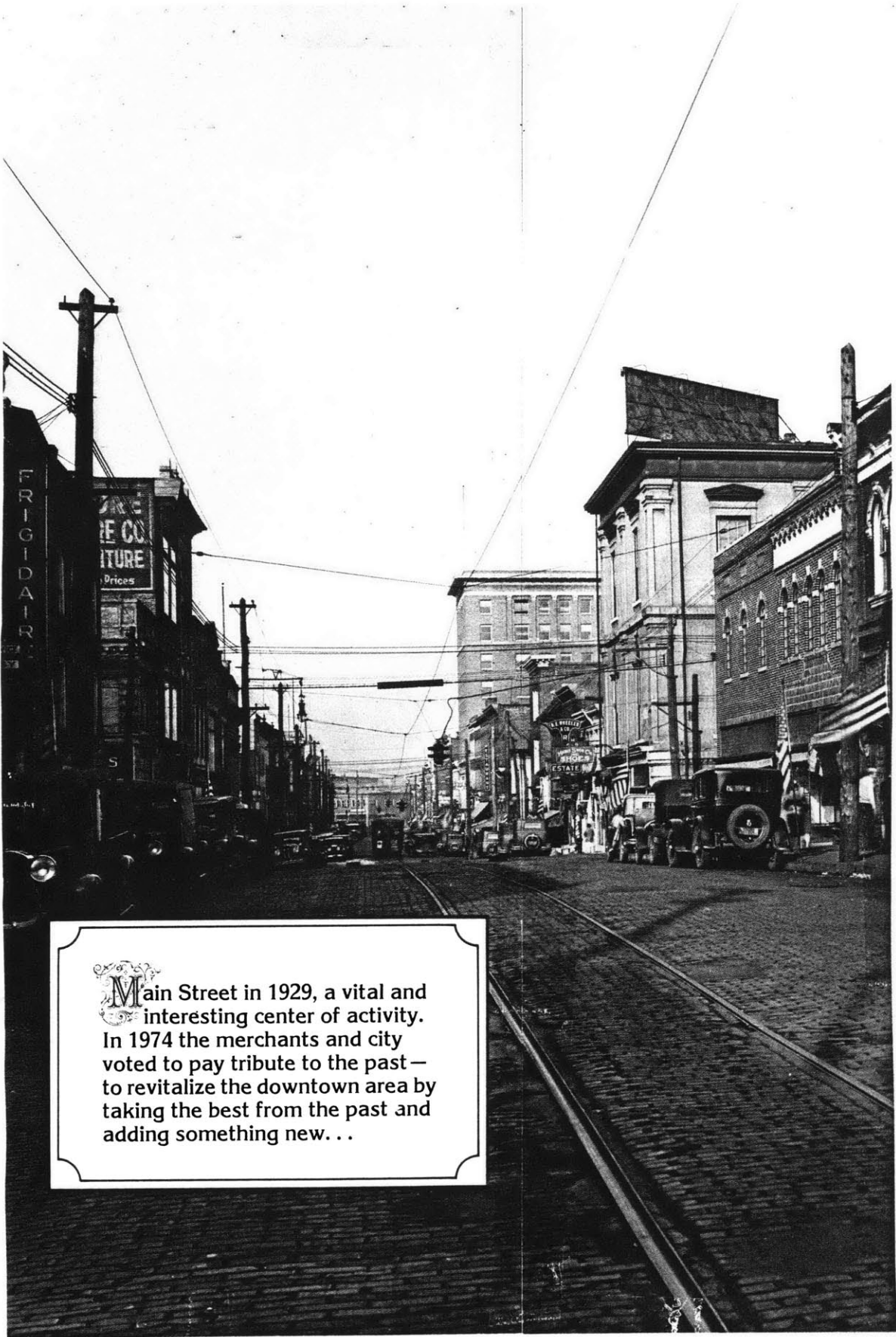
- | | | | |
|---|------------------------|---|----------------------|
|  | MULTI-FAMILY RESIDENCE |  | PUBLIC & SEMI-PUBLIC |
|  | OFFICE |  | COMMERCIAL |
|  | PARKS & OPEN SPACE |  | MIXED |

EXHIBIT III



DOWNTOWN CHARLOTTESVILLE

LOCATION OF MAJOR CBD FACILITIES AND
PRINCIPAL FEATURES OF MALL AND MASTER
PLAN DEVELOPED BY LAWRENCE HALPRIN &
ASSOCIATES



Main Street in 1929, a vital and interesting center of activity. In 1974 the merchants and city voted to pay tribute to the past — to revitalize the downtown area by taking the best from the past and adding something new. . .

