Entertainment Districts

Some Practical Considerations for University Cities

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Entertainment Districts

- Self defining: an area within a municipality where there is a concentration of amusements, restaurants and bars
- Intent is to rejuvenate exhausted or neglected real estate, to generate much needed tax revenues, and to bolster a city's live-work-play image as it competes with others for industry, businesses and residents
- Concept is not new; there have been entertainment districts in larger cities since the 1980's; many of these are found in redevelopment areas on the fringes of a city center or downtown
- Some of the larger entertainment districts feature sporting venues such as stadiums, ballparks or arenas; elaborate waterparks, canals, or riverwalks; ampitheatres and other performing arts facilities—all designed to serve as a magnet to attract concentrations of restaurants, bars and other retail facilities that generate sales tax

Entertainment Districts--continued

- There is no single model-these districts can be completely commercial, consisting of various amusements, restaurants, bars, retail sales and services, accommodations, and offices, or a mixed use that features any of these types of commercial activities at street level with multi-family residential uses occupying upper levels of the same structures
- Critics argue that entertainment districts are strictly Friday/Saturday night venues for twenty-somethings that offer little or nothing during the rest of the week or for families

Entertainment Districts-University Cities and Towns

- More likely to be smaller scale developments
- Restaurants, bars, and specialty retail will be the “magnet” unless the district is developing in vicinity of a university athletic or performing arts venue
- Some of these developments may feature mixed use street level commercial activity combined with student housing
- Student or family focused? Can be difficult blending these different uses in a smaller market to create a year-round venue

Locating an Entertainment District

- One approach is to expand or improve an area that already has the types of amenities the city wants to more fully develop such as a downtown or street adjacent to the college or university that is already an established home to restaurants and bars (“strip”)
  - Is this area historically significant?
  - Is the necessary zoning in place?
  - What is the condition of the existing buildings and other structures?
  - What is the condition and capacity of the existing infrastructure?
  - Is there a need to update common spaces? Decorative lighting; brick pavers?
  - Parking
  - Willingness of existing property and business owners to participate in the redevelopment of the area

Locating an Entertainment District--continued

- Another approach is to develop a new entertainment district just outside of campus
  - Proximity to a campus attraction such as stadium or performing arts venue
  - Availability of land in the immediate vicinity of campus
  - Existing structures; quality; suitability for redevelopment
  - Commercial or mixed use
  - Student housing opportunity? University participation in development?
  - Is the appropriate zoning in place?
  - Right-of-way, easement acquisition; infrastructure development-minimal impediments
  - Parking
  - Neighborhood support or opposition?

Zoning Considerations

- Commercial
- Mixed Use
- Planned Unit Development (PUD)
- Overlay/Special Districts
- Variances and Special Exceptions
- Combination of Above
- Form Based Codes

Building and Fire Codes

- State Mandated International Building Codes
  - Structural/Electrical/Plumbing/Gas
  - Fire Safety
  - Use of building code “appeals board” to facilitate compliance

- Local “Redevelopment” Building Codes
  - Relaxed requirements for older structures in redevelopment areas
  - Wiring around state mandated codes

Financing Infrastructure and Improvements

- Establishment of an “assessment” or “improvement” district
- Tax Increment Financing (TIF)
- Bonds and other long term debt
- Impact and similar fees paid by developers
- User charges
- Tax credits
- Combination of above

Business Development Incentives

- TIF based start-up financing incentives
- Improvement District loans and grants
- Permit and other fee reductions and waivers
- Tax rebates
- Advertising and promotion assistance

Problem Areas: Eminent Domain

- Common practice in many jurisdictions is to use eminent domain to acquire property needed for economic development projects
- Much of this was done in conjunction with urban renewal efforts in the late twentieth century
- U.S. Supreme Court held that the practice does not constitute a taking under the Fifth Amendment in *Kelo v. City of New London*
- However, many states, including Oklahoma, have either through judicial interpretation of state constitutions or legislation, banned the practice of using eminent domain to facilitate economic development

Problem Areas: Eminent Domain continued

- It is not uncommon to find privately-owned older homes, duplexes and multi-family buildings that are still being used as rental housing for students near campus locations that could serve as a desirable anchor for an entertainment district
- When considering an area for development as an entertainment district, it is important to determine up front if it will be necessary to acquire land for privately owned projects and if there is a landowner in the area that is willing to sell

Problem Areas: Alcohol

- Alcohol use is always a problem in university cities because a significant portion of the student population is under the legal drinking age
- It is also true that these same students will likely be significant patrons of businesses located within the entertainment district
- Some city ordinances permit persons 18-20 to enter “dance clubs” and similar establishments to participate in activities; these patrons are not allowed to purchase or consume alcoholic beverages while they are on the premises
- More recently, cities have relaxed “public consumption” ordinances to permit carrying and drinking alcoholic beverages out of a bar or club and onto public streets and areas within the boundaries of the district

Problem Areas: Alcohol --continued

- Relaxed public consumption ordinances bring additional enforcement problems; safeguards such as “age verification wristbands” and specially marked cups for public consumption of alcoholic beverages purchased from a vendor located within the entertainment district are easily evaded
- Many states have laws that require bars, clubs, and retail liquor stores to be located a minimum distance away from schools and churches; these statutes can limit development of bars and clubs in redevelopment areas

Problem Areas: Noise

- Entertainment Districts tend to be late night venues; noise can be an issue
- One solution is to tailor ordinances to permit different noise levels in residential areas and entertainment districts
- Another solution is to grant temporary waivers or require permitting of events that will generate noise in excess of ordinance standards
- There is not a perfect solution; nearby residents or residents in mixed use developments may still be impacted

Entertainment Districts in University Cities

Questions or Comments?