

CITY OF SHELBY, MONTANA NEXT STEPS PLAN FOR DOWNTOWN DEVELOPMENT



August 2008

TABLE OF CONTENTS

3	Acknowledgements
5	Introduction
5	Shelby's Art Deco Architecture
7	Improving the Pedestrian Environment
8	Infill Opportunities & Redevelopment Case Studies:
13	• Hannah – Holmes Site
16	• Rainbow Hotel
19	• Williamson Building
21	• Van's Hi-Line Motors
22	• Historic Texaco Service Station
25	Façade Rehab Recommendations
25	• Sheet A-1: Mallette Building Group
28	• Sheet A-2: True Value Group
31	• Sheet A-3: The Roxy Group
34	• Sheet A-4: Job Service Building Group
37	Community Branding Through Murals
39	Business Development & Recruitment
43	Strategies for Success

PROJECT TEAM



VICKI DUGGER
THE DOWNTOWN
SOLUTIONS TEAM
7639 N. BRANDON AVE.
PORTLAND, OR 97217
503.269.1689



JEFF SHELDEN, AIA
PRAIRIE WIND
ARCHITECTURE
PO BOX 626
LEWISTOWN, MT 59457
406.538.2201



BRUCE BOODY, ASLA
SARAH WOODRUFF
BRUCE BOODY
LANDSCAPE
ARCHITECT, INC.
301 2ND ST, SUITE 1B
WHITEFISH, MT 59937
406.862.4755



BRAD SINN
18031 NW ROCKYFORD RD.
YAMHILL, OR 97148
971.241.8947

CITIZENS OF SHELBY

For their participation

SHELBY CITY COUNCIL

Larry Bonderud, Mayor

Cindy Doane, Ward 1

Chip Miller, Ward 1

Eugene Haroldson, Ward 2

Lyle Kimmet, Ward 2

Harvey Hawbaker, Ward 3

Don R. Lee, Ward 3

CITY OF SHELBY STAFF

Lorette Carter, Community

Development Coordinator

Jim Yeagley, City Building Inspector

(blank)



An aerial view of downtown Shelby that shows downtown's relationship to the railroad.



This is one example of Shelby's Art Deco architecture. Simplicity in design and clean modern lines make for a aesthetically 'strong' building.

THE VALUE OF DOWNTOWNS

They are referred to as downtowns and central business districts and they are often described as blighted or vibrant. But regardless of their condition, downtowns comprise the heart and soul of a community. They are a living testament of a city's history, its successes and failures and an indicator of a community's economic and social health. Their appearance and vitality are economic bellwethers and a reflection of the larger community as a whole.

Shelby, Montana is a community that looks to the future. It is a community in transition with a growing and diversified economy. For all the changes taking place, Shelby's traditional downtown has remained largely intact, but many of the buildings have undergone inappropriate façade 'improvements' and there are several long-term vacancies that plague downtown. The challenge will be to implement this Next Steps Plan that will build upon the City's vision and downtown's assets through the strategic allocation of resources and implementation of catalyst projects—ultimately making downtown Shelby a more desirable place to shop, work, live and play.

SHELBY'S ART DECO ARCHITECTURE

Shelby, Montana is a historic community located on Montana's Hi-Line. It came into existence in 1891 when the Great Northern Railroad was forging across the prairie. The railroad builders threw a boxcar off where the trails crossed in the coulee and called it a station. In the late 1890s, Shelby was a 'cowboy town' where old-time stockmen boasted of being able to drive their cattle from Shelby to the North Dakota line without cutting a fence. But the homesteaders changed all that. And in 1921, oil was discovered in Montana and a field was explored that stretched from Shelby to the Canadian border.

Looking at historic photographs of Shelby, early downtown buildings were wood framed in the traditional 'western frontier town' style. However, in Shelby's boom-town days of oil exploration in the 1920s, many new buildings were constructed in the more cosmopolitan style of Art Deco. Art Deco was a popular international design movement from 1925 until 1939, affecting the decorative arts such as architecture, interior design, and industrial design, as well as the visual arts such as fashion, painting, the graphic arts, and

film. This movement was, in a sense, an amalgam of many different styles and movements of the early 20th century, including Neoclassical, Constructivism, Cubism, Modernism, Bauhaus, Art Nouveau, and Futurism. Its popularity peaked in Europe during the Roaring Twenties and continued strongly in the United States through the 1930s. Although many design movements have political or philosophical roots or intentions, Art Deco was purely decorative. At the time, this style was seen as elegant, functional, and modern.

Today, at least 70% of Shelby's downtown architectural fabric and adjacent civic buildings (such as the old high school and old City Hall) are associated with the Art Deco style. Many of the downtown buildings have been 'slip-covered' by inappropriate remodels over time but the clean, simple lines of the Art Deco style continue to show through. Other downtown buildings have retained their historic integrity with minimal changes (see photo, right).

Once the architect for the project team had a chance to visually survey the downtown district and adjacent civic buildings, he commented that he did not know of another town in Montana with as high a percentage of intact Art Deco buildings as Shelby. He stated that this is an important commercial style for the

community as it is a clear indication of Shelby's prosperity during the early oil days. He also stated that downtown buildings should be rehabilitated in keeping with the original Art Deco style while using up-to-date materials for better energy efficiency.

In 2008, the Downtown Solutions Team, of Salem, Oregon, brought in a team of downtown specialists to build off previous assessment efforts and provide a 'next steps' recommendations. This report is based upon the public presentation by the project team on June 18, 2008. It addresses specific catalyst redevelopment sites, including preliminary financial analysis. It also includes recommendations for streetscape and pedestrian improvements and upgrades to downtown's building facades - taking them back to the historic grandeur of the eras they were constructed. It also

highlights the value of a special mural program and identifies best opportunities for downtown business recruitment. In short, this plan is a comprehensive roadmap for redeveloping and re-energizing Shelby's historic downtown district.



This row of historically intact storefronts exudes the Art Deco style. This building is home to a strong cluster of downtown businesses.

IMPROVING THE PEDESTRIAN ENVIRONMENT

Streetscape:

Downtown Shelby is very walkable in that it has buildings set at the sidewalk (for the most part), contiguous sidewalks, pedestrian scaled lighting and flower baskets. The district is also a good, walkable size. (Studies show that pedestrians will walk about ¼ mile if they have interesting storefronts and a good walking environment.) The goal is for downtown shoppers to park once and walk often, rather than vice-versa. The more pedestrian friendly a downtown is, the higher a chance it has of being successful.

To further improve downtown's ambiance, the project team recommends planting additional street trees along Main Street. Doing this would greatly enhance downtown's appearance. Street trees should be planted in four foot cutouts to allow precipitation to infiltrate the soil and provide ample space for root and trunk growth. Decorative tree grates could be used to make the surface level and protect the infiltration zones.



A street tree cannot thrive in a sidewalk cutout this small.

Currently, downtown street trees are planted in cutouts that are simply too small to allow the roots to get adequate water and oxygen. Several trees along Main Street have died because of this and the project team recommends increasing the size of the cutouts for all the street trees in the downtown core.

Pedestrian Connections:

An excellent pedestrian connection exists from downtown between The Tap Room and the old county court house. It currently connects Main Street to the alley behind the buildings. Possible improvements include extending the existing connection south along 3rd Avenue South to 1st Street South. This would provide a direct link between downtown Main Street and the Toole

County Court House. The connection could be further improved by restoring the staircase leading from 1st Street South to the courthouse parking area. Rehabilitation work to the walkway could include additional lighting, directional signage, and brick pavers at the base of this area to complement the architectural character of downtown. Creation of a small public plaza or an additional shared public/private parking lot are possible redevelopment opportunities for 3rd Avenue South.



Looking both directions, these photos show opportunities to improve pedestrian connections between the Toole County Court House and downtown.

INFILL OPPORTUNITIES & REDEVELOPMENT CASE STUDIES

A primary task in developing the Next Steps Plan was to look at realistic, market-based redevelopment scenarios for pre-identified properties within the downtown core. These sites include:

- 1) The Hannah-Holmes Site
- 2) The Rainbow Hotel
- 3) The Williamson Building
- 4) Van Motors Hi-Line (not shown)



Detailed redevelopment studies were created for these properties that include recommendations for the facades and interiors and include preliminary pro-formas to determine project feasibility. For each site, development programs were created based on an understanding of local zoning, architectural design direction, market conditions, market

needs and downtown shopping dynamics. Architectural forms, floor plans, and a representative development program were then composed at a schematic level for each site. These programs were designed to test a number of potential development types,

Once the development schemes were drafted, approximate square footages and construction costs were calculated. A series of pro forma financial analyses were then run for these development programs to evaluate the feasibility of the developments from a financial perspective. The pro forma analysis attempts to model potential development programs at the four project sites from the perspective of a developer. A number of assumptions have been made as part of this analysis, which may vary substantially from those used by an individual developer. As a result, conclusions reached by a developer with respect to the underlying value of the property or viability of development may vary widely. The expectation is that careful program evaluation and fine tuning by a developer will likely enhance the results of this analysis. (Cost estimates are based on typical product types, while lease rates and sales prices are based on professional opinion of local rates and conditions.)

Redevelopment Dynamics in Shelby

Implementing successful redevelopments in a small community, like Shelby, is often less about 'Return on Investment' or 'Capitalized Value' than it is about local connections and business practices. One inherent characteristic that favors new 'greenfield' (where development has never occurred) development over redeveloping existing buildings are the unknown costs that might be associated with a historic structure or unknown/unidentified site conditions. The difference between successful and unsuccessful redevelopments, particularly of the type being discussed for downtown Shelby, is often the effective use of appropriate incentive programs. In addition to incentives, how the local community views its role as a partner in the project and "step up to the plate" to help alleviate some of the redevelopment unknowns, is key.

Despite commonly held beliefs, real estate developers are not the bad guys. Developers are often vilified for making rational economic decisions within the confines of their project and financing ability. Within the context of downtown, there are three issues that arise between the perspective of the community and the perspective of professionals who can

make a project work. These must be identified and understood in order to ensure project success:

- **TIME-** the private development timeline is necessarily a short-term perspective. However, the community perspective should, appropriately, look further ahead. Developers have immediate obligations such as the cost of financing and finding tenants. Although this is necessary, communities that don't consider the long term in their planning will not be successful in their downtown redevelopment efforts.
- **COMMUNITY MEMBER PERSPECTIVE --** to a large retailer, the person is a customer; to a community, a citizen. Often, how a project benefits the community and citizens as a whole is overlooked in the development process - - especially in private 'greenfield' development projects. In redeveloping an existing downtown property, the opportunity exists to help create a 'one-stop' shopping district for the citizens.
- **LOT LINES-** developers focus on the assets (and potentially developable assets) within a specific property, while the community is largely indifferent to those boundaries and impacts. The community needs to have a larger focus on how a particular development will serve as a catalyst for other, nearby developments.

