

CHAPTER 8: Downtown Development

Redevelopment/Reinvestment

(text only)

Introduction

There has been considerable discussion over the past several decades about Downtown Ocean City. In the 1996 Comprehensive Plan there was extensive commentary on improvements needed in the area, the lack of economic growth, the appearance of the area and the general lack of direction on the part of both the Town government and the private sector. ~~The 1996 Plan acknowledged that most of the concerns were valid: there was no “plan” for the downtown at that time and implementation of past plans to that point had been sporadic and without continuity. Since then there has been dramatic growth in the downtown even as underlying problems remain.~~ In response, the Mayor and City Council supported the incorporation of the Ocean City Development Corporation to actively promote redevelopment and reinvestment in the upper and lower downtown areas. The success of this effort is a good model for other defined areas of Ocean City in the future.

With the 2016 update, this chapter of the plan will be expanded to include all areas of Ocean City for consideration of how best to manage future development in the context of existing neighborhoods and districts. The 2014 report of the Maryland Sustainable Growth Commission titled ‘Reinvest Maryland: Accelerating Infill Redevelopment & Community Revitalization’ has been used as a reference to identify successful practices already underway as well as new ideas for the future.

Goal:

To plan for future development conditions and make public investments in infrastructure, encourage renovation of older structures, and promote redevelopment of properties that continue the traditions and architectural character of Ocean City, Maryland.

Objectives: In order to achieve the ~~population characteristics~~ redevelopment goal, the following objectives are adopted:

- 8.1 Model Block – Interim downtown parking will lead to increased activity and interest in redevelopment opportunities in the Model Block.

Marketing for private investment in long term revitalization and mixed use building that will support and encourage additional private investment.

8.2 Sunset Park – Program special events and activities throughout the year to attract visitors to the downtown area and encourage connections between bayside and boardwalk.

8.3 Renovation – Encourage the continued renovation of older structures throughout Ocean City, working with design guideline and grant program assistance where possible.

8.4 Redevelopment – Allow and encourage infill development and revitalization of properties while protecting established neighborhoods and districts from adverse impacts.

Overview of Downtown Development Issues

The 1996 Plan noted that the Boardwalk seemed to be thriving as strongly as ever, and the Bayfront had become a popular location for restaurants, bars and marinas. However, the core area between the Boardwalk and the Bay was continuing to struggle. The physical appearance of the area was improving due to public investment and private efforts; however, there still seemed to be a lack of initiative on the part of many property owners to improve their properties. The Plan recounted the long series of planning and zoning efforts focusing on the Downtown area, including the following:

Comprehensive Plans for Ocean City (1968, 1978 and 1989) contained general goals and objectives and specific policy and action recommendations, generally referring to special efforts that should be made to retain the unique character of the area:

- Create downtown commercial and historic districts to encourage renovation and retention of historical characteristics.
- Preserve architectural character.
- Establish a Historical Zoning District or zoning provisions to preserve the area.
- Create an “old Town Commercial District” to encourage revitalization of older buildings in their present locations.

The Downtown Revitalization Study (1980) was a project-oriented follow-up to the general recommendations of the Comprehensive Plans. It offered numerous recommendations for public and private projects and actions, some of which have been accomplished either totally or partially including:

- Entry Park.
- Underground utilities.
- Street equipment and tree planting.
- “Jetty Park” improvements.
- Worcester Street Parking lot improvements.
- Public purchase of land for additional parking.
- Relocation of Town’s Public Works functions to alternate locations.

Consideration of *Historic Area Zoning* (1984) ended when the Mayor and City Council decided not to implement this technique. However, the Town formed an Old Town Committee which presented recommendations aimed at maintaining the character of the Downtown and improving its economic and social vitality. Many of the recommendations were addressed in the Comprehensive Rezoning Study (1986) which attempted to encourage the revitalization of Downtown while retaining the special character and flavor of the area. ~~However, public reaction was so negative that the Planning and Zoning Commission decided to send no recommendation to the Mayor and City Council. Interestingly, a review of the recommendations of the study shows that they are quite similar to those adopted later in the 1989 Comprehensive Plan for Ocean City.~~ Building height and density regulations were similar to those adopted in the Comprehensive Plan. No changes were proposed in the treatment of nonconformities.

