



# **ECONOMIC & FISCAL IMPACTS of the 301 APARTMENT PROJECT**

**1<sup>st</sup> Avenue Capital 301, LLC**

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## Executive Summary

- The 301 Apartment project is a proposed multifamily residential project to be located on Southeast 1<sup>st</sup> Avenue in Delray Beach. The project will develop 100 apartment units with approximately 2,790 square feet of retail/restaurant space. PFM Group Consulting was contracted to determine the economic and fiscal impacts of the project on the City.
- The construction phase of The 301 Apartments will be a significant economic engine. With an estimated \$19.8 million spent locally, the economic impacts of the construction results in 290 jobs with total wages of \$16.4 million. The total local economic output from the construction of the apartments is projected to be \$28.7 million.

### Construction Period Economic Impact

Employment	Labor Income	Impact Output
290	\$16,486,103	\$28,766,484

- The 301 household's spending will result in \$7.1 million in total economic output each year for the local economy. These economic, or multiplier effects are the total goods and services produced resulting from the spending by these households on local purchases of goods and services. The household spending and retail development will also support 50 permanent local jobs with wages of \$2.3 million per year. This new spending will not only support existing businesses, but may generate demand for additional retail, restaurants and services within the local area.

### Permanent Annual Economic Impact

Employment	Labor Income	Impact Output
50	\$2,307,302	\$7,103,534

- The 301 Apartments will have an estimated taxable value of \$27.9 million after buildout and will generate approximately \$191,000 in operating and debt ad valorem revenue for the City of Delray Beach, based upon the current operating millage rates.
- The residents of The 301 Apartments will generate additional revenues for and expenditures from the City. The Project is forecast to have a slightly positive net fiscal impact on the City of Delray Beach's operating budget each year.

### Fiscal Impact of The 301 Apartments

Year	Taxable Value	Ad Valorem	Operating Revenue	Operating Expenditure	Net Fiscal Impact
<b>2023</b>	\$27,952,055	\$186,191	\$322,487	\$232,897	\$89,590



## **1.0 Introduction**

### 1.1 Assignment

1<sup>st</sup> Avenue Capital 301, LLC has engaged PFM Group Consulting LLC (“PFM”) to analyze the economic and fiscal impacts of their proposed “The 301” apartment project (“Project”) on the City of Delray Beach.

### 1.2 Overview

The site is currently approved for 45 apartment units, but is located in an area allowing an increased density per acre. The developers have filed a text amendment seeking to change the planned development so that 100 apartment units and 2,790 square feet of commercial can be constructed. The Project will provide a high-quality living experience for the residents. On-site amenities will include a gym and retail development.

The Project’s construction and future household activities are expected to generate significant new economic activity for the area, especially for the local retail stores, restaurants and professional offices.

## **2.0 Economic Impacts**

### 2.1 Overview

The 301 Apartments will contribute in several ways to the local economy. Both the construction phase and the on-going household spending generate significant economic activity as this spending is multiplied throughout the city, county and region. For example, each household purchases groceries at a store. The store purchases some goods and services locally generating additional sales and employment. The store also pays employees a salary. These employees then, spend some of their disposable income locally. All of this spending in turn leads to employment by additional wholesale, retail and service providers, etc. This is described as the “ripple” or “multiplier” economic effect.

### 2.2 Approach

PFM conducted an economic impact analysis of the Project in its entirety. This study includes the economic impacts of the short-term construction activity associated with Project and the permanent, long-term spending of the new households and commercial development. The IMPLAN (IMpact Analysis for PLANning) modeling system was used to estimate the economic impacts of the project. A summary of IMPLAN is provided herein:



*IMPLAN's Social Accounting Matrices (SAMs) capture the actual dollar amounts of all business transactions taking place in a regional economy as reported each year by businesses and governmental agencies. SAM accounts are a better measure of economic flow than traditional input-output accounts because they include "non-market" transactions. Examples of these transactions would be taxes and unemployment benefits.*