Neither of these perspectives is inherently right or wrong but a lack of understanding of each is to disregard their unique needs. Developers choose undeveloped or outside downtown locations for the following reasons:

- Takes less time to build/complete
- Lower cost
- More predictability
- Accessible customer base
- Building for specific business types

All factors affect the ability of developers to finance and build equity. Why don't developers choose downtowns? Unless these issues are addressed and mitigated with creative responses then the development community is being asked to act unreasonably. What is needed is a tool kit to address these issues if a healthy downtown is the reasonable development solution.

When a building project is completed, its value must be greater than the cost of creating it. The costs include acquisition price, construction, construction financing, professional services, fees and a host of other things. All of these components are adversely affected by time and the cost of money. Value is what the property is worth to someone else once the project is completed. It includes ongoing operation (rent, vacancy, expenses), financing (amount,

rate, term), equity (risk, return alternative investments, tax benefits), and market changes (appreciation, liquidity, management burdens).

Developers build new and outside of downtown because their assessment is usually that value will exceed cost. They often avoid downtowns because they judge that cost will exceed value. No developer begins a project and anticipates that it will cost more to build than it will be worth when it's done. Nobody builds at the edge instead of downtown because they hate downtown. They build on the edge because it is anticipated that their total value will exceed costs.

However, the developer may not, in his calculations, include costs to the community that are borne by the community but not the property owner. There is also value created (economic and other) by building downtown instead of the edge of which the community and not the developer is the beneficiary. Those costs and values also need to be made part of the whole equation. However, it is not the developer's responsibility to measure those costs and benefits. That is the community's job.

The difference between cost and value is called 'the gap'. A private sector developer won't undertake a project with a gap or perceived gap, in place.

Financial incentives can bridge the gap. If the community wants to encourage alternative development behavior, then the community needs to help close that gap between cost and value - - and that's the ultimate purpose of development incentives.

There are numerous development incentives available in any given location:

- Income tax incentives (increase value)
- Cost-reducing incentives
- Financing incentives (loans, loan guarantees)
- Operational incentives (property tax abatements)
- Policy incentives (state building policy)

Utilizing these incentives, in combination with community leadership and focus, is the single largest factor in successfully redeveloping downtown.

Other redevelopment and infill opportunities were also identified while the team was on-site. Moving from west to east, the first opportunity for infill is on five city lots located to the west across the abandoned right-of-way from the Hannah Holmes site. A second potential infill location is the two lots at the southwest corner of the intersection of Main Street and 5th Avenue South. Development of these two lots and the

five lots adjacent to the Hannah-Holmes site will help strengthen the west end of downtown.

Financial Feasibility

There are some basic assumptions for each location (rent/square foot and other parameters) shown below. On the following pages, each of the sites' financial feasibility is examined to determine some overall considerations for future development and potential barriers to be overcome. Each of the redevelopment scenarios employ these basic assumptions.

Revenue and Cost Assumptions

Square Footage

Rainbow	8200
Williams	11238
Hannah-Holmes	
Cost/Square Foot	120

Williams Bldg - 2nd Floor Rental

Number of Units	3
Average Square Footage	1200
Monthly Rent (utilities not incl)	700
Occupancy Avg.	85.00%

Rainbow Bldg - Upper Floor Office

Square Footage	5426
----------------	------

Retail/MXD Projects

Retail Square Footage (Net Usable)

Site 1:	2,713
Site 2:	3,965
Site 3:	0
Site 4:	8,500

Rent/SF (NNN)	\$11.00
Van Motors Rent/SF (NNN)	\$8.50
Op.Costs/Vac/Comm	15%
Capitalization Rate	8.00%
Debt Service Coverage	1.25

Construction Loan (of cost)	80%
Interest on C.L.	9.5%
Permanent Financing	
Term (yrs)	15
Interest	7.50%

Additional Redevelopment Sites & Studies

In addition to the three original sites chosen for detailed redevelopment studies (Hannah-Holmes, The Rainbow Hotel and Williamson Building), the project team identified other potential building rehabilitation candidates and infill sites located throughout the downtown core.

Two redevelopment sites, the historic Texaco gas station and Van Motors Hi-Line, have recommendations on the types of businesses that could go into these locations. A preliminary pro-forma for rehabbing the Hi-Line Motors property is also included. A sketch showing how a vacant lot could be infilled with a new complementary storefront is also included in this section.

Another possible infill location is the three lots west of the Rainbow Hotel. The two westernmost lots could be developed as retail or office space, while the lot immediately adjacent to the hotel could be developed as an entry/outdoor plaza. The plaza could serve as additional public space, or be a shared public/private space, depending on the future ground floor use of the renovated hotel. Shared public/private parking is proposed for the northern portion of all three infill lots. Additional parking is also proposed along the west side of 4th Avenue North adjacent to the hotel.

On the east end of Main Street there are several infill opportunities, as well. The first is located just west of the Elks Club on the north side of Main Street (see infill sketch, next page). This site was chosen to illustrate an infill project as it is just to the west of the Art Deco/Art Moderne Elks Club. The site is quite large, and allows for an at-grade entrance at the lower level (Front Street) and on the main level, on Main Street. A building on this site could easily accommodate another floor or two, and an additional level has been illustrated above Main Street (see sketch on the following page). This relatively central location could easily accommodate retail on the Main Street level, and professional offices on the upper and lower levels, or possibly apartments.

If Shelby decides to opt for establishing an Art Deco Historic District in downtown, new buildings should be built in to complement the existing historic buildings. Art Deco was a style that was characterized by a linear, hard edge or angular composition, often with a vertical emphasis and highlighted with stylized decoration. It's a design motif that has really never gone out of style, and it informs many of America's best architects of today. The Portland Public Service building by Michael Graves is a good example, as is Atlanta's High Museum of Art, by Richard Meier. Other contemporary architects, such as Shin Takamatsu and firms like Skidmore,

Owings, & Merrill have designed contemporary buildings all over America and world with Art Deco design principles at their core.

The infill illustration, shown on the following page, depicts how new infill could look. The building is unmistakably contemporary, but it utilizes Art Deco motifs—the stepped parapet, the vertical emphasis, the strips of windows, and so forth. The verticality is extended with a flagpole, and the emphasized with an analog clock (polished chrome hands and numbers, naturally, along with the date of the building). A broad, shallow, gently curved marquee spans the entry, also finished in polished stainless steel or powder coated metal. Window and door frames are shown as polished aluminum, with a solar green glass (“Evergreen”) that blocks 85% of the heat gain and UV rays on this tough south-southwest exposure. The glass is quite transparent (not reflective), though, so it's ideal for Main Street retail displays that otherwise would fade behind clear glass or be hidden behind mirrored glass. The design is finished off with ornamental detailing, perhaps in metal or glazed tile. The building could be executed with any contemporary building system—tilt-up concrete, concrete block, or steel or wood framing, and finished in EIFS, stone, or metal panels.

In addition to this infill location, others are located nearby. Directly across the street to the south is another site adjacent to the Lee Law Office. Another candidate is the lot immediately east of the gallery shop and Wells Fargo drive-thru. Located on the northwest corner of Montana Avenue and Main Street is the fourth, and extremely important, infill site. Development of this large lot would create a much needed anchor at the east end of Main Street. The redevelopment of four eastern infill sites, would help knit together the overall fabric of Main Street's east end.



Illustration of how an infill building could support, and complement, Shelby's historic Art Deco architecture.

Redevelopment Case Study #1: The Hannah-Holmes Site

As an important gateway into the downtown core, the Hannah-Holmes building is a key redevelopment site. Owned by the City, with the plan to sell it to the County as the transit hub and facilities for the Northern Transit Interlocal, this site is a primary asset to be built upon. As an old car dealership, it has the right architectural 'bones' to successfully transition into its intended use.



Existing condition of the Hannah-Holmes Building at the time of the project.

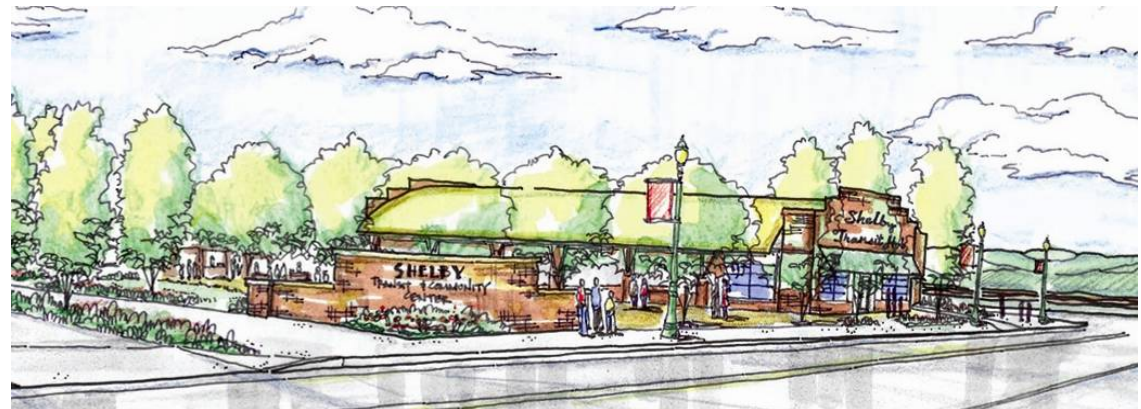
The sketch of the Hannah-Holmes building illustrates a renovated structure that accommodates the new transit hub in the northern, cast concrete portion of the building. The southern half of the structure (the brick portion) has been modified to give it two facades—its primary façade on 5th Avenue, and a second primary façade facing the proposed plaza.

The 5th Avenue façade would serve as an entrance and exit for the transit hub, circulation space, and offices. Behind that façade, perhaps no more than 15 to 20 feet deep, the public market or event space begins. This space is oriented primarily to the proposed plaza, and

would connect to the outdoors through a series of 5 overhead glass garage doors in the bays between the pilasters. On nice days, those doors could be thrown open and provide covered indoor market stalls, facing out onto the plaza, with its trees and perhaps another series of temporary



The perspective, above, of the renovated Hannah-Holmes Building shows how the southern part of the building could be opened up to a public plaza.



This perspective shows how the southern portion of the Hannah-Holmes site could be redeveloped into an inviting public space that could be used for outdoor events such as concerts, special events, and the farmers' market.



This building, located in Viroqua, WI, was rehabbed with a mix of uses including a farmers' market, small shops and event space. It could be a good model for developing flex space as part of the Hannah-Holmes renovation.



Market stalls, such as these, would work well in the redeveloped open space adjacent to the Hannah-Holmes Building. Like the building, the open space would be designed with maximum flexibility in mind.



This plan view shows the preferred redevelopment scenario for the Hannah-Holmes site and includes redevelopment of five lots west of the site.

canopies, also serving as stalls. On cold or inclement days, those doors could simply be closed, with the interior space functioning as a trade or event center at this high-profile corner.