The TOPICS (Traffic Operations Program to Increase Capacity and Safety) Study (1975) proposed traffic improvements in the Downtown area. The construction of a multi-level parking structure for approximately 500 cars was considered but eliminated as a viable alternative due to construction cost (\$1.5 million in 1975) and the potential to create severe congestion on adjacent streets. The Study did recommend the construction of a parking facility at the Worcester Street lot consisting of grade-level parking and one level of parking above-grade.

The Parking Survey and Financial Feasibility Study (1984) identified a parking shortage of approximately 550 spaces in the study area (N. Division Street to the Inlet, ocean to Bay) and recommended a parking structure at the Worcester Street lot. The structure would be planned for 850 to 900 spaces with an initial phase containing about 440 spaces. The projection was that the structure would lose money initially but become self-sustaining within 5 years. The construction cost for the first phase was estimated at \$3.4 million, with first-year operating costs of \$74,000.

In the *Ocean City Old Town Revitalization Study (1992)*, the State Department of Housing and Community Development, through the Maryland Main Street Program, recommended a two-year framework of public and private improvements. The recommendations included creation of an Ocean City Revitalization Office and a Commercial District Management Authority. The new organizations were to be tasked with creating a small historic district for the “Olde Towne” area, developing a retail marketing strategy, creating design standards and publishing a newsletter. There were specific project recommendations focusing on a Talbot and Somerset Streets link with the boardwalk to serve as a pedestrian gateway to Olde Towne, a northern beach bus station and development of a “major attraction” in Olde Towne. There was also the intent to create a low-interest loan pool to finance improvements managed by the enactment of the Design Standards Ordinance.

Throughout the 1980’s and ‘90’s the City ~~had~~ made significant investments in the Downtown, and continues to do so today. The list below (Table 8-1) identifies ~~ed over \$18~~

million in public improvement projects that had been accomplished following the 1980 Downtown Revitalization Study.

Table 8-1

~~In spite of these investments there was still no strong commitment to developing an ongoing improvement program that could be followed from year to year with clear goals. According to the 1996 Comprehensive Plan, “the history of the Downtown revitalization in the 1980’s was stop and start, hit and miss, with no clear plan.”~~

The 1997~~6~~ Plan recommended the following:

- 1.——The Mayor and City Council should commit to a comprehensive, long-term revitalization program. The program should be based on the Main Street concept which has proven to be a successful, implementable strategy.
- 2.——The Mayor and City Council should create the position of Main Street project manager (or Downtown Improvement Manager). This should be a full-time employee with the sole responsibility of developing and implementing the Downtown Revitalization Program.
- 3.——The Mayor and City Council should commit to a program budget for a minimum of three years.
- 4.——After committing to the first three recommendations, the Mayor and City Council should apply to the “Main Street Maryland Program” and become eligible to receive assistance from the State in downtown revitalization efforts.
- 5.——The Mayor and City Council should continue to make public improvements in the downtown, including Boardwalk improvements and underground utilities.
- 6.——Efforts should continue to develop a “major attraction” downtown, such as an aquarium, IMAX theater, museum or urban entertainment complex.

It concluded: “The “shotgun approach” has not had great success in the past; if the Town is truly serious about improving the Downtown, a planning-oriented program with consistent support from the Town and local business owners is needed.”

The *Ocean City Downtown Village Plan of Action* was prepared in 1999 with the assistance of the International Waterfront Group. The purpose of the plan was to set forth a specific set of proposals and projects to be implemented in the short and long terms.

The Action Plan presented an ambitious three-phased action program. Several years ago the City took the important step of establishing an Inlet Parking Lot Fund from which dedicated proceeds (roughly \$300,000 per year) support the activities of the Ocean City Development Corporation (“OCDC”), the entity that now leads the downtown revitalization effort. The organization’s work plan has evolved over the past several years and its 2004 newsletter contains the current version of the work plan.

Table 8-2

Current Status

Following up on the 1996 Comprehensive Plan the City ~~has~~ made the downtown the focus of economic development efforts. The City organized the Ocean City Development Corporation (OCDC) as a non-profit charitable organization with the power to sell tax credits and accept tax-deductible contributions. This organization has responsibility for implementing the recommendations of the 1999 Downtown Action Plan.

