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## The Charlotte Region and New Urban Development

### Executive Summary

WHILE ATLANTA debates whether to add as many as eight lanes to I-75, making it as wide as a football field, the Charlotte region is busy making itself a distinct, more livable and prosperous urban place.

To be fair, Atlanta shows signs of waking up. But Charlotte is already making big strides toward making a good place to live even better. Home to the bank with the largest capitalization in America, Charlotte-Mecklenburg is actively implementing, through a series of pioneering ordinances, a major increase in *social* capital as well. It is raising the bar on good living. When the city passed a set of General Development Policies, it put the region on the road to handling its population and employment growth through a design that seems destined to eventually become mainstream for the 21<sup>st</sup> century. Charlotte is ahead of the game, seeing the future, designing policies to welcome it.

These policies capitalize on the historic pattern of centers and corridors in the region. By investing in transit, changing zoning to welcome a mix of residential, retail, entertainment, and employment in compact areas in its town centers and along the broad shoulders of its major transportation corridors, the region will be poised to accommodate a significant share of its employment and population growth in these compact urban zones. Because destinations people have every day will be closer together, as they are in Uptown today, people will have more choices in how they move around from place to place. Experience elsewhere shows people will walk – and enjoy it. This new urban pattern also consistently converts auto drivers into transit riders – benefiting economic productivity while slowing down growth in congestion rates.

While the Institute of Transportation Engineers – the group that wrote the “Bible” for road-building – is now for the first time publicly acknowledging that what is *on* the streets matters as much as the capacity to move vehicles, Charlotte is forging the higher-quality future with its Urban Streets Design Guidelines. It is this vital connection of land use and transportation that public officials in many other regions still do not grasp. Charlotte gets it.

Now comes the next phase of policy development – adding open space protection and reviewing development decisions to minimize damage to air and water quality and preserving the environmental advantages the region already

has. In less sophisticated places, policymakers often see preserving public open spaces as an expensive trade-off, believing everyone would do better if all land were open to development. As this study shows, that is simply not true. Whether it is a large area such as New York City's Central Park, or a constellation of small, rather ordinary parks in the Dallas-Fort Worth region, economic studies consistently show that the property values in proximity to parks carry a premium that more than offsets foregone development. There are similar findings for the effects of the kinds of environmental protection envisioned by the proposed Post-Construction Controls Ordinance.

Of course shifting from a 20<sup>th</sup> century model that emphasized low-density, spread-out, auto-dependent development does have costs. Quality always does. But the consequences of passed and pending ordinances would be better classified as "investments." Because within five to ten years the payoff for making these changes will be substantial.

*And that is the critical question: do the benefits flowing from these new policies outweigh the costs? Or, put another way, is better planning also good business for the region? This study – using the rigorous methodologies of economic analysis along with the evidence of experience from multiple case studies – shows that not only will the Charlotte region be more attractive as a result, but more economically prosperous.*

- Property values in areas rezoned for mixed use and transit access will show significantly higher values; commercial properties will have lower vacancy rates; employment growth will be higher than the region's average.
- Residential property values in zones where people have transportation choices and a mix of destinations will also show double-digit premiums in value, which along with commercial properties, has obvious implications for public revenues.
- Permanent transit investment sends a market signal for development. (Near the 14 stations of Denver's latest light rail line, \$725 million of new development was built or started before the line opened and another \$1.6 billion of development is moving through the approval stages).
- Accommodating more growth within the centers and along corridors means public costs go down; studies show reductions such as 11 percent less on road costs, 6 percent for water and sewer provision and 3 percent on service delivery.

These are measurable gains for developers, buyers of commercial property, homeowners, and the entire community. The gains do outweigh the front-end costs.

But the real bottom line is the advantage to the region in wealth generated and talent attracted. There are now national data enabling a economic comparison of regions by land use and transportation characteristics. To illustrate: If the new policies now in place and contemplated had been adopted ten years ago, aggregate personal income in the Charlotte region would have been more than a billion dollars higher than it is today. And tax revenues to the city would be more than \$7 million more annually. So while some people see the front-end costs of changing policies, the real story is the big dividend from the investment in better policy.

And by far the biggest potential impact from these landmark policy commitments will be the effect on attracting and holding talented young professionals. The hard work force reality for cities is that another boomer turns 60 every eight seconds. Many of them are already retired and most are thinking about it. The number of young adults is declining, with the result that by 2012 the work force will lose two workers for every one it gains. Those younger adults who have a college education are choosing *where they want to live* and then choosing a job. Cities and regions are in a high-stakes race to get them and keep them.

The good news for the Charlotte region: in a recent Brookings study, only Las Vegas showed a higher increase than Charlotte in capturing the 25-34 year old youth talent. Brookings said they came to join other young professionals in a dynamic financial services industry and that newly redeveloped urban spaces and new recreational opportunities were a significant draw. Every study shows these young people want vibrant, active urban places to live and work in. That is exactly what Charlotte is poised to produce.

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