The preferred option for the area south of the Hannah-Holmes building is construction of a large event plaza. It would

occupy four lots immediately south of the building, and would be bounded on the east by 5th Avenue North, on the west by an abandoned right of way, and on the south by an existing alley. An alternate option would be to construct a 5,000 sq. ft. (footprint) building on the two southernmost lots. While such a building would frame and shelter the plaza, it

would pull retail energy from Main Street, fragmenting, rather than reinforcing, the downtown.

Two-thirds of the plaza would be hard-scape, finished with brick or pavers matched the Hannah Holmes Building. The plaza would extend out to the sidewalk on the east, serving as a visual and physical link to downtown. The abandoned right of way to the west would be repaved and used by transit busses to access the rear of the building. A total of thirty-five parking spaces (sixteen on the west and nineteen on the east) are proposed on either side of the right of way. The spaces abutting the plaza could be used by vendors, allowing them to back into the spaces and sell goods directly from their vehicles.

The southern third of the plaza would be planted in lawn, creating a much needed park-like green space. The lawn would be at the same level as the paved portion of the plaza, providing additional spill-over space for community activities and serving as an informal gathering spot for passers-by. Deciduous trees are proposed in an informal arrangement throughout the plaza and lawn areas. Street trees are proposed along 1st Street North and along the west side of the right of way to separate the parking from the future development lots to the west. Both the street trees and the trees in the plaza would be installed in decorative tree grates. Minimal tree plantings are

proposed on the east border of the space to maintain the open feel, while the west border would be more densely planted to provide a buffer from the prevailing west winds and to separate the plaza from the parking and right of way. Ornamental planting areas, filled with summer blooming shrubs, perennials, and annuals, would add color on the west and south borders of the plaza and at the southeast corner, and would frame and soften the front entrance and north side of the building.

A decorative street lamp with directional signage would be located at the northeast corner to direct visitors to Historic Downtown Shelby. At the southeast corner of the plaza would be a monument, consisting of a stone or decorative concrete wall with Art Deco style lettering that announces the 'Shelby Transit and Community Center.'

Hannah-Holmes Financials

Consideration of the Hannah Holmes site as a Transit Center-Event space is a considerable departure from the typical development analysis. The proposed uses of this site are not capable with funding this project. However a small portion (assigned here as \$30,000) of operating expenses could be augmented with this revenue source.

Financial Feasibility: Hannah-Holmes Market

Development Costs

Site Acquisition	\$30,000
Construction	-
Construction Interest	0
Soft Costs	0
Developer's Profit	0
Total Costs	\$30,000

Annual Cash Flow

Event Net Income	\$18,000
Market Income	24,000
Net Income	\$42,000

Annual Cash Flow (net) \$42,000

Debt Service NA

Net Income after D.S. NA

Permanent Loan \$8,178

Equity Required 21,822

As Percent of Cost 73%

Return on Equity

Capitalized Value \$375,000

As Percent of Cost 1250.0%

Valuation Gap \$345,000

As Percent of Cost -1150.0%

Redevelopment Case Study #2: The Rainbow Hotel

The Rainbow Hotel is a key landmark building along Shelby's Main Street. It is a three story building; with the top story added to accommodate visitors during the Dempsey-Gibbons fight in 1922. The building has been in empty and in decline for several years. In response to worries about the safety and stability of the structure, the City had an engineer look at the building to ascertain its structural condition. Although the building's physical condition is such that it would have to be completely gutted, the foundation and structure are extremely stable - - making it a good candidate for redevelopment.

Much like the old County Court House, the Rainbow Hotel building represents an earlier era than many of the other buildings on Main Street - - and as such it should be renovated in a manner that keeps it true to it's original design rather than dressing it up as something it isn't. The Rainbow is a large building; making its own statement on Main Street.

The plan and perspective sketches show a bar and restaurant on the ground floor, with all the activity (the dining and bar areas) placed where they can be viewed from the adjoining streets, and the patrons inside can be entertained by the street scene outside, or perhaps just the

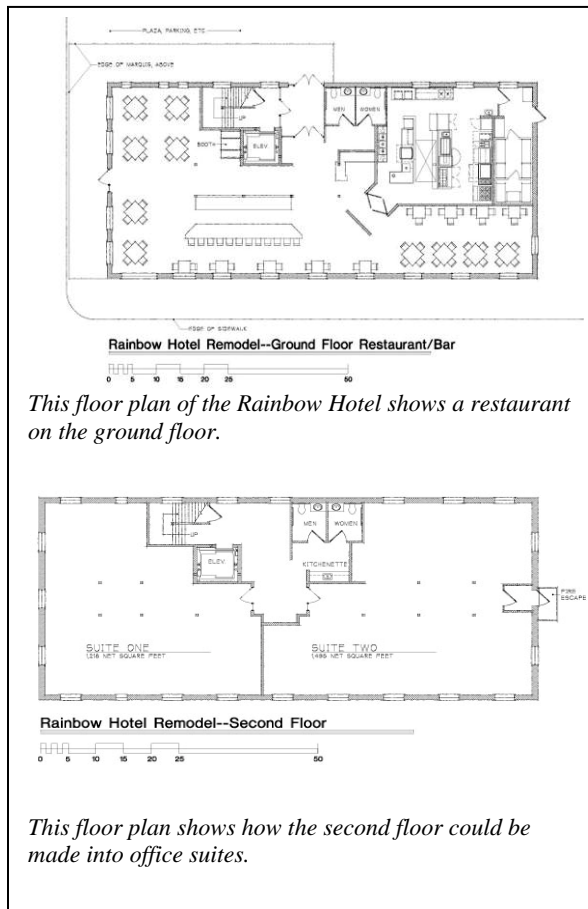
weather. Support functions and the kitchen are located off the alley and the back of the parking area.

A marquee has been wrapped around the south end of the building, beginning a few feet down 4th Street, across the Main Street façade, and about half way down the west elevation, adjacent to the proposed parking. The marquee itself could be quite simple and straightforward; constructed of wide-flange steel beams, with exposed rivets at the joints. Beneath the painted web of

marquee beams would be a potential location for simple, elegant, and understated signage. The marquee, unlike some illustrated for other locations around town, would not try to incorporate Art Deco design elements into the façade. It would be deep enough to shade the south and west façade faces, allowing people to sit inside at these locations without heat and glare. On the west elevation, the marquee would help define a new primary entry for the building and encourage outdoor use of a



This sketch shows what the exterior of the Rainbow Hotel could look like after renovation. A mix of uses would work well for this building. The ground floor could be a restaurant or offices; with offices or housing on the upper floors.



This floor plan of the Rainbow Hotel shows a restaurant on the ground floor.

This floor plan shows how the second floor could be made into office suites.

possible small plaza to the west of the building between the parking and the structure, for outdoor dining on nice days.

In the rendering, the signage has been shown where it is for the sake of the illustration, but more properly, it should be located on the corner of 4th Avenue and Main. The word 'Hotel' is left off of the sign, so that 'The Rainbow' becomes an

'address' or destination in its own right. The name, upbeat and optimistic, is perfect for Shelby, and finally, we can let a little Art Deco creep back in with the typeface chosen for the signage, and enliven it with neon. At the street level, a little Art Deco could also slip into the picture with designs etched into the plate glass windows, for example.

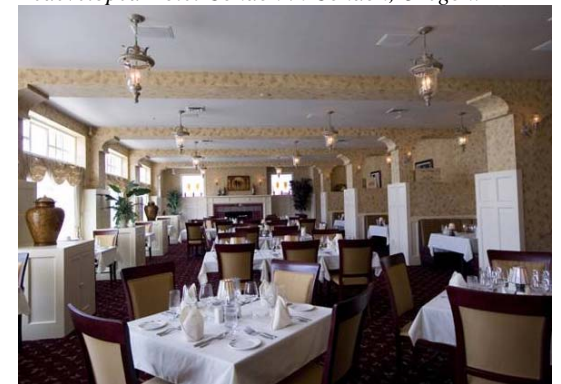
To emphasize and extend the height of the building, four flagpoles are shown mounted to the face of the structure. The two center poles, a little taller than the others, would fly the American and Montana flags, while the other two could fly anything, but we show Canadian flags—a subtle way of saying "international city" or 'crossroads of North America', and that Shelby is here and open in every respect.

Redevelopment examples that could be applied to the Rainbow Hotel include the Hotel Condon in Condon, Oregon (pop. 729) and the Brooks Building in downtown Lewistown, Montana (see photos, left and on the page 20).

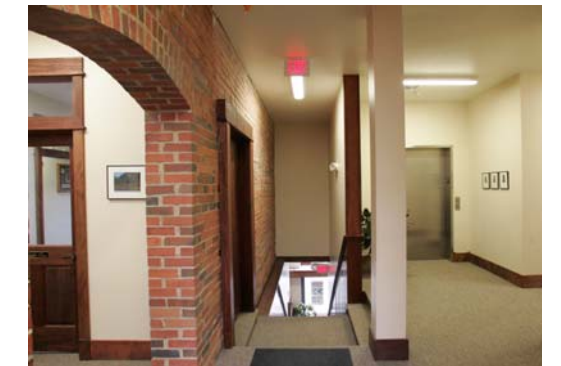
The Hotel Condon was a vacant and dilapidated 'white elephant' in the downtown core of this small farming community in central Oregon. The community put together a local Limited Liability Corporation and redeveloped the structure into a boutique hotel with the lobby and a nice restaurant on the ground floor; with hotel suites above. The



Redeveloped Hotel Condon in Condon, Oregon.



The restaurant in the rehabbed Hotel Condon.



Example of rehabbed upper floor offices in Lewistown's Brooks Building.

ground floor restaurant, like that in the Hotel Condon, would be a good fit for the main floor in a renovated 'Rainbow'

Market data indicates more than \$2 million dollars per year in full-service restaurant sales are leaking out of Shelby each year.

The upper floors of the 'Rainbow' could be redeveloped into offices similar to those in the Brooks Building in downtown Lewistown. The office suites were so popular they were filled before the ground floor retail space.

For Shelby, the thought was to combine the concepts of Condon and Lewistown by putting a nice restaurant on the ground floor and energy related offices (creating a nice energy cluster) on the second and third floors. Along with the Hannah-Holmes Building, the Rainbow Hotel is an important catalyst for downtown redevelopment.

Rainbow Hotel Financial Analysis

The Rainbow Hotel is a unique building that could be renovated to meet some unique needs. Market demand for a restaurant is strong in Shelby and there is a potential, yet untested market for office units in the upper floors. Despite some recent pullbacks in the regional demand, office space could still prove a primary consideration in Shelby's development

patterns. There are some key components that make this project worth considering further:

- The building is structurally sound (per recent engineering study).
- The building could qualify for historic tax credits which would add further incentive (and make up much of the valuation or return on equity gap).
- The building is an important architectural anchor and landmark for Shelby.
- There are known market factors for the right type of restaurant and office space that would make the Rainbow Hotel the right fit.