Source: Holsinger Collection, University of Virginia Library

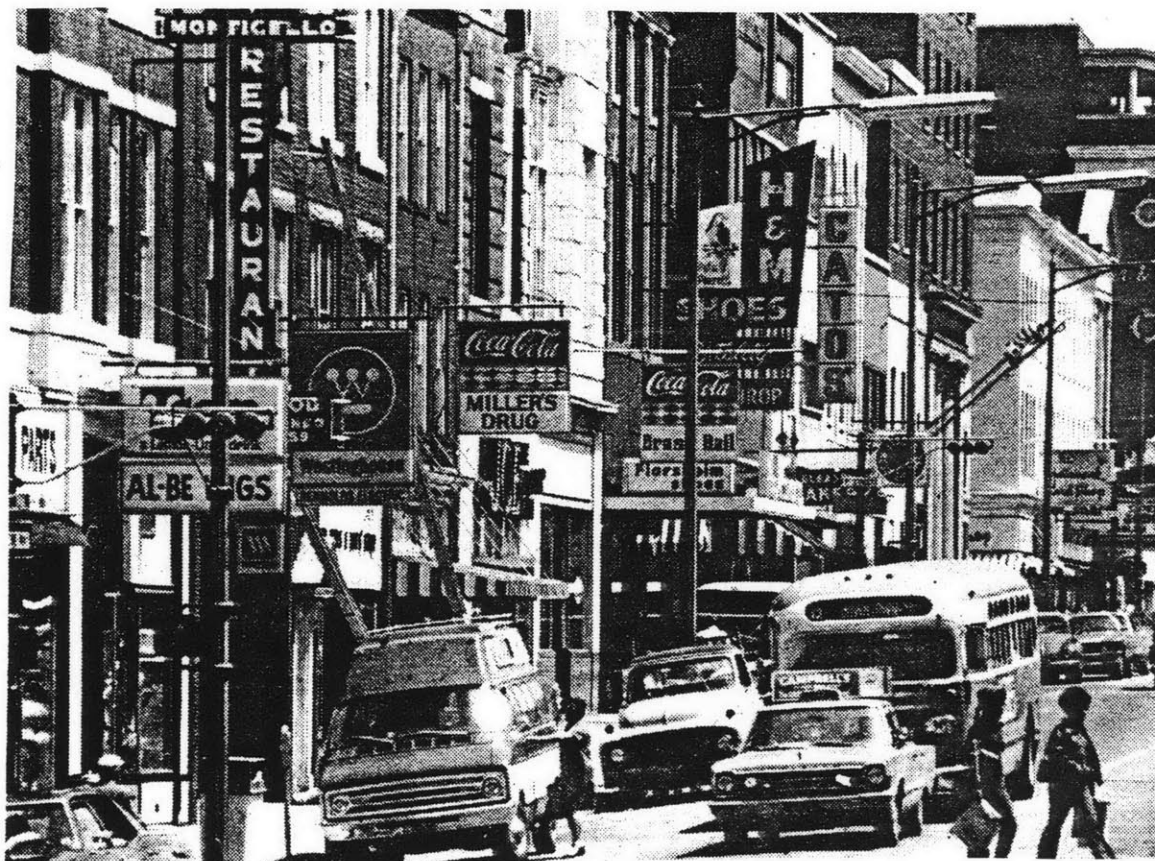


EXHIBIT VI DOWNTOWN 1972
SOURCE: CHARLOTTESVILLE DAILY PROGRESS



EXHIBIT VII DOWNTOWN 1985
SOURCE: DOWNTOWN CHARLOTTESVILLE INC



VEHICULAR ENTRANCE TO MALL
EXHIBIT VIII



VEHICULAR EASTERN EXIT
EXHIBIT X



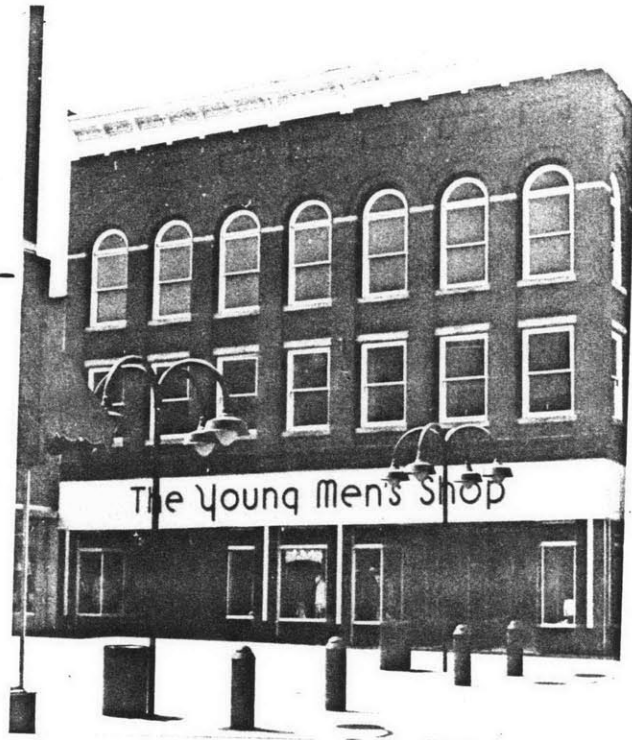
EASTERN PLAZA TO MALL