**Multipliers**

*Social Accounting Matrices can be constructed to show the effects of a given change on the economy of interest. These are called Multiplier Models. Multiplier Models study the impacts of a user-specified change in the chosen economy for 440 different industries. Because the Multiplier Models are built directly from the region specific Social Accounting Matrices, they will reflect the region's unique structure and trade situation.*

*Multiplier Models are the framework for building impact analysis questions. Derived mathematically, these models estimate the magnitude and distribution of economic impacts, and measure three types of effects which are displayed in the final report. These are the direct, indirect, and induced changes within the economy. Direct effects are determined by the Event as defined by the user (i.e. a \$10 million dollar order is a \$10 million dollar direct effect). The indirect effects are determined by the amount of the direct effect spent within the study region on supplies, services, labor and taxes. Finally the induced effect measures the money that is re-spent in the study area as a result of spending from the indirect effect. Each of these steps recognizes an important leakage from the economic study region spent on purchases outside of the defined area. Eventually these leakages will stop the cycle.*

**2.3 Economic Impact – Construction Phase**

The economic impacts of the Project during the construction phase are generated by the purchase of materials and labor within the county. The 301 apartments have a projected construction budget of \$28.3 million, including both hard and soft costs. The impact calculation is based on the assumptions that 70 percent of these costs are spent within Palm Beach County (\$19.8 million, Table 1).

**Table 1: Economic Impact – Construction Phase**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Impact Output</b>
Direct	230	\$13,561,709	\$19,828,659
Indirect	16	\$826,303	\$2,418,137
Induced	44	\$2,098,090	\$6,519,687
<b>Total</b>	<b>290</b>	<b>\$16,486,103</b>	<b>\$28,766,484</b>

Table 1 shows the economic impact generated from the \$19.8 million spent locally will directly generate 230 direct jobs (full-time equivalent) with wages totaling 13.5 million during the 18 month construction period. The indirect impacts from this spending and



the induced impacts from the employee spending will generate additional employment. Total employment generated from the construction of the apartments is projected to reach 290 employees with earnings of \$16.4 million. The total local economic output from construction is projected to reach \$28.7 million.

#### 2.4 Economic Impact - Permanent Impacts from Households

The Project’s permanent economic impact consists of the economic activity generated by resident households and their local spending, along with the commercial development’s employees and expenditures. Total projected rent from the apartments is over \$2.8 million per year (at 97 percent occupancy). The average household income for the residents of the apartments is projected to be \$103,000. The IMPLAN modeling calculates that approximately 68 percent of this income is spent locally generating an economic benefit to the county of \$7.1 million per year. This economic output supports an additional 50 permanent jobs with wages of \$2.3 million.

**Table 2: Permanent Economic Impacts**

Impact Type	Employment	Labor Income	Impact Output
Direct	4	\$124,218	\$287,200
Indirect	1	\$30,819	\$105,148
Induced	45	\$2,152,264	\$6,711,186
Total	50	\$2,307,302	\$7,103,534

Table 3 provides a breakdown of the top 15 local industries that will benefit from the household spending. Local restaurants, retail stores and health care providers and other professionals will benefit greatly from these new households and employees. This new demand for goods and services may lead to additional retail, restaurants and service providers to locate into the area.

**Table 3: Top 15 Industries Benefiting from Apartment Project**

Top Industries Impacted by 301 Apartments	Impact Output
Real Estate	\$1,057,991
Retail - Food and beverage stores	\$411,162
Hospitals	\$405,925
Other real estate	\$360,523
Offices of physicians	\$326,608
Full-service restaurants	\$233,338
Tenant-occupied housing	\$221,536
Limited-service restaurants	\$179,407
Other financial investment activities	\$133,974
Monetary authorities and depository credit intermediation	\$133,816
Electric power transmission and distribution	\$116,222
Retail - General merchandise stores	\$114,567
Funds, trusts, and other financial vehicles	\$107,036
Legal services	\$105,760



### 3.0 Fiscal Impacts of The 301 Apartments

#### 3.1 Overview

The 301 Apartment Project will provide residences for up to 100 households. The fiscal impact analysis looks at the building values and the household and employee populations and calculates how they would impact the current budget by projecting revenues generated for the City and projecting expenditures to be made by the City, based upon the City Budget and demographics.