The purpose of this narrative is not to downplay the difficulties of such an undertaking but to illustrate that, with the right partners and incentives, it is quite possible. Under this current financial picture, the rental rates (at market) and anticipated rent for the restaurant space don't give a significant valuation gap but the return is only 4%. In order to make up this difference, the most likely scenario would be utilization of tax credits. For the current uses shown, all of the tax credit would apply (the use is 100% commercial) and are transferable to a new owner, provided the entire credit has not been used. (Refer to IRS Code, 36 CFR 67 for details.)

Financial Feasibility: Rainbow Hotel

Development Costs

Site Acquisition	\$30,000
Construction	850,000
Construction Loan Int.	80,750
Soft Costs	105,000
Developer's Profit	<u>0</u>
Total Costs	\$1,065,750

Annual Office Cash Flow

Office Income (NNN)	\$59,686
---------------------	----------

Annual Cash Flow

Retail	\$29,843
Office	\$59,686
Operating (less)	\$10,000
Net Income	\$89,529

Debt Service	\$71,623
---------------------	----------

Net Income after D.S.	\$17,906
------------------------------	----------

Permanent Loan	\$632,227
-----------------------	-----------

Equity Required	433,523
------------------------	---------

As Percent of Cost	41%
--------------------	-----

Return on Equity	4.1%
-------------------------	------

Capitalized Value	\$1,119,113
--------------------------	-------------

As Percent of Cost	105.0%
--------------------	--------

Valuation Gap	\$53,363
----------------------	----------

As Percent of Cost	-5.0%
--------------------	-------

Target return	10.00%
---------------	--------

Per S.F. rent needed to achieve target return	\$14.50
---	---------

Redevelopment Case Study #3: The Williamson Building

The Williamson Building has a large ground floor space that has been vacant for a long time. For this project, the City was interested in knowing what kind of redevelopment scenario could work for this building. During the visit, it was not possible to get inside the building. However, the City provided measurements of the ground floor following the team's visit. It is difficult to create a realistic redevelopment plan together with elementary data and having been unable to actually enter the structure. Never the less, a plan has been created shows a way to subdivide the space into a commercial condominium; creating smaller independent suites sized more appropriately to the needs of smaller-scale businesses.

Details include:

- At the rear of the building exists a space for condo storage for each suite, and room for mechanical and electrical systems for the building as a whole.
- Suite One, at 1,185 has plenty of space for a variety of businesses—ranging from retail, (with a storefront on the foyer), to professional offices that often have a retail components — such as an optometry offices, photography studios, etc.



This shows how the exterior and interior of the Williamson Building could be rehabbed. The photo, below, shows an example of a large building whose ground floor has been redeveloped into smaller spaces. Chokecherry Lane in downtown Lewistown is a mini-mall concept that works.



For a mini-mall redevelopment of this type to work, it is critical to have lots of windows inside and out and a destination in the center, such as a good luncheon counter.

- Suite Two, at 970 square feet is still a relatively large commercial space. It would have a large storefront exposure on Main Street as well as a large storefront component off the foyer, where the entry would be located. Though the space is long and relatively narrow, there are a number of retail businesses that could use such a configuration, such as jewelry shops, kitchen stores, fabric shops, and so on.
- Suite Three is shown at 1,810 sq. ft. It is accessed from the central foyer through the wide passage way currently in place, or from its own Main Street entry. It could be secured from the foyer, if necessary by an overhead grille common in mall retailing. Any number of businesses could be located in a space this size--appliances, drug store, bookstore, or even a café or ice cream shop. It would be possible to subdivide Suite Three into two smaller spaces by extending the foyer through the existing opening, and giving one of those spaces a storefront to the foyer.
- The Foyer is ample but not overly large. It needs to be integrated into the retail environment—it cannot be the same as the somewhat sterile foyer found currently in the Mercantile Mall. Toward that end, the occupants should be encouraged use that area for displays, etc. Another idea could be to include a little kiosk selling espresso, retailing artisan bread, etc.

The Williamson Building Financial Analysis

Using the basic retail footprint, we created three living rental units (apartments in this case) in the upper floor. It was not deemed feasible to do the upper floor (given the square footage constraints and local market conditions) in sale units. Office space was also considered which would return slightly higher per annum (\$1200.00) but the demand for office space in Shelby is less than that for housing. In addition, subsidies are more accessible for housing uses than for commercial leasing which may prove a better fit for Shelby.

The overall financial picture for this building may not be one that would inspire a speculative investor but its important position in downtown cannot be overlooked. The return on equity is used as a benchmark standard for 'should we or shouldn't we'. In this case the estimated costs for redevelopment along with the going market rate for commercial property (using a LoopNet for commercial rental rate information) would provide a return of 6.6%. Considering the nature of the building along with the scope of the improvements, this return is certainly within what would be considered feasible. A modest reduction in project costs, or the availability of a local incentive, make this project not only feasible, but attractive!

Financial Feasibility: Williamson Building

Development Costs

Site Acquisition	\$132,791
Construction	450,000
Construction Interest	42,750
Soft Costs	75,000
Developer's Profit	0
Total Costs	\$700,541

Rental Units - 2nd Floor

Gross Rent (annual)	\$25,200
Less: Occupancy	\$3,780
Annual Maint.	\$0
Net Proceeds	\$21,420

Annual Retail Cash Flow

Gross Income	\$43,615
Costs	<u>\$6,542</u>
Net Income	\$37,073

Annual Cash Flow (net)

Debt Service	\$29,658
Net Income after D.S.	\$28,835

Permanent Loan

Equity Required	438,745
As Percent of Cost	63%

Return on Equity

Capitalized Value	\$731,159
As Percent of Cost	104.4%

Valuation Gap	\$30,618
As Percent of Cost	-4.4%

Target return	10.00%
Per S.F. rent needed to achieve target return	\$15.00

Redevelopment Case Study #4: Van Motors Hi-Line Building



The Van Motors Hi-Line Building is a key anchor on the west end of downtown along Main Street.

This redevelopment site was not previously on the list for study, but while onsite, the project team considered it an important 'gateway' into the downtown core and thought it should be looked at. The main show room and sales floor area of this building appear to be in good shape both inside and out.

A prime redevelopment scenario would be to recruit a full-service Sporting Goods store into this space since the nearest competition is at least one hour away. A business such as Don's in Lewistown would be a good model for this space. In Lewistown, this locally owned business is a destination, attracting customers from across the state and beyond. In addition to traditional sporting goods, they also sell men's and women's western wear,

specialty gifts, Yogo sapphire jewelry and books related to the area.

During the first trip to Shelby for this project, a business recruitment call was made to Charlie Pfau, the third generation owner/manager of Don's Sporting Goods in Lewistown. Charlie was very intrigued by the idea of opening another store but after conversations with his semi-retired father, he said that it would not be possible for them to do it. However, he did say that he would be willing to mentor a local retailer who would put in a sporting goods store in Shelby. This is a wonderful opportunity and a generous offer by a very successful business owner from another community.

Van Motors Hi-Line Financial Analysis

The Van Motors building is a large space in downtown Shelby. The financial information assumes a reasonably expensive cost for renovation. However the space could be utilized with a significantly lower cost for tenant improvements that could meet another need (without the need for a full retail finish) listed in the business development portion of this report. In some ways, this scenario is a highly conservative estimate. This option shows that even with relatively high tenant improvement costs, the return on equity is still a few percent and worth consideration.

Financial Feasibility: Van Motors Bldg

Development Costs

Site Acquisition	\$190,000
Construction	\$425,000
Construction Interest	40,375
Soft Costs	45,000
Developer's Profit	0
Total Costs	\$700,375

Annual Retail Cash Flow

Gross Income	\$72,250
Costs	\$10,838
Net Income	\$61,413

Annual Cash Flow (net)

\$61,413

Debt Service

\$49,130

Net Income after D.S.

\$12,283

Permanent Loan

\$261,796

Equity Required

438,579

As Percent of Cost

63%

Return on Equity

2.8%

Capitalized Value

\$767,656

As Percent of Cost

109.6%

Valuation Gap

\$67,281

As Percent of Cost

-9.6%

Target return

10.00%

Per S.F. rent needed to achieve target return

\$20.00+

Historic Texaco Station Site

Shelby is lucky in that it still has one of the cottage-style gas stations from the 1920s that is intact and in good shape.

Currently, the building is in an active use as an automobile repair shop. However, the owner is hoping to expand his business at another location.



This historic service station would make a great location for a garden center.

While onsite, the project team looked at the site and thought it would make an excellent garden center location as the nearest competition is 80 miles away. Retail operations would front on Main Street, while the rear/southern exposure of the site could house a nursery operation. Across the alley immediately south of the proposed garden center are three vacant lots. They are currently being used as an informal parking area but would be best utilized as a paved, shared public/private parking lot. Users would have easy access to Main Street



Examples of garden centers that Shelby could use as a model for redeveloping the historic Texaco station on Main Street.

via the sidewalks on both sides of 4th Avenue South.

Another 'piece of the puzzle' for the garden center concept could be if the City develops a specialty nursery to grow native plants that are specially suited to the northwestern Montana climate. Having a retail outlet in Shelby for these

plants would help create a local wholesale/retail loop.

Shelby has outstanding opportunities to redevelop key downtown properties and landmarks. Public and private businesses and services have been identified as viable opportunities to fill the Hannah-Holmes Building, the Rainbow Hotel, the Williamson Building, Van Motors Hi-Line and the historic Texaco service station. Each of these projects will serve as a catalyst for additional downtown development. Deciding which project to move on and in what order will be driven by funding opportunities for public projects and finding the right developers and business owners for the private projects. The City can help incentivize redevelopment by providing architectural and technical assistance and by providing low cost funding to help fill gaps, as needed.

Redevelopment Conclusions

Case studies of redevelopment projects in downtown areas demonstrate that a wide variety of players and funders are usually involved in any given project or program's success. Local redevelopment agencies often play a vital role where the project is good for the community and all the gaps can't be filled by private partners. In larger towns, a downtown organization may spearhead redevelopment efforts. In the absence of

either of these groups serving downtown Shelby at the present time, the City must *initially* play the role of facilitator and matchmaker, focusing on how to enhance the development economics and environment, and then promoting opportunities to the development community.

Recommendations to the City of Shelby

1. Make a public commitment to actively promote and participate in downtown redevelopment as an active, partner. Develop a simple vision statement recognizing that downtown Shelby's economic revitalization will be optimized if commercial developments are actively promoted and recruited to the downtown.
2. Create a fact sheet(s) and an incentive package expanding on the newly developed business development brochure. This information should respond to commonly asked questions posed by property owners about upper story development and the retail marketplace. It can include specific information on how the City will work with them to create a favorable regulatory and economic climate that supports downtown redevelopment.

