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The decision maker's bridge to stronger, greener communities

APRIL-MAY 2013—VOLUME 2, NUMBER 3

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Residential properties in 'transit sheds' held their value better

Yet many transit sheds in poorer parts of cities and in auto-oriented suburbs underperformed their regions from 2006 to 2011. Neighborhoods served by transit are divided between those that are prospering and those that are not.

ROBERT STEUTEVILLE

A new research paper determined that residential properties near transit stations in five major cities across the US maintained their values significantly better during the housing downturn than properties outside of transit sheds. "Across the study regions, the 'transit shed' outperformed the region as a whole by 41.6 percent" from 2006 to 2011, according to *The New Real Estate Mantra: Location Near Public Transportation*.

Transit sheds were defined as areas within a half mile of fixed-guideway transit stations, including rail and bus rapid transit. The study of the Chicago, Minneapolis/St. Paul, Boston, San Francisco, and Phoenix areas was commissioned by the American Public Transit Association and the National Association of Realtors, prepared by the Center for Neighborhood Technology.

Although transit sheds as a whole did significantly better, the pattern across regions was surprisingly uneven. More transit sheds lost value than gained value in some regions. In Chicago, for example, more than 60 percent of the region's 388 transit sheds underperformed the region as a whole. The transit sheds that did better than the region tended to have high densities and rise startling amounts. One station in Evanston, near Northwestern University, outperformed the Chicago region by 550 percent. In San Francisco, one transit shed did 287 percent better than the region, while a transit shed in Boston outperformed the region by 316 percent.

The pattern that emerged is one of revitalization downtown and in other highly walkable, desirable urban places in cities and suburbs. Neighborhoods in many poorer sectors of cities languished, as did automobile-oriented outer suburbs.

SEE 'TRANSIT SHEDS' ON PAGE 6

A mixed-use building designed in accordance with a form-based code in Ventura, California. See article on page 12.

PHOTO BY KAIZER RANGWALA

Market-responsive form-based codes

Form-based codes voluntarily adopted by developers show how this kind of land-use regulation can offer high market adaptability while assuring a better public realm.

Richardson, Texas, an affluent inner-ring suburb of Dallas, and home to many telecommunications corporations, wants to remain attractive to employers in coming decades.

Key to that goal is becoming more walkable and connected to transit, qualities that many of today's young and talented professionals are seeking. There are five Dallas Area Rapid Transit (DART) stations in Richardson, and unfortunately not one is in a walkable neighborhood. Such areas are in short supply in Richardson, which grew up entirely after World War II.

But a 100-acre previously undeveloped parcel adjacent to one of the stations will establish a new pattern: The site was rezoned recently for 3,200 residential units and up to 6,000 jobs. State Farm Insurance Company, which could have located anywhere in the region but was looking for a walkable urban center, chose this site.

As long as builders adhere to a new form-based code (FBC), no further public hearings are required. "We eliminated the risk of NIMBYism for a theoretical maximum buildout within a wide range of uses," says Scott Polikov of Vialta Group, LLC, A Gateway Planning Company. "There's nothing more market-responsive than that."

A February report by real estate consultant Robert Charles Lesser & Co. (RCLCo), called "Market Pitfalls of Form-Based or Smart Codes," criticized some FBCs for market inflexibility. Although the report cited no specific codes — and so was difficult to refute —it stung some new urban practitioners who take market demand seriously.

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Market responsive

FROM PAGE 1

Developers who wanted to reduce political and business risk initiated the code for the Bush Central TOD, as the Richardson site is called. The city gained assurances that the public realm would be built out in a way that is walkable and mixed-use, while the developers got flexibility and "by-right" entitlements, Polikov says. The master developers Bush/75 Partners sold all the land, at a premium, within a year and vertical construction is underway at a rapid pace. Zale Corson Group is developing an urban multifamily project designed by JHP Architects, and KDC Development Company has purchased the remaining land for a mixed use, live-work-play project.

"We made the argument that this kind of development is required to keep attracting corporate citizens," he says. "They wouldn't be able to bring in the cool, echo-boomer development without a form-based code."

City entitlements allowed higher densities without micromanaging uses, he adds. Within the 18 urban blocks that make up the site, uses are mostly flexible. On some streets, buildings must have first floors that accommodate retail — but other uses can occupy these areas if the market for retail lags.