#### 3.2 Measuring the Fiscal Impact Generated by Project

The primary revenue sources for local governments are taxes on property, purchases, utilities, and fuel. Other revenues and most expenditures result from the day-to-day activities and services provided by the City to the community's residents and employees.

#### 3.3 Taxable Property Values

The taxable property value of The 301 Apartments after buildout, in 2023, is projected to be \$27.9 million. This taxable value will generate about \$191,407 in operating and debt ad valorem tax revenue for the City of Delray Beach (Table 4).

**Table 4: Ad Valorem Taxes on Real Estate**

	Taxable Value	FY 2021 Millage Rate	Ad Valorem
City Operating	\$27,952,055	6.6611	\$186,191
City Debt	\$27,952,055	0.1866	\$5,216
<b>Total</b>			<b>\$191,407</b>

Source: Palm Beach County Property Appraiser, PFM Group Consulting

#### 3.4 Operating Fiscal Impacts – City of Delray Beach

Table 5 provides a summary of the fiscal impacts of The 301 Apartments on the City of Delray Beach's operating budget for 2023, the initial year that the Project will appear on the tax roll. The table also provides projections in five-year increments (yearly details are provided in Appendix Tables 1 and 2). Table 5 shows that the annual operating ad valorem tax payable in 2023 to the City is approximately \$186,191. With modest inflation, the taxable value and ad valorem revenues are projected to increase over time.

The City will also receive other revenues generated by the households and building structure, such as sales tax, franchise fees, excise tax and permit fees. Total annual



revenues flowing from The 301 Apartments to the City are estimated at approximately \$322,487 in 2023, (the first year on the tax roll). Additional details are provided in Appendix Table 2.

**Table 5: Operating Fiscal Impacts Summary – City of Delray Beach**

Year	Total Taxable Value	Ad Valorem	Total Operating Revenue	Total Operating Expenditure	Net Fiscal Impact
2023	\$27,952,055	\$186,191	\$322,487	\$232,897	\$89,590
2025	\$28,796,906	\$191,819	\$357,175	\$282,529	\$74,646
2030	\$31,022,446	\$206,644	\$384,779	\$304,364	\$80,415
2035	\$33,419,985	\$222,614	\$414,516	\$327,886	\$86,630
2040	\$36,002,815	\$239,818	\$446,552	\$353,227	\$93,325
2045	\$38,785,257	\$258,352	\$481,063	\$380,525	\$100,538

Expenditures will be made by the City on behalf of the residents of the 301 Apartments. These expenditures include general government services, police, fire, transportation, etc. and are estimated to be \$232,897 in 2023. These expenditures increase slightly in later years (see Appendix Table 2).

The net fiscal impact is the difference between the revenues generated for the City and the projected expenditures made on behalf of Project’s residents. The 2023 fiscal impact is projected to be a positive \$89,590. The 301 Apartments are projected to have a slightly positive impact on the City’s Operating Budget (General Fund) for the foreseeable future.

**4.0 Methodology**

**4.1 Economic Impact Analysis Methodology**

The economic impact assessment methodology consists of two basic steps.

- 1) Determine the construction expenditures within Palm Beach County and input into the IMPLAN economic impact model.
- 2) Determine the household expenditures within Palm Beach County and input into the IMPLAN economic impact model.

The local construction spending was estimated using the projected construction budget and assumed that 70 percent of these costs were spent within the county.



Total local construction direct economic expenditure was calculated to be \$19.8 million. This spending was input into the IMPLAN “industry change” activity to determine the total economic output.

The household expenditures were calculated using the total annual rent of \$2.0 million. Assuming that rent makes up 28 percent of the household income yields a total income of \$10.3 million. This equates to an average annual income of \$103,741 for the apartment households. This income was input into the IMPLAN “change in household income” activity to determine the total economic output.