3. Play an active role in any pilot, demonstration project that may emerge in downtown Shelby
4. Work with Montana Board of investments on property improvements that add a manufacturing component.
5. Actively seek out any funding for a downtown economic development program.
6. Promote the City's interest in and encouragement of downtown upper floor residential development.

7. Promote Tax Incentives for Historic Income-Producing Properties. The US Federal Government and State Montana offer income tax credits totaling 25%* of rehabilitation investments in income-producing properties listed in the National Register of Historic Places. Since 1996 over \$20 million have been invested in Montana's historic income-producing buildings through the tax credit program resulting in over \$500,000 in tax credits. While the property owner realizes an immediate tax benefit in exchange for their historically sensitive building improvements, Montanans benefit from private investment in the state's heritage, job creation, increased property values, and an improved tax base.

* The US Federal Government income tax credit is equal to 20% of the owners' rehab investment; the State of Montana

income tax credit is equal to 5% of the investment. The State credit piggybacks the federal credit; those qualifying for the State credit must first meet the requirements of the Federal program.

(blank)

FAÇADE REHAB RECOMMENDATIONS

An important component of this 'Next Steps' project entailed developing renderings that show how downtown facades could be improved and in many cases, taken back to their historic Art Deco glory. This section of the report contains those renderings, where most of the buildings are shown in groups of three; along with supporting narrative that contains ball-park cost estimates for renovating the storefronts.

Accurately estimating costs for the 12 storefront renovations depicted was a difficult task as storefront renovations often include work that reaches further back into the space, as part of a comprehensive renovation. There are also a large number of unknowns regarding existing conditions that can only be resolved through an in-depth look at each building. In some cases, mechanical systems may have to be modified in order to assure adequate comfort levels. On the other hand, it's often possible to phase work on storefronts, particularly if there is an end result in mind at the beginning of the project. This allows property owners to make incremental improvements while

continuing to shop for the best price and quality for the remaining elements—keeping the work affordable and project do-able.

For the purpose of a discussion on costs, all of the intangibles have been eliminated; with the focus on what is depicted on the surface of these drawings that follow.

A best 'guestimate' effort has been made to try to place each of the storefronts shown in the following renderings into one of three cost categories for façade improvements:

- Category 1: Under \$50,000
- Category 2: \$50,000 to \$100,000
- Category 3: Over \$100,000

Again, these are only ballpark costs. More detailed cost estimates can only be determined upon closer inspection of each building and a more detailed workplan for improvements.

Façade Rehab: Sheet A-1 (Malette, Williamson & Old Court House Buildings)

1. **The Mallette Building:** Built in 1960, the building holds the Mint Club and a retail space, and has a ground level stairway

leading to upper level apartments or offices. The building has fundamentally nice lines, though the ground level multi-colored brick is visually disorienting. The Mint Club's neon on its projecting sign contributes the liveliness of Shelby's Main Street, and is consistent with the Art Deco design motif found more distinctively in other buildings. The building, being built 20 years after the end of the Deco era, could nevertheless be remodeled in a manner that evokes that design motif.

The drawing, on the next page, shows one possibility for such a remodel. It leaves the inset entries alone, which are a good way to shelter the entry without adding a marquee or canopy. The drawing tries to show how to give the building, which is fairly nondescript, its own identity in the following ways:

- It puts the building name up near the cornice in a period typeface, "Magneto" that derived from the Art Deco era, along with the date, in smaller letters. The letters should be metal, perhaps acrylic, with a polished finish.
- It adds a streamlined Art Moderne motif at the cornice that takes advantage of the building's existing contours. Such a fabrication, looking like polished stainless steel or chrome could be constructed in a number of ways.

- The main central entry to the building gets a small projecting marquee repeating the motif at the cornice. Applied columns on either side of the entry would add focus. The Toole County Court House currently gives an idea as to how the 'columns' could look.
- The projecting neon signage is a good idea, enhancing the image of Main Street, and breaking up a bland façade on the second level, as well as providing one more avenue, through the signage, to reinforce the Art Deco theme. The drawing shows the Mint sign centered over their inset entry, and a smaller neon sign centered over the retail space.

- On the sidewalk level, the colored brick is gone. The retail space could have additional signage on the glass or inside the storefront. The Mint Club could reinforce their brand with a bold backlit sign at the entry, and instead of a reader board, they could use a bold solid colors, chrome, and a period replication of an Art Deco door that could evoke the idea of fun, style, and excitement of the 1920's and prohibition era. The high band of windows, usually a negative, could serve to enhance that image of slightly illicit mystery in this case.

The relative cost of providing the storefront renovation could be on the low

side of Category 2. There are no fundamental structural changes in the renovation indicated, or configurations that affect the existing internal layout of the spaces. The costs will be influenced by the quality of the new signage, the new marquee and Art Deco columns at the entry, and the ornamentation of the stepped parapet

2. The Williamson Building: The date of construction of this building is uncertain and the façade is even plainer than the neighboring Mallette Building. Though it shows evidence of a past marquee on the western most 60 percent of the building, that feature has been removed and haphazardly patched. The eastern



Sheet A-1 (above): The Mallette Building, the Williamson Building, and the old Court House. Improvements to these facades build off the specific periods the buildings were constructed. The black and white photo to the right show the existing conditions of these buildings



40 percent of the building also displays remnants of a canopy, or perhaps a sign formerly mounted on the wall. The upper level's band of windows are functional, but unsympathetic in design and painted to stick out like a sore thumb. On the sidewalk level, the eastern inset entrance appears original and remains quite functional. The western entrance has been altered and in-filled a bit. Just like on the Mallette Building, a centrally located stairway accesses second floor offices or apartments from a small lobby at street level

This consummately plain-Jane façade could be brought to life in a variety of simple ways, including:

- The drawing restores a marquee in an Art Deco style on the western 60%. The canopy extends far enough to the east to protect the central entry.
- The west storefront has been revised using the same motif as the canopy, removing the infill, and expanding the inset entry.
- A vertical projecting sign, hopefully with some neon, extends the image to its logical conclusion and helps to fill the blank masonry above the marquee. Commercial signage could also be placed on the marquee itself, the storefront windows, or on the bulkheads below the windows.
- The access to the upper level could be cleaned up with higher quality Deco-style doors and frames.

- On the eastern 40%, the inset storefront has been left alone. A fixed fabric awning could be added to enhance the protection at the entry and to re-scale the blank masonry above the entry into more conventional commercial proportions.
- The fabric awning could contain signage and decorative motifs on the vertical drop that extend an Art Deco theme.
- The two smaller scaled entries on this single large façade help to break the building up into a more appropriate scale for Shelby's Main Street.
- On the second floor, the windows, at a bare minimum, should be repainted to a more complementary color. Ideally, and as shown they could be replaced with a clad wood window that uses a more sympathetic and interesting configuration.

The relative cost of providing the storefront renovation would fall in the range of Category 2. The east half of the Williamson Mall storefront renovation is really nominal—the cost of the awning, and the cost of the second floor windows. On the east half, the long marquee, a high quality Deco-style sign, reconfiguration of the storefront and the bulkheads and the new doors to the upper level will easily put the renovation well over the \$50,000 mark.

3. The Old Court House: This is a large downtown building that represents an

earlier era than most of the rest of the buildings on Main Street. Judging from its design, a guess to its construction date is in the late teens or very early twenties. Its style represents a pared down commercial style common to many homestead era main streets throughout Montana. It's sort of an arts-and-crafts commercial motif. The building has fared badly in recent remodels, but the original lines and intent of the building are still obvious. The second floor window remodel has replaced the original windows that filled the openings with inappropriate new windows and incompatible wood paneling above. On the lower level, the storefronts have been removed and infilled with contrasting brick and much reduced windows that bear no resemblance to the original design of the building, or to the remaining original components.

The Old Court House does not need a new design—it only needs a restoration that returns the components, proportions and function of the original design to the building. Original drawings of this building probably exist in Shelby or the State's plan archives at MSU. If these can be found, they should be used to guide the façade restoration. In lieu of the original plan, the drawing on the previous page illustrates how the restored façade could look.

Recommended improvements include:

- On the second level, double hung windows are restored to the original

window openings. These could be conventional clad wood commercial windows. Most manufacturers offer pre-finished aluminum brick mold profiles that exactly match original, and will pass the strictest standards for historic preservation.

- If possible, the transom glass should be restored to the façade above the storefronts and entry. There are a variety of ways to replicate the leaded glass of the original with contemporary, energy efficient glazing. The drawing indicates some possible effects using stained glass, which can dramatically increase the appeal of the interior spaces, something we did at the Brooks Building in Lewistown, using a trout and stream theme. Functionally, the transoms throw a lot of light deep into the building, and can effectively reduce lighting costs.
- Traditional storefronts and bulkheads are restored below the transoms. At the top, a sheet metal awning enclosure with a faux awning could be used to provide color, texture, and a signage opportunity. Because this façade faces north/northeast, it probably seldom needs to be shaded, but I've used faux awnings to good effect in Lewistown at these locations by wrapping the fabric around 6" of PVC pipe and letting it hang a foot or so away from the building.

- Typical aluminum storefront systems can be used for the glazing, but the bulkheads below should be framed out of wood and given a vintage configuration. Careful selection of materials and preparation, with flashing at the sidewalk level will provide a long-lived, low-maintenance installation.
- At the entry, a simple projecting marquee and an inset entry to deepen the effect of an inset, sheltered entry have been shown. Through the double doors, a foyer would give an air-lock entry to the flanking commercial spaces. This foyer could also provide a lobby for an elevator to the second floor, and the stairway to that level.

The relative cost of providing the storefront renovation for the Old Court House would fall into Category 3. One reason for this is the cost of reversing the years of accumulated renovations, and the fact that the renovation indicated is comprehensive on both the upper and lower levels. Restoration work is required on the parapets, the masonry, and the metal cornices as well as replacement of the upper level windows. On the ground level, the proposed storefront is being rebuilt from scratch, and changes in the internal layout of the existing spaces will probably be needed.

Façade Rehab: Sheet A-2 (True Value, The Marias Building and Mercantile Mall)

1. The True Value Building: This storefront embodies many basic Art Deco themes in its fundamental design and construction, with a pleasant small commercial scale. The marquee is already in place and the storefront and entry are well proportioned and also already in place. One drawback to the façade is the fact that the transom glass above the marquee has been removed and infilled with various non-descript materials that alter the original design and its dramatic proportions. The surface mounted sign evokes the transom, but is really out of scale for this façade, and perhaps Main Street as well. The marquee is poorly maintained, indicates the former name of the business, not the current name, in fading letters.