"The form-based code allowed us to get a richer building envelope and enabled development to evolve over time," Polikov says. "That's a big story that the RCLCo criticism misses."

The Bush Central TOD -- named after a nearby highway that is named after the first President Bush — is laid out on a simple grid to be built out intensely. Public spaces are plentiful and a large natural park with trails along a creek will provide a connection to nature. The project will create a regionally significant urban center for the north side of Dallas.

TRINITY LAKES

Across the metro area on the East Side of Fort Worth — a far less affluent part of the region -- a form-based code was approved in December 2012 for a 175-acre transit-oriented development called Trinity Lakes.

This project is in the middle of suburban sprawl with a diverse Latino/white/African-American population. An existing commuter rail line between Dallas and Fort Worth borders the site, but a station needs to be built. A high-speed thoroughfare, Trinity Boulevard, bisects the site and must be transformed into

PLAN COURTESY OF VIALTA GROUP, LLC, A GATEWAY PLANNING COMPANY

Bush Central TOD plan

Return of the greenfield TND?

Traditional neighborhood developments (TNDs) on greenfield sites, a key part of the New Urbanism 10 to 20 years ago, have had a tough time in recent years. Some have survived and continue to build out, some have gone through foreclosure and bankruptcy, but few new ones have been proposed in recent years.

Real estate analyst Christopher Leinberger contends that greenfield TNDs will not be a big part of the urban real estate revival going forward because of the high levels of investment and risks required to create an urban place from scratch.

On the other hand, new single-family housing is demanded in walkable neighborhoods — a demand that is hard to meet through infill development alone. The three projects profiled in the accompanying article are all new, greenfield developments on the scale of a neighborhood or several neighborhoods.

When developers build such projects they will most likely have to confront issues that were not dealt with in TNDs prior to the housing crash. One is minimizing investment and risk — and that probably means more efficient layouts built in smaller increments. The Saddlewood plan by Vialta Group is a good example. It's basically a simple grid, with straight geometries. Placemaking is achieved through squares and the development can be phased in replicable modules that can be financed and built with minimal infrastructure investment. The plan takes maximum advantage of the site to create developable parcels — much like the urban street grids of old. Even the frontages on the primary thoroughfares bordering the site are developable.

Another issue is external connectivity, a trait that was not often achieved in the pre-crash TNDs (which mostly have excellent internal, but not external, connectivity). The Saddlewood plan is highly connected.

Sometimes to achieve that external connectivity, highways going through or adjacent to TNDs will have to be tamed. The Trinity Lakes project addresses that issue by using TIF (tax-increment financing) funds to rebuild a suburban highway as a boulevard, connecting the development to the outside world.

Linking greenfield new urban projects to rapid transit, like Trinity Lakes and the Bush Central TOD, will also make neighborhood-scale new urban developments more financially viable.

RENDERING COURTESY OF VIALTA GROUP, LLC, A GATEWAY PLANNING COMPANY

Trinity Boulevard in East Fort Worth is currently a highway but will serve as a town center

a complete street.

The city, having adopted a FBC for an area adjacent to downtown, has experience with this type of regulation. The Trinity Lakes FBC was the first proposed by a private developer in Fort Worth. Residents of a large adjacent development, who have nothing but commercial strip retail nearby, were all for it. "They are sick of driving out of East Fort Worth for amenities that other neighborhoods have," Polikov says.

Fort Worth is an area that gets a lot of development: In 2013, more than 4,000 residential building permits were issued in the city, about a third of them for multifamily units. But nothing like this has been attempted outside of the downtown core, let alone in a working-class neighborhood.

The city agreed to tax-increment financing (TIF) for $75 million in infrastructure to build the rail station, convert the highway into a multiuse boulevard, and pay for street, stormwater, and other improvements. The city and county will get a portion of new taxes for 20 years and then 100 percent thereafter.

The site links into the Trinity River Trail system in addition to the regional rail network.

The FBC is similar to the Richardson project. As long as the form-based aspects are adhered to, the developer has by-right entitlement to build out the project. "Form-based coding provided the vocabulary to communicate the benefits to neighbors, and it was the analytical vehicle to estimate a much higher tax-base capture," Polikov says. Planned development in Trinity Lakes is estimated at $750 million, and it could transform this part of East Fort Worth.