#### 4.2 Modified Per Capita Methodology

PFM (formerly Fishkind and Associates, Inc.) has been fiscal modeling for well over 30 years. The Fishkind approach matched that examined in the seminal work by Robert Burchell. The fiscal model used in this analysis is an updated form of the FIAM model. FIAM was developed by Fishkind under contract with the Florida Department of Community Affairs. It was developed as a fiscal model that can be modified for use by any county or municipality. The FIAM model was peer reviewed by the DCA and the Urban Land Institute which was chaired by Burchell. The FIAM model has been adopted by the Florida Legislature as a “safe-harbor methodology”.

A variety of methods exist for quantifying the revenue impacts flowing from a development opportunity such as the one presented here. The approach used in this report is the modified per capita approach. This approach allows one to look at how the project would impact the current operating budget as if it were already complete and part of the city.

The per capita approach involves the calculation of revenues and expenditures using the City Operating Budget (General Fund) and the appropriate population basis (i.e. per person, per employee, per person plus employee, etc.). Ad Valorem and some other fees and tax revenues for the Project are usually calculated directly.

From an economic perspective the per capita approach is equivalent to assuming that average revenue generation applies to the particular situation being evaluated. This is a reasonable assumption in most cases for two reasons. First, local governments must run balanced budgets, so that current costs and current revenues balance and are appropriate for current circumstances. Second, assuming that long run averages apply, this means that any excess capacity is maintained in the various systems and not allocated to the Project. Furthermore, there is nothing peculiar about the location or the type of Project that indicates that per capita parameters estimated from the latest budgets would not be reflective of actual costs and revenues.

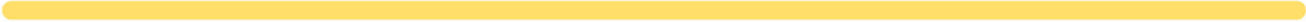




### 4.3 Fiscal Impact Calculations

Property taxes are calculated based upon the taxable property value and the current FY 2021 Millage rates. Projected tax values are based upon the estimated vertical construction value plus the estimated land value and assessed at 85 percent.

Most other revenues and expenditures were made from the per capita methodology and the City's Operating Budget. This analysis assumed a stabilization occupancy of 97 percent. The per capita numbers used are the full-time equivalents (FTE) residents of the apartments and the FTE apartment and retail employees. The revenues and expenditures are calculated by multiplying the FTE residents by the per capita amounts from the City Budget. The Budget revenues and expenditures from the City's General Fund were divided by the FTE City population and the FTE City employment to provide the per capita amount used for each new resident.



# **APPENDIX TABLES**

**Appendix Table 1  
The 301  
Development Impact Summary**

<b><u>(End of Year Totals)</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>
<b>Residential Units</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Resident Households</b> (97% Occupancy)	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Resident Population</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>
	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>
<b><u>Employment</u></b>							
Apartment Mgt. & Maint.	6	6	6	6	6	6	6
Retail / Commercial	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Total Employees</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>
<b><u>Taxable Value</u></b>							
Apartments	\$4,137,587	\$27,583,915	\$27,997,673	\$28,417,638	\$28,843,903	\$29,276,562	\$29,715,710
Retail / Commercial	<u>\$55,221</u>	<u>\$368,141</u>	<u>\$373,663</u>	<u>\$379,268</u>	<u>\$384,957</u>	<u>\$390,731</u>	<u>\$396,592</u>
<b>Total Taxable Value</b>	<b>\$4,192,808</b>	<b>\$27,952,055</b>	<b>\$28,371,336</b>	<b>\$28,796,906</b>	<b>\$29,228,860</b>	<b>\$29,667,292</b>	<b>\$30,112,302</b>
	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>
<b><u>City of Delray Beach</u></b>							
Total Operating Revenues Generated	\$44,372	\$322,487	\$351,897	\$357,175	\$362,533	\$367,971	\$373,490
Total Operating Expenditures Generated	<u>\$27,998</u>	<u>\$232,897</u>	<u>\$278,353</u>	<u>\$282,529</u>	<u>\$286,767</u>	<u>\$291,068</u>	<u>\$295,434</u>
<b>Net Fiscal Impact of Operations</b>	<b>\$16,375</b>	<b>\$89,590</b>	<b>\$73,543</b>	<b>\$74,646</b>	<b>\$75,766</b>	<b>\$76,902</b>	<b>\$78,056</b>
<b>Debt Ad Valorem (not included in Operating)</b>	<b>\$782</b>	<b>\$5,216</b>	<b>\$5,294</b>	<b>\$5,374</b>	<b>\$5,454</b>	<b>\$5,536</b>	<b>\$5,619</b>