This building does not need a new design, and many of the existing components can remain in place. The façade really just needs to be cleaned up to restore its original proportions. The drawing on the next page illustrates how this can be done:

- Restore the transom. Over the years, many commercial buildings no longer have their original high ceilings—those ceilings have been dropped to conceal new mechanical systems, wiring, whatever. However, the

transom restoration doesn't have to be functional to be effective from the street perspective. The visual aspect of a transom has been restored using colored slate tile. Many other materials are available, such as glass tile and dark grout to create a dramatic facsimile of the original at a modest cost that does not require even the slightest change on the interior. The key factor is that the work is carefully considered and well executed, with attention to the little details (such as faux transom vents)

- that make the work look original.
- The marquee needs to be refinished, and it presents a perfect opportunity to extend the black and yellow motif of the True-Value brand. The drawing shows the marquee with a projecting center section in the vein of Shelby's old Orpheum Theatre, that relocates the True-Value logo, and the "total hardware" slogan. Because it projects, it could be more easily spotted from down the street.
- Finally, the bland white bulkheads (the area of the storefront between

the sidewalk and the bottom of the storefront glass could be trimmed out to give it a little more interest, and play into the storefront colors used elsewhere—in this case it repeats the transom colors, but it would also work with the signage colors.

- A small hanging 'True-Value' blade sign would also identify the store for pedestrians from down the block.

The relative cost of the True Value storefront could fall into the high end of Category 1, or go higher depending on



Sheet A-2: True Value, the Marias Building, and Merchantile Mall.



the options. The single most significant modification depicted is the new marquee-sign-canopy. Below the marquee every component of the storefront stays, enhanced only with trim and paint. Above the marquee, the area formerly occupied by the transom could be economically done with glass tile. If the owners opted to restore a functional transom above the marquis, the cost would push the work into Category 2, but would offer advantages by reducing the lighting needs of the space, and improving the attractiveness of the interior.

2. The 'Marias' Building: This building has been named the 'Marias Building' to show that a prominent name on a well-designed building can instantly orient visitors and residents alike to a building, and give it an unforgettable identity. Like the next door True-Value building next door, this building was designed with high-style Art Deco in mind. But unlike the True-Value building, it has suffered much greater indignities. The white-framed infill windows bear no relation to the design of the building, and dramatically detract from its character. On the street level, the façade was 'modernized' with new masonry that completely rubbed out the details and intent of its original design—a real loss for Shelby's Main Street.

The drawing on the previous page attempts to show how the lost proportions could be restored and the building

returned to its rightful status as an Art Deco gem. Here's what needs to be done, starting at the sidewalk level:

- All the non-original brickwork needs to be removed. If the original brickwork remains concealed beneath, it needs to be carefully restored, and if not, it needs to be carefully replaced in-kind. The design intent is obvious: restore the elements flanking the entry, and the brick courses framing the entry.
- Return a storefront to the entry. Because a marquee the width of the façade is shown, the door doesn't need to be inset, but it could be. The pattern of the storefront could be laid out to be a large scale version of the second floor windows.
- The bulkhead could be finished with glass tile with an Art Deco design centered in the panel. Glass tile is very durable, readily available, and it could contribute an element of sparkle and glamour consistent with an Art Deco theme.
- A marquee is shown that replicates, at least in width, the original marquee as determined from the hangers that still remain on this façade. If done in chrome and black with the building name prominently featured, the building's identity would be secured. Four Art-Deco medallions are placed at each hanger. These medallions are still manufactured and available stock, but ideally, they could be fabricated by a local artisan in this

form, with polished stainless steel, copper, and black accents.

- The transom, like the True Value transom, may no longer allow functional glazing. One option may be powder coated pressed metal panels with concealed anchors. Some of these panels have stock deco motifs, and come in a rainbow of metallic and non-metallic colors.
- A date for the building, in a vintage typeface is centered midway up the façade.
- As noted at other locations, the second floor windows should be replaced with new clad wood windows with a pattern sympathetic to the era, and perhaps repeating the main level storefront.
- Finally, at the top of the center vertical element, a metallic crest, similar to the medallions on the marquee (but at a larger scale) could be placed just to accent the verticality a bit, and give the building its final touch of identity and high style.

The relative cost of the "Marias" building could fall into Category 3, due to the extensive demolition necessary to get back to the basic bones of the building. None of the work is particularly difficult, but to make this storefront into the gem it could be, the elements shown—the marquee, the metallic crests, the transom "restoration", need to be executed with

great care, along with high quality materials and design.

3. Mercantile Mall: This building underwent a renovation a few years ago that gave the interior of the building a thorough upgrade, and made both the main floor and the lower level into attractive, rentable spaces. The façade renovation was not so well conceived, however. A large standing seam metal canopy completely overwhelms the original scale and detail of the building, which appears to date from the early 1920's, and represents sort of a transition in style to the predominant Art Deco theme that occurs in Shelby.

The drawing represents just a couple of minor revisions that could restore a more appropriate vintage aspect to the building:

- First of all, the huge standing seam metal canopy should be removed, and the damage, if any, to the masonry repaired.
- Replace the canopy with a more simple, fixed fabric awning that occupies the space formerly filled by the transom windows. Structural evidence of this location will still be in evidence once the current canopy is removed.
- Remove the storefront, or at least the arched top portions of the storefront.
- Rebuild the bulkheads below the windows to achieve a vintage configuration. Careful selection of

materials and preparation, with flashing at the sidewalk level will provide a long-lived, low-maintenance installation.

- The brick panel infill with the sign "Mercantile Mall" can remain, but some thought should be given to a more compatible typeface for the signage. The drawing uses "Copperplate Gothic Bold".

The relative cost of renovating the storefront of the Mercantile Mall would probably fall into Category 2. The existing framed canopy conceals a lot, so it's probably better to make conservative assumptions. Much of the storefront will have to be replaced. Above the awning shown, restoration will be simple—a little carefully considered maintenance and TLC is all that is needed.

Façade Rehab: Sheet A-3 (The Roxy, The Shelby Promoter and The Montana Club)

1. The Roxy: The Roxy is as pure an expression of Art Deco design, taken to its limits, as anywhere in Montana. This building is also relatively large, and fills a prominent place in Shelby's skyline, as viewed from either direction on Main Street. The problems with this building are obvious to all. The board veneer was an inappropriate finish from the moment it was applied, and the subsequent maintenance of the material to its current

dilapidated state has been inadequate. Thankfully, the marquee retains its original form and detailing, but once again, peeling paint and bent sheet metal are crying out for maintenance. On the sidewalk level, the pink brick veneer may be durable but it's incompatible with the smooth, streamlined style of the building, and the big, blank wall between the two doors demands to be put to productive use.

On the next page, the drawing shows the Roxy taken to its logical extreme. This building is visually the heart of Shelby, and every effort should be made to make this building stand out. Here's some ways the effect shown can be achieved:

- All the surfaces are stuccoed and layered and carved effects are used. These effects are easily attainable these days with EIFS systems that have the added benefit of adding insulation to the building.
- Neon should be added to the narrow vertical fin.
- The Roxy sign needs to be maintained. If possible, get the letters chrome plated.
- The metal portions of the marquee are shown painted black with chrome of polished stainless steel accents added to take the design to the limit. The vertical incandescent bulbs should be maintained. The typeface of the letters used on the marquee could be changed to something

more compatible with the architecture of the building.

"Broadway" is shown. The name of the movie is in large type to help fill the huge marquee. Finally, rather than actually put the date on the building, locate it on the marquee—make the theater appear to be an institution.

- A streamlined enclosure for coming attractions returns life to the currently blank façade, and gives people a chance to stop and linger, and anticipate the movies are coming up.

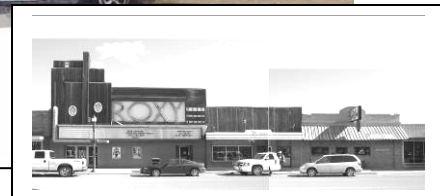
Rounded edges and chrome trim are essential!

- At wainscot level, finish the walls with polished black ceramic tile and polished stainless steel bands.
- Curve the walls into the entries to enhance the streamlined effect.

The relative cost of the Roxy storefront renovation will fall into the high end of Category 2, at a minimum, and if the work is taken to the limit from a design perspective (and I believe it should be), it could go well into Category 3. This

building is one of Shelby's largest downtown facades—one of the reasons for the cost is simply the size. But to really make this storefront "pop", it needs to be dolled up with all the bells and whistles consistent with its style.

2. The Shelby Promoter: Visually, this building needs help! The vertical board siding is just too quaint, the backlit canopy is too busy, and façade below the canopy just doesn't project energy or enthusiasm. Because the building has been slip-covered, completely



concealing any original details, the assumption is that it is a blank slate. How do you do a contemporary remodel that evokes Art Deco themes? Here are some ideas.

- The façade of the building is stuccoed (EIFS) to unify and simplify it.
- Just slightly inset, in a shadow box effect, a curved wall of clear glass block curves inward to the mid-point of the façade. The glass block will sparkle with hundreds of facets, yet provide enough distortion for privacy on the interior, while still conveying a sense of activity from the exterior.
- Inset, 6 or 7 feet from the sidewalk the recessed entry is made from conventional storefront components, but shaded by front of the building.
- A short wrought iron and wood railing gives the entry a sense of enclosure.
- The signage can be greatly expanded to fill the façade above the storefront, using backlit surface mounted signage. An inventory of all the services the awning currently lists could be accommodated below the “Shelby” in this scheme.
- Pay attention to the typeface. “Magneto” is utilized again here, but there are at least a dozen great Art Deco typefaces that would work.

The relative cost of the Promoter renovation could easily fall into Category 2 if the approach indicated is pursued. Though the design and massing of the storefront elements is simple, there are a lot of unknowns present. The idea illustrated would also require some interior modifications to accommodate the recessed entry

3. The Montana Club: This really is a club—a dark, sequestered place that you’re probably not going to check out unless you’re invited in. The building and its storefront certainly don’t extend an invitation, which is a shame, because the basic elements of the building, above the board and batten canopy are quite nice, built with quality materials and expressing a sense of design completely consistent with Shelby’s Art Deco heritage. However, the existing board and batten motel is cliché. Everyone who enjoys a beer should feel welcomed in by a storefront; especially one that stands out from the pack.

Here’s what the drawing proposes:

- Remove the board and batten canopy.
- Remove the recent brick veneer.
- Get rid of the tiny windows and the door. This bar needs a new prototype!
- Restore the transom glass. There’s nothing better than light coming in from high up like this to light those pool tables in the back of the bar,

and all the memorabilia a place like this can collect.

- Construct a marquee across the storefront to shelter the entry. Use a stock Art Deco cresting to give the place a sense of style and history.
- The marquee can function as a sign, with “The Montana Club” on the front and on each end, for the benefit of pedestrians. Again, typeface is important, and the drawing uses a Deco-era typeface known as “Busso”.
- Get a projecting neon sign made to reflect the new sense of style the place offers.
- Install a new storefront that fills the original opening. The south/southwest exposure is tough, but modern glass can be highly efficient when it comes to preventing heat transfer. I’d use a double pane LOF glass with an “Evergreen” tint. It’s very transparent (as opposed to reflective, so the neon will still shine through), but it cuts heat transfer by 85%. Some wide slat wooden blinds would complete the atmosphere.
- The bulkheads, as noted elsewhere could be a variety of things, but glass tile is recommended for the sparkle, style, richness and durability.