The Action Plan presented an ambitious three-phased action program. Several years ago the City took the important step of establishing an Inlet Parking Lot Fund from which dedicated proceeds (~~roughly approximately~~ \$250,300,000 per year) support the activities of the Ocean City Development Corporation (“OCDC”), the entity that now leads the downtown revitalization effort. The organization’s work plan has evolved over the past several years and its 2016 newsletter ~~contains the current version of~~ presents several ongoing projects within the current work plan.

There has been significant action on priority projects over the past several years. Current status of key issues is the following:

- Parking structure: Development of additional parking continues to be a leading issue. The plan to build at the Worcester Street lot, replacing the 175-car surface lot, is still on the table. ~~Last year T~~the City ~~recently~~ hired a consultant to conduct a transportation study and evaluation of parking structure feasibility that has not been advanced further. that is addressing this and other transportation issues, and that work is nearly complete.
- Park and Ride Lot: Located in West Ocean City, the Park and Ride Lot provides remote parking for 700 spaces along the Route 50 gateway corridor with bus connections to the downtown transit station.
- Wrap-around Boardwalk: the concept of continuation of the Boardwalk along the Inlet and bayfront is still a priority. A conditional zoning map amendment of the former Cropper Concrete property was approved in 2016 including a public use easement to allow extension of a bayside boardwalk north of the Route 50 bridge.

- Sunset Park: the construction of Sunset Park has been one of the goals-significant accomplishments of the Ocean City Development Corporation since its inception in 2000. Sunset Park is designed as a linear park along South Division Street between Philadelphia Avenue and the Bay. This waterfront park ~~will~~ contains an entertainment ~~stage and provide a~~ venue for small to medium sized special events. The project ~~will~~ includes seating areas, decorative lighting, landscaping, a signature entrance fixture and a viewing area to watch the magnificent Ocean City sunsets. Sunset Park ~~will~~ also includes elements reflecting the railroad bridge that once entered Ocean City at this location. The restrooms and storage building ~~will~~ adhere to railroad architecture. Original train station bricks from the old downtown train station in Ocean City ~~will-behave been~~ included in the design construction of this ~~new~~ park. Construction ~~is-scheduled-to-start-in-August-2005-was-completed-in-2006.~~
- ~~Model-Main~~ Street Program: Ocean City was designated a Main Street Maryland community in 2012. The OCDC administers this program, the streetscape portion of this program has been completed along Baltimore Avenue up to 2nd Street and the City created a Merchant's Association two years ago to work on bringing in the correct business encouraging a complementary mix of Downtown businesses. mix.
- ~~Facade Improvement Program: the State-Maryland~~ Department of Housing and Community Development ~~has~~ funded the Community Legacy Program is program grants to encourage private reinvestment in downtown Ocean City. Over 185465 buildings have been renovated under the program with a total investment of over \$5.7 million. There have been over ten projects completed and there are another ten yet to be done. This grant program, which pays up to \$10,000 for half of a facade renovation cost, has made grants of \$80,000 that have leveraged total investment of \$500,000. There have been five facade projects on Somerset Street, which is now a "semi-pedestrian" street.
- Green Building Initiative: This business assistance program, roof replacement program, and property fencing are also administered by OCDC.
- Model Block Program: The Town of Ocean City and OCDC have assembled most of the block between Somerset and Dorchester Streets between S. Baltimore and S. Philadelphia Avenues in order to encourage a sizable revitalization project called the Model Block. An interim parking lot is in use while the project is marketed. The envisioned mixed use development will benefit the downtown area with increased pedestrian activity and economic vitality. the City owns about a third of the block and efforts are underway to secure more of the property.
- Downtown Design Standards: the standards, approved in November, 2002, are legally in place. They provide guidelines-requirements for signage and architecture. The Downtown Development Corporation OCDC Downtown Design Review Committee gets involved in-is responsible for reviewing site plans and

~~enforcing-recommending~~ design standards in cooperation with the Ocean City Department of Planning and Community Development. Limited design standards were codified in 2006 for the Upper Downtown Area. However there have been new projects in the downtown that work against street activation and other good principles of urban design.

- Public Art Program: The City sees art work as a way to attract more people to the downtown. There are ~~manyfour~~ projects completed ~~andor~~ underway:
 - Marlin sculpture with water features.
 - Osprey sculpture at 4th and Philadelphia.
 - Wall mural of historic postcards.
 - Utility box paintings (25ten boxes have been painted)
 - Dolphin Sculpture at the Route 90 gateway

Table 8-3 summarizes the current work program.