**Appendix Table 1  
The 301  
Development Impact Summary**

<b>(End of Year Totals)</b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
<b>Residential Units</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Resident Households</b> (97% Occupancy)	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Resident Population</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>
	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
<b>Employment</b>							
Apartment Mgt. & Maint.	6	6	6	6	6	6	6
Retail / Commercial	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Total Employees</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
<b>Taxable Value</b>							
Apartments	\$30,161,446	\$30,613,867	\$31,073,075	\$31,539,171	\$32,012,259	\$32,492,443	\$32,979,830
Retail / Commercial	<u>\$402,541</u>	<u>\$408,579</u>	<u>\$414,708</u>	<u>\$420,928</u>	<u>\$427,242</u>	<u>\$433,651</u>	<u>\$440,155</u>
<b>Total Taxable Value</b>	<b>\$30,563,986</b>	<b>\$31,022,446</b>	<b>\$31,487,783</b>	<b>\$31,960,100</b>	<b>\$32,439,501</b>	<b>\$32,926,094</b>	<b>\$33,419,985</b>
	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
<b>City of Delray Beach</b>							
Total Operating Revenues Generated	\$379,093	\$384,779	\$390,551	\$396,409	\$402,355	\$408,390	\$414,516
Total Operating Expenditures Generated	<u>\$299,866</u>	<u>\$304,364</u>	<u>\$308,929</u>	<u>\$313,563</u>	<u>\$318,267</u>	<u>\$323,041</u>	<u>\$327,886</u>
<b>Net Fiscal Impact of Operations</b>	<b>\$79,227</b>	<b>\$80,415</b>	<b>\$81,622</b>	<b>\$82,846</b>	<b>\$84,089</b>	<b>\$85,350</b>	<b>\$86,630</b>
<b>Debt Ad Valorem</b> (not included in Operating)	<b>\$5,703</b>	<b>\$5,789</b>	<b>\$5,876</b>	<b>\$5,964</b>	<b>\$6,053</b>	<b>\$6,144</b>	<b>\$6,236</b>

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<b>(End of Year Totals)</b>	<b><u>2036</u></b>	<b><u>2037</u></b>	<b><u>2038</u></b>	<b><u>2039</u></b>	<b><u>2040</u></b>	<b><u>2041</u></b>	<b><u>2042</u></b>
<b>Residential Units</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Resident Households</b> (97% Occupancy)	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Resident Population</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>
	<b><u>2036</u></b>	<b><u>2037</u></b>	<b><u>2038</u></b>	<b><u>2039</u></b>	<b><u>2040</u></b>	<b><u>2041</u></b>	<b><u>2042</u></b>
<b>Employment</b>							
Apartment Mgt. & Maint.	6	6	6	6	6	6	6
Retail / Commercial	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Total Employees</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
	<b><u>2036</u></b>	<b><u>2037</u></b>	<b><u>2038</u></b>	<b><u>2039</u></b>	<b><u>2040</u></b>	<b><u>2041</u></b>	<b><u>2042</u></b>
<b>Taxable Value</b>							
Apartments	\$33,474,527	\$33,976,645	\$34,486,295	\$35,003,589	\$35,528,643	\$36,061,572	\$36,602,496
Retail / Commercial	<u>\$446,758</u>	<u>\$453,459</u>	<u>\$460,261</u>	<u>\$467,165</u>	<u>\$474,172</u>	<u>\$481,285</u>	<u>\$488,504</u>
<b>Total Taxable Value</b>	<b>\$33,921,285</b>	<b>\$34,430,104</b>	<b>\$34,946,556</b>	<b>\$35,470,754</b>	<b>\$36,002,815</b>	<b>\$36,542,857</b>	<b>\$37,091,000</b>
	<b><u>2036</u></b>	<b><u>2037</u></b>	<b><u>2038</u></b>	<b><u>2039</u></b>	<b><u>2040</u></b>	<b><u>2041</u></b>	<b><u>2042</u></b>
<b>City of Delray Beach</b>							
Total Operating Revenues Generated	\$420,734	\$427,045	\$433,451	\$439,952	\$446,552	\$453,250	\$460,049
Total Operating Expenditures Generated	<u>\$332,804</u>	<u>\$337,797</u>	<u>\$342,863</u>	<u>\$348,006</u>	<u>\$353,227</u>	<u>\$358,525</u>	<u>\$363,903</u>
<b>Net Fiscal Impact of Operations</b>	<b>\$87,930</b>	<b>\$89,248</b>	<b>\$90,587</b>	<b>\$91,946</b>	<b>\$93,325</b>	<b>\$94,725</b>	<b>\$96,146</b>
<b>Debt Ad Valorem (not included in Operating)</b>	<b>\$6,330</b>	<b>\$6,425</b>	<b>\$6,521</b>	<b>\$6,619</b>	<b>\$6,718</b>	<b>\$6,819</b>	<b>\$6,921</b>