The relative cost of the Montana Club would probably be Category 2, or possibly Category 3, depending on what remains of the original fabric. The inexpensive existing canopy supports the hope that the underlying structure is

merely slip covered, and remains relatively intact. But, between the new marquee, the transom restoration, and the new storefront, it is virtually only the vintage masonry that can be re-used.

Façade Rehab: Sheet A-4 (The Job Service Building, Law Offices and The Sports Club)

1. **The Job Service Building:** This building is another very pure expression of Art Deco style that is weighed down by the accumulation of years of ill-considered renovations. Fortunately, it appears that no permanent damage was done, and more than many buildings, it presents an easy opportunity for a economical remodel.

The façade rendering on the next page attempts to illustrate some of these options:

- Clean up and repair the existing masonry.
- Remove the infill from each bay. Install a conventional entry with flanking sidelights, inset between the piers 3 or 4 feet deeper than the storefronts. Access the interior offices from an interior vestibule.
- Install new storefronts in the east and west bays, with conventional storefront framing.
- Bulkheads, even more so than at the Montana Club, should be finished with

glass tile in a color and theme consistent with the overall storefront.

- The elevations show a rigid fabric awning, perhaps fairly steeply pitched, that could also function as signage.
- Centered on the façade above the center awning, place the date of the building in an appropriate typeface.
- Each vertical pier features Art Deco medallions scaled to the piers. These could incorporate lighting to throw light down the piers, as well as lighting the signage on the awning. Medallions/light fixtures like these could probably be located from stock sources. As with the 'Marias', they could also be fabricated by a local artisan. The drawing illustrates what they may look like if done in polished copper.

The relative cost of the Job Service could go as low as Category 1. Despite the fact that the storefront has been infilled, it has been done without altering the original building, and the frame walls can be quickly removed. The overall storefront is small and the fabric awning is relatively inexpensive, so that simply leaves the bulkheads and the new storefront and entry systems. Accessories, such as the Art Deco medallions could push the cost up a little.

2. **Law Offices:** Like the Promoter building, this is a simple little building with no discernable sense of style. It's not

really the lack of style that makes it problematic on Main Street, though. It fails to reinforce Main Street by presenting an agonizingly flat façade, small, unexpressive windows, large areas of infilled panel and three or four kinds of brick in this one small façade.

Here's how to make the façade pull together visually and not detract from an Art Deco theme on Main Street:

- Remove the infill and the brick below it from between the brick piers and the masonry storefront above.
- Stucco (EIFS) the remaining brick to visually tie together the remaining disparate elements.
- Slightly recess the new storefront from the front of the stucco (10 to 12 inches would do).
- The drawing shows a black polished ceramic transom continuous across the top of the storefront. This provides a foil for the signage, done in polished stainless steel letters in a Deco typeface that's all business, "Brittanic Bold".
- Linear stainless steel accents flank the signage and are repeated on the bulkheads below the windows.
- The storefront glazing is shown as stock polished aluminum, in a horizontal configuration, with green tinted glass (the LOF Evergreen, mentioned earlier). The entry itself is inset off the sidewalk four to six feet.
- Below the glazing, another black band of polished ceramic tile.

- Finally, the stucco above the storefront would feature a polished stainless steel band to evoke a cornice, provide a bit of sparkle and reflect the sky and the colors of the city.

As an aside, if the decision was made to plunge more than just a toe into the Art Deco theme of this storefront remodel, it could be taken to the next level by ending the band of glazing with a sweeping radius.

The relative cost of the Law Office remodel, if finished as indicated, would probably fall into Category 2. Like the

Job Service Building next door, the façade is small scale, but the materials selected need to be high quality to make this entry sparkle, and the detailing and finish needs to be impeccable.

3. The Sports Club: This façade suffers from many of the same issues as other buildings around town—a bland, non-descript façade, multicolored, mismatched infill, shrunken windows and entries pushed flush to the sidewalk. But despite all its faults, the building is redeemed by the remarkable, exuberant neon signage, both flush and projecting, that dominate the façade. The signage

alone deserves landmark status.

Here's what is recommended to bring The Sports Club façade back to its former luster:

- Remove the brick infill in each of the second floor band of windows and extend the windows continuously across their openings. Use opaque spandrel glass if the band is interrupted by a partition. Eliminate any and all HVAC equipment on the façade (in this case the AC unit). This equipment should never be placed on a façade like this. Put it on the



Sheet A-5: Job Service Building, Law Offices and the Sports Club.



roof, away from the front of the building.

- The Sports Club clearly splits it's dining and drinking functions and the signage distinguishes this with the lighted arrows above each door. So, to improve the entries, the drawing shows each one angling in off the sidewalk just slightly with both entries grouped at the center.
- Windows and bulkheads replace the current infill.
- The second floor access, currently very low profile has been emphasized with a small marquee.

The relative cost of the Sports Club would fall in the low end of Category 1 if the wasn't made to angle-in the facade to create a better sense of entry for both the restaurant and the bar. The band of windows on the second floor also adds several thousand dollars to the cost. If all the modifications suggested are undertaken, costs would probably come in on the low end of Category 2.

COMMUNITY BRANDING THROUGH MURALS

Many communities look to murals as a way to improve the look of downtown; with a second thought as to them helping attract more visitors. At their best, murals can help define a community and brand it. If executed with a specific theme, they can also add another dimension to the visitor's experience.

At their worst, murals that are not well thought out and poorly executed exude a tacky quality and do more harm than good in improving the look of a downtown.

If a community wants to develop a mural program, everyone should commit to only highest quality and include plans for long-term maintenance at the front end. In too many communities, little thought is given to the on-going cost of maintaining the murals and keeping them in peak condition. Faded, peeling and dilapidated murals send the signal that the town is in decline - - so making a plan for maintenance is a must if a successful mural program is to be implemented.

Shelby has outstanding opportunities to develop train-oriented murals for blank walls around downtown. This is an exceptionally good opportunity along Front Street where travelers on Roosevelt Highway and Amtrak are met by blank walls. The following 'photoshopped' photographs were created by Jeff



Shelden to illustrate how Art Deco themed railroad murals could complement and support Shelby's Art Deco architecture and its historic relationship to the railroad. Jeff collected a number of railroad advertisement images from the 1920s-30s that are a

wonderful fit for Shelby. Developing a high profile mural program for Shelby is an easy first step in celebrating the community's Art Deco design theme and its railroad heritage.



Gallery, west.



Back of the Elk's Club, facing east



Elks Club facing Front Street.



Gallery, east.

Implementing the redevelopment of downtown 'white elephants' such as the Hannah-Holmes site, the Rainbow Hotel, the Williamson Building, and Van Motors will take a long-term vision and commitment. In order to be successful, it will also take a strong and growing business climate in order to fill these projects with viable businesses. Many big ideas have been discussed in this report and they can be supported by Shelby's existing and expanding market and business base.

Shelby's Traffic Counts, Trade Area & Market Forecast

Situated at the crossroads of Interstate 15 and Montana's Hi-Line (Hwy. 2), Shelby's unique history, historic downtown and other amenities offer many reasons for visitors to stop. Traffic counts on Hwy. 2 average over 1,700 vehicles per day; with counts of almost 3,000 vehicles per day at the Interstate junction.

Shelby has a strong and growing market. Within five minutes of downtown, Shelby has a market of 2,700 residents; with 3,700 residents within fifteen minutes and 12,000 residents within a forty minute drive. Almost 10,000 workers are employed within a forty minute drive of downtown.

The City, Port and County take an entrepreneurial approach to economic development while focusing on delivering a high quality of services and improving community quality of life.

Shelby is a community that is breaking the mold in rural America; attracting young families by bringing new businesses, industries and family wage jobs to town. This community has a well-known reputation for bringing in family wage jobs so that young families can move back home or new families can move to this hometown community.

Shelby has a growing industrial base with new industries that include: Glacier Wind Farm, a 210 Megawatt wind generation project; an expanding industrial park, and an innovative Energy Park now under construction. The Office of Homeland Security is expanding and the Crossroads Correctional Facility has capacity for growth. Several local businesses and industries are expanding and bringing family wage jobs to town. Regional oil and gas exploration is growing as are affiliated business offices.



The goal is for Shelby to have other business clusters as strong as this one.

What Business Owners Envision

Shelby is a hometown community where neighbors know neighbors and businesses are committed to serving the community. Shelby business owners envision the following:

- Personal service oriented businesses
- Quality specialty shops with unique storefronts and signage
- Great restaurants with a range of offerings
- Business districts that are quaint, peaceful, green and accessible
- Historic Art Deco image
- Family-oriented
- Fun living and shopping environment
- Growing and prospering
- Beautiful, charming, diverse, affordable
- Family wage jobs that improve the local economy and Shelby's livability

Business Opportunities

A market analysis was performed as part of this project to determine if Shelby has business gaps, what they are, and how many dollars in sales are leaking out of the community due to these gaps.

The analysis revealed that Shelby has several under-served market categories. This means these businesses in these categories are good candidates for recruitment. The 'most wanted' business list for downtown Shelby includes:

- **Sporting Goods.** As mentioned in the section on the Van Motors Hi-Line Building, the nearest competitor is at least one hour away. A model similar to 'Don's' of Lewistown should be explored as a fit for Shelby. Charlie Pfau of 'Don's' said he would help mentor a local business owner who wanted to start a sporting goods store in Shelby.



This is a photo of inside Don's of Lewistown.

- **Garden Center/Nursery.** The old Texaco station on Main Street is an excellent candidate for this type of business - especially since the nearest competitor is more than 80 miles away! Residents currently have to drive great distances in order to have access to a wide selection of plants and gardening supplies and accessories.
- **Clothing & Accessories.** The market analysis showed that more than \$3 million per year is leaking out of Shelby's economy in this category. A space in the upgraded Williamson Building would be a good fit for a business in this category; with the sporting goods store filling another part of the niche.
- **Full Service Restaurant.** According to market data, more than \$2 million in sales is leaking out of Shelby in this category. Shelby has some good eateries but an upscale full-service restaurant with great ambiance is missing from the mix. The ground floor of the renovated Rainbow Hotel would make an excellent location for a restaurant of this type. The restaurant in the Hotel Condon (discussed earlier in the report) would be a good model for Shelby. One thing that Shelby *doesn't* need is another bar as the local market is over saturated according to market data.
- **Specialty Grocery.** This is an opportunity for an existing business to expand its size and product lines (i.e. the health food store) or for a new business to come in. Specialty groceries and businesses of this type need to 'stack' a complementary range of goods and services in order to be successful.



This is a photo from inside a specialty grocery that was recruited to downtown McMinnville, Oregon.