HIGH DESERT SAVANNAH

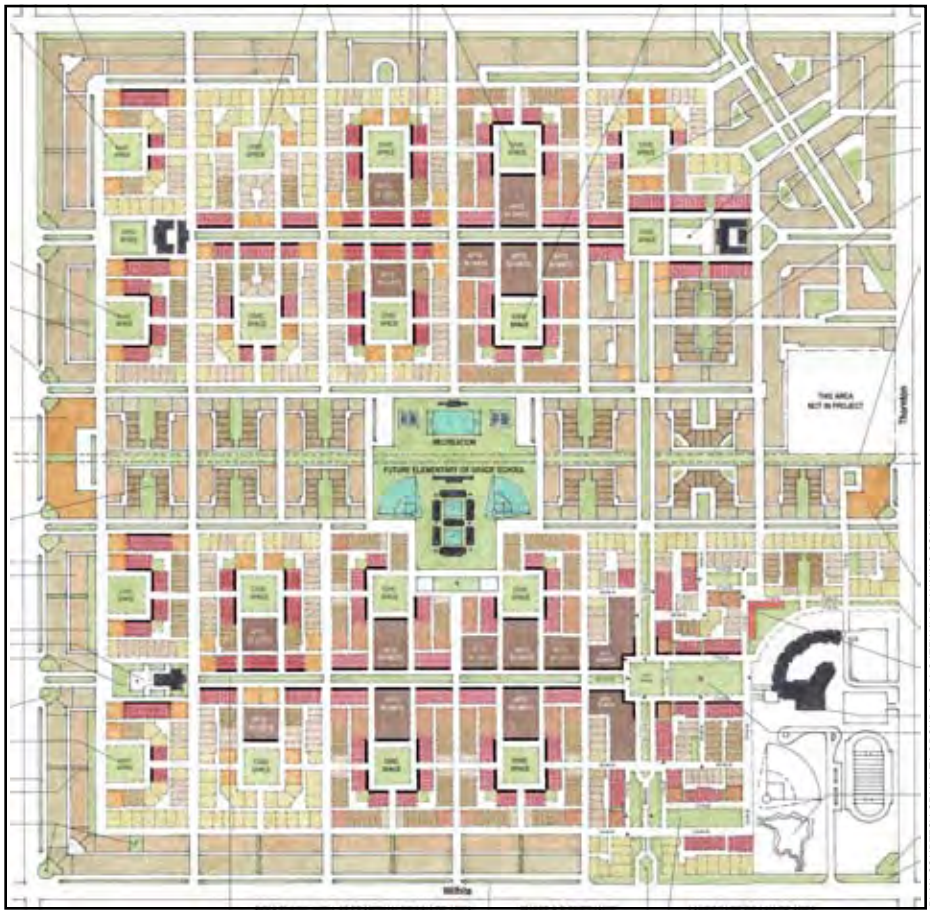
Affluent or working class, the Dallas-Fort Worth metro area is a fast-growing region with 6.5 million people, and what works there may not work in other parts of the US. Clovis, New Mexico, with a population of 37,000 and located 90 miles from Lubbock, Texas, the nearest city of any size, could not be more different. Yet a market-based FBC could work there as well, Polikov says.

Cannon Air Force Base, a big part of the town's economy, is expanding with a special operations command headquarters. Many officers and enlisted personnel have lived in Europe or big cities. A 640-acre project by local developers Jeff Watson and Sid Strebeck is designed to create the kind of environment that would appeal to the service men and women.

The project takes up an entire square mile section north of town, and the first neighborhood will be anchored by a middle school and park for which the developers are donating the land.

Saddlewood is designed around 20 squares, much like Savannah, Georgia, and each square will be a module for development that includes a full range of housing types. The housing surrounding each square is, in effect, a phase of development that allows market flexibility, Polikov says. "We looked at historical places that allow variety but replication and we were influenced by Savannah," he says. "There's a predictable amount of infrastructure investment and we can build as much as we need," he says. ◆

Saddlewood in Clovis, New Mexico, takes inspiration from Savannah, Georgia



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