~~According to the director of t~~The OCDC ~~current issues that are not formally in the work plan but are~~works on a number of important long term projects includinge the housing of seasonal workers. Every summer season Ocean City welcomes~~There are~~ roughly ~~2,700~~3,000 foreign workers (approximately 20 percent of the seasonal workforce), ~~mostly from Eastern Europe, earning \$85-100 per week and many of whom living~~ in and around the downtown. ~~Two years agoIn the past, the Chamber of Commerce recommended construction of a 500-room dormitory to house a portion of this population and this concept is still under study. Recently~~T-the OCDC took the lead in a project to meet workforce housing needs by relocatinge and restoring an old structure, the Tarry-A-While Guest House, ~~and this willwhich now~~For its ninth year, OCDC has provided~~some space~~seasonal housing for summer student workers~~Ocean City seasonal employees as well as office space for its operations-as well as office space for OCDC itself. OCDC grant programs administer State funds which can assist new mixed use projects containing an employee housing element.~~

There has been notable success in attracting new development to the downtown. The redevelopment of the Belmont Towers property on the Boardwalk at Dorchester Street ~~will be a major improvement~~has provided an important example for future redevelopment and a test of the design review process. The fact that it includes a mix of retail and residential uses is very positive.

Redevelopment/Reinvestment

The 2014 report of the Maryland Sustainable Growth Commission titled ‘Reinvest Maryland: Accelerating Infill Redevelopment & Community Revitalization’ provides new State guidance on how to identify places where growth, revitalization and resource conservation should occur, and how existing communities may best work together with State programs to encourage and manage new development. In many ways, the OCDC has pioneered this cooperative effort within the downtown areas.

For the purpose of this chapter the following terms are defined:

Infill – the development of vacant parcels within previously built areas.

Redevelopment – building or rebuilding on parcels that have been previously developed, with redevelopment aiming for a higher and better use of the area for the community and landowner.

Revitalization – instilling new value and vitality into a community through infill and redevelopment or other activities such as building reuse and renovations, façade improvements, beautification efforts, small business loans, and special events.

Conclusions and Recommendations

OCDC ~~continues to have~~ has the strong support of the Mayor and City Council and the business community, and has made significant progress on its initial agenda. ~~Now there is a need to reevaluate~~ The current work plan ~~has been~~ updated ~~it~~ with additional priorities and projects. Many of the long-term issues are still unresolved and present a challenge to the ongoing revitalization process:

- Parking is still a major issue, as it has been for at least thirty years. OCDC has plans for a parking structure on the Worcester Street site. This project should proceed in some form. In fact it offers a larger opportunity to construct a garage with a mixed-use development, including some retail space on the ground and housing in air rights.
- Proximity to the Inlet and low ground elevation creates periodic challenges for access, stormwater utilities, and first floor retail space during storm and seasonal high tide events.
- The US Coast Guard Station is an important element of the downtown area which should be supported by any land-use change incorporated into long term redevelopment plans as both a key property and important public service resource.

- Diversity in programmed entertainment ~~and will complement~~ the range of traditional boardwalk attractions ~~is still lacking~~. There is a need for ~~a theater or~~ another type of destination entertainment venue and there may be a place in the downtown for this type of facility.
- Ongoing programs such as ~~the construction of~~ Sunset Park, the continued development of the wrap-around Bayfront Boardwalk, Main Street streetscape improvements to N. Baltimore Avenue, and the Model ~~Street Block~~ program continue to be important and need long-term support. Completion of construction will mean the beginning of a continuing process of maintenance and improvement.
- OCDC can become more proactive in development by leveraging public properties and development opportunities to expand the range of attractions and promote mixed-use projects that add vitality to the area. The Main Street Program will continue to ~~relies on a manager for~~ promote special events and marketing that support downtown businesses.
- Meeting the need for housing for seasonal employees will represent an ongoing challenge.
- Opportunity to expand the Upper Downtown Design Overlay District to include area within the Sustainable Community program limits up to 33rd Street.

The progress that has been made in downtown improvements since the 1996 Comprehensive Plan suggests that focused actions have produced many tangible results. In summary, the City has a clearer vision for reinforcing the identity for its downtown and other sites for redevelopment and reinvestment. Accomplishing that vision will require substantial effort and an ongoing commitment of resources for many years to come.