- **General Merchandise Store.** According to market data, more than \$1.3 million in sales are being lost in this category which include department store items and other general merchandise.
- **Office Supplies/Stationary & Gifts.** Although the Art Gallery stocks some office supplies and other businesses have gifts, there is still almost half a million dollars in sales per year leaving the community in these categories. Increasing product lines in existing

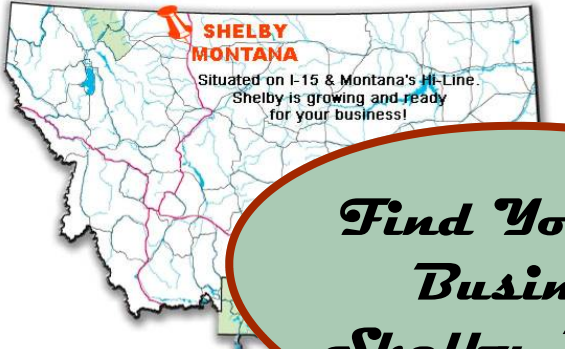
businesses would be a good way to begin to address this leakage.

- **Specialty Oil & Gas Office Cluster.**
There was no market data on this niche but the general consensus of those working in this industry say that high regional demand and growth of this cluster means that more office space is needed. Making the top two floors of the renovated Rainbow Hotel into an energy office cluster would be an excellent way to this opportunity.


Marketing Shelby

To help Shelby market these business opportunities, a Business Development brochure was developed as part of this project (see image, right). It can be used in hard copy or posted to the City's, Port's and Chamber's websites.

The brochure is intended to highlight Shelby's growing market and business base while outlining the types of businesses that are under-served within the Shelby market area. The brochure is also filled with colorful photos of the community and includes contact information for the City and Chamber.



***Find Yourself in
Business in
Shelby, Montana!***



***Imagine
your business
success here!***

**A guide to business
development
opportunities
in
Shelby, Montana**

Inside:
**Shelby's Market Vision
Target Markets
Business Targets
A Look at Shelby's
Business Districts
To Learn More**

(blank)

STRATEGIES FOR SUCCESS

This Next Steps Plan has outlined many types of downtown development projects and initiatives. It includes public and private redevelopment projects and business development activities.

The multi-faceted approach to redevelopment outlined in this plan is complex. It will take coordination, partnership and a stubborn 'stick-to-it' attitude to complete the wide array of projects that have been recommended.

The following are strategies to employ that will help ensure success in revitalizing downtown Shelby.

1. COMMIT TO SUCCESS

This sounds simple, but it is important that each group who will be involved in any part of the plan's implementation officially affirm and adopt it. It is too easy to stray from the vision if it is not adopted and used as the official 'road map'.

2. UNDERSTAND HOW A COMMUNITY DEALS WITH CHANGE (ESPECIALLY BIG CHANGE)

In every community, you will hear people say, "We just don't want things to change." And the people who say this are often the most vocal opponents to new initiatives. That said, it is important to understand that change is difficult especially when it is not crisis-driven. The more primitive parts of our brains are wired to avoid stress, fend off uncertainty and steer clear of change. People who let this area of the brain, called the amygdale (a-mig-da-la), control their actions are the ones who hate and fear change.

Three reasons new ideas and initiatives fail are because of:

- Fear of failure
- Fear of what other people will say
- The difficulty in changing the way of doing things (old habits die hard)

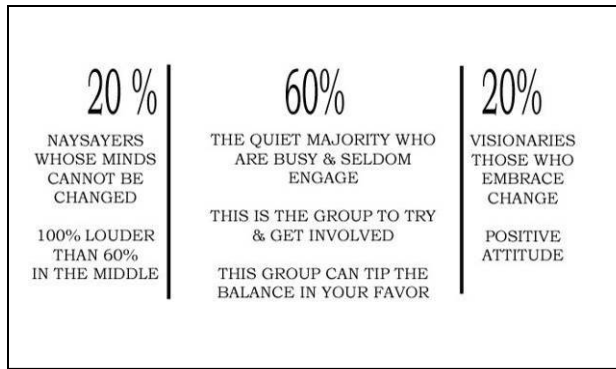
New ideas come from the part of the brain called the frontal cortex and the nucleus acumens goads us into doing things others think we can't do. To learn more about how to let these parts of the brain override the fear (of change) center, check out '*Get Out of Your Own Way*' by Robert Cooper, PhD.

The following graphic outlines the phases of change. Depending on where your community is in the process will give a good indication of how successful you will be at accomplishing the change envisioned for downtown.



To help inspire confidence that the proposed changes for downtown will be successful, engage respected community members who are visionaries to help 'carry the water.'

It is also useful to understand the 20/60/20 rule when trying to drum up



support for the vision and in dealing with naysayers. Another secret to dealing with negativity that may arise is to have the leadership and political will to not let a vocal minority derail a community supported vision.

3. PUT THE TEAM INTO PLACE

Having a team, made up of public and private stakeholders, that is focused on downtown development is a great way to ensure success. The team should serve as a conduit for communication and project coordination. It should be small enough to be manageable (key players) and information should flow both ways through team members.

4. MAKE ON-GOING COMMUNICATION A PRIORITY

This will be easy as the City is committed to on-going communication to ensure

that everyone is kept on the same page with redevelopment initiatives and activities.

5. MAKE SURE POLICIES AND CODES SUPPORT THE VISION

Move forward with creating a historic overlay zone for the core downtown area and adopt policies for this district that support traditional downtown development. The framework must be in place prior to new development occurring in the core area or it is highly possible that the results will not match or support the vision.

Carefully consider the effects that unfettered commercial development outside the core area will have on redeveloping downtown. The more commercial development occurs on the outer edges and saturates the market, the more difficult it will be to get the results desired for downtown.

6. USE A MULTI-PRONGED APPROACH

Redeveloping downtown will take both public and private partners working on a range of policies and issues. Although complex, this type of multi-faceted approach is necessary to affect positive change.

7. FOCUS ON CATALYST PROJECTS

'The right push, in the right direction, at the right time'

This is a good piece of advice for redeveloping downtown Shelby. In order to be most successful, it will be essential to focus on the 'tipping point' projects that will synergize and leverage additional development. The Project Prioritization matrix that follows on the page 46 is a good tool to use in project selection and prioritization.

8. RAISE THE BAR ON QUALITY

Development in the core area should be held to the highest quality possible and this includes façade rehab projects. For too long, 'improvements' to downtown buildings have not been complementary to the original Art Deco architecture. Now is the time to raise the bar on redevelopment in downtown.

9. BUILD CAPACITY AS YOU REDEVELOP DOWNTOWN

As redevelopment efforts move forward, each group engaged in the process should be growing in capacity and skills.

10. DON'T LET BUSINESS DEVELOPMENT FALL THROUGH THE CRACKS

Although the City is taking the lead on economic and community development initiatives, without the support of local organizations, the complex issue of downtown business retention, expansion and recruitment could easily fall through the cracks. If this happens, redevelopment efforts could easily stagnate and stall.

11. PROGRAMMING IS A KEY



To help energize revamped public spaces (such as the proposed plaza at the Hannah-Holmes site), programming is essential. In Lake Oswego, Oregon, the City Parks Department has a community events coordinator on-staff who coordinates programming and rental of Millenium Park facilities. The Farmers' Market, Egg Hunt, Summer Concerts, Arts and Holiday events are just a few of the

activities taking place in this vibrant downtown public space.

12. MAKE ALLOWANCES FOR MAINTENANCE



If the decision is made to pursue a mural program, protect your investment by ensuring there are adequate dollars earmarked for maintenance and upkeep. This is crucial in order to have a successful and popular mural program.

IN CLOSING

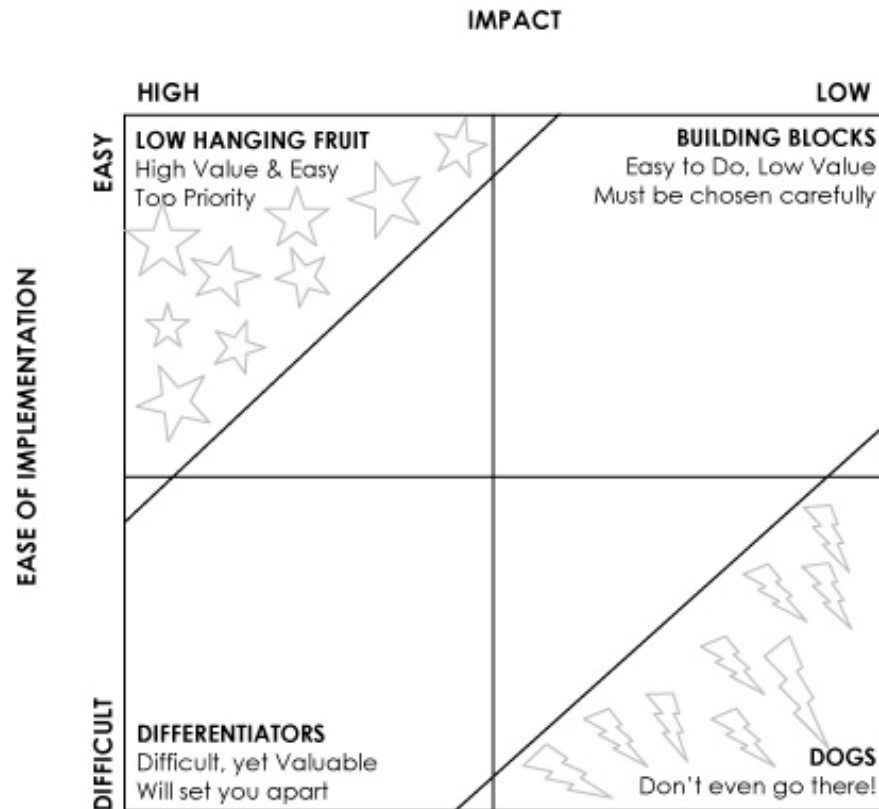
It is critical that implementation of the plan begin immediately; with a focus on catalyst projects that will leverage additional investment. Shelby is poised to revitalize its historic downtown district and celebrate its unique Art Deco

architecture through the redevelopment of selected 'white elephants' and by implementing a façade improvement program that is based on quality and taking the buildings back to their former luster.

This is an exciting time in the life of Shelby with an abundance of business opportunities and local leadership to help make things happen.

The best is yet to come for downtown Shelby!

PROJECT PRIORITIZATION TOOL



This simple project prioritization matrix is a useful 'sifting' tool when trying to decide which projects to do and in what order. The 'ease of implementation' is weighted against the project's 'impact'. By plotting where you think these points come together, you'll get a good idea of the energy it will take and impact the project will have. Far too many communities never think about their projects in this way and get 'lost' with easy-to-to, yet low impact projects or even worse, get bogged down with 'dogs' that are not even worth attempting. It much better to stay in the left hand side of the matrix, starting and the top and moving to more difficult, yet high value projects.