EXHIBIT IX



EASTERN ENTRANCE TO MALL
EXHIBIT IX

THE YOUNG MEN'S SHOP
Featured several times in
"The Waltons"

EXHIBIT XI



THE HARDWARE STORE
Built in 1909. Converted
into a shopping gallery
and restaurant in 1976.

EXHIBIT XII





CENTRAL PLACE
EXHIBIT XIII



EXCHANGE PLACE
EXHIBIT XIV



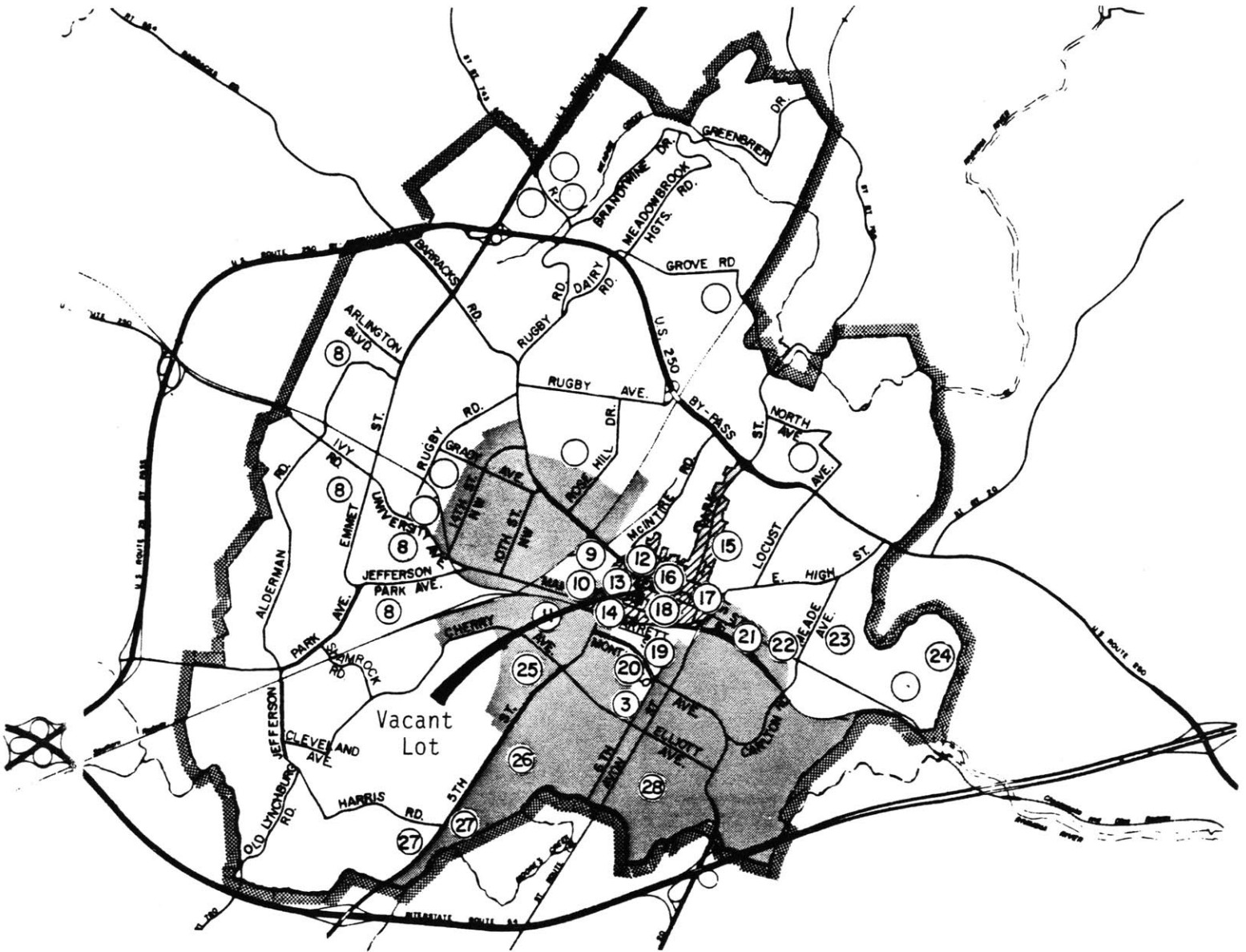
RADISSON HOTEL/CONFERENCE CENTER
EXHIBIT XVI



WESTERN ENTRANCE TO MALL
EXHIBIT XV

MAJOR PLANNING ACTIVITIES

1973-83



- | | | |
|---|--------------------------------------|------------------------|
| ⑧ UNIVERSITY DEVELOPMENT | ⑮ MEALS ON WHEELS | ⑳ MARKET ST. |
| ⑨ TRANSIT SYSTEM | ⑯ JEFF.-MAD. LIBRARY | ㉑ MEADE AVE. PARK |
| ⑩ STARR HILL | ⑰ ALLIANCE FOR INTERFAITH MINISTRIES | ㉒ RIVERVIEW PARK |
| ⑪ FIFEVILLE | ⑱ DOWNTOWN MALL | ㉓ TONSLER PARK |
| ⑫ MCGUFFEY ART CENTER, PARK AND HOUSING | ⑲ GARRETT SQUARE | ㉔ EPHPHATHA VILLAGE |
| ⑬ VINEGAR HILL | ⑳ ELDERLY HIGHRISE | ㉕ SOUTHWOOD-WILLOUGHBY |
| ⑭ MIDWAY MANOR | ㉑ CHARTER HOUSE | ㉖ BELMONT |
| SUBDIVISION ORDINANCE | DOGWOOD HOUSING | SOCIAL PROGRAM REVIEW |
| FLOOD PLAIN MANAGEMENT | BICYCLE SAFETY PROGRAM | CAPITAL IMPROVEMENT |

EXHIBIT XVII

 C. D. B. G. NEIGHBORHOODS

 ARCHITECTURAL DESIGN CONTROL DISTRICTS



NOTES

- (1) Virginia Town and City, "The Pedestrian Mall Downtown, by Kathy Alford, pp. 8 and 9.
- (2) Economic Potentials of Downtown Charlottesville, Hammer, Siler, George Associates, Economic Consultants, October 1973.
- (3) Charlottesville Daily Progress, December 24, 1974.
- (4) Virginia Town and City, "A History of Early Charlottesville," p. 50. Excerpted from an historical study of Charlottesville prepared by Glen Larson, Department of Community Development.
- (5) Source: Virginia Employment Commission, "Covered Employment and Wages In Virginia", Second Quarter, 1984.
- (6) Source: "Taxable Sales in Virginia Counties and Cities", Virginia Department of Taxation Annual Reports, Office of the Commissioner of Revenue, City of Charlottesville.
- (7) "Directory of Industries - Charlottesville and Albermarle County", Charlottesville/Albermarle Chamber of Commerce, August, 1984.
- (8) "Personal Income Estimates for Virginia Cities and Counties", Tayloe Murphy Institute, August, 1982.
- (8) Source: City Inspections Department
- (9) "Analysis of Changes Within the Central Business District - Charlottesville, Virginia 1976 to 1984", Prepared by the Department of Community Development, June 1984, pp. 3 - 6.
- (10) Source: Charlottesville Commission of Revenue.
- (11) Assessor's Office commercial property assessment for the Court Square - Central Business District survey area.
- (12) "Taxable Sales for Virginia Cities and Counties, Annual Report", Virginia Department of Taxation, 1977, 1980 and 1983.
- (13) Economic and Investment Analysis, prepared by Lawrence Halprin & Associates.