**Appendix Table 1  
The 301  
Development Impact Summary**

<b>(End of Year Totals)</b>	<b><u>2043</u></b>	<b><u>2044</u></b>	<b><u>2045</u></b>	<b><u>2046</u></b>	<b><u>2047</u></b>
<b>Residential Units</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Resident Households</b> (97% Occupancy)	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Resident Population</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>
	<b><u>2043</u></b>	<b><u>2044</u></b>	<b><u>2045</u></b>	<b><u>2046</u></b>	<b><u>2047</u></b>
<b><u>Employment</u></b>					
Apartment Mgt. & Maint.	6	6	6	6	6
Retail / Commercial	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Total Employees</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
	<b><u>2043</u></b>	<b><u>2044</u></b>	<b><u>2045</u></b>	<b><u>2046</u></b>	<b><u>2047</u></b>
<b><u>Taxable Value</u></b>					
Apartments	\$37,151,533	\$37,708,806	\$38,274,439	\$38,848,555	\$39,431,283
Retail / Commercial	<u>\$495,832</u>	<u>\$503,269</u>	<u>\$510,818</u>	<u>\$518,481</u>	<u>\$526,258</u>
<b>Total Taxable Value</b>	<b>\$37,647,365</b>	<b>\$38,212,076</b>	<b>\$38,785,257</b>	<b>\$39,367,036</b>	<b>\$39,957,541</b>
	<b><u>2043</u></b>	<b><u>2044</u></b>	<b><u>2045</u></b>	<b><u>2046</u></b>	<b><u>2047</u></b>
<b><u>City of Delray Beach</u></b>					
Total Operating Revenues Generated	\$466,950	\$473,954	\$481,063	\$488,279	\$495,603
Total Operating Expenditures Generated	<u>\$369,361</u>	<u>\$374,902</u>	<u>\$380,525</u>	<u>\$386,233</u>	<u>\$392,027</u>
<b>Net Fiscal Impact of Operations</b>	<b>\$97,588</b>	<b>\$99,052</b>	<b>\$100,538</b>	<b>\$102,046</b>	<b>\$103,577</b>
<b>Debt Ad Valorem (not included in Operating)</b>	<b>\$7,025</b>	<b>\$7,130</b>	<b>\$7,237</b>	<b>\$7,346</b>	<b>\$7,456</b>

## Appendix Table 2 The 301 Fiscal Impact Detail

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>Revenues</b>							
Ad Valorem Taxes	\$27,929	\$186,191	\$188,984	\$191,819	\$194,696	\$197,617	\$200,581
Local Option Fuel Taxes	\$408	\$3,382	\$4,042	\$4,103	\$4,165	\$4,227	\$4,291
Utility Taxes, Franchise Fees	\$2,712	\$22,480	\$26,870	\$27,273	\$27,682	\$28,097	\$28,519
Licenses, Permits. Business Taxes	\$3,854	\$31,948	\$38,187	\$38,760	\$39,342	\$39,932	\$40,531
Intragovernmental	\$2,139	\$17,727	\$21,189	\$21,507	\$21,829	\$22,157	\$22,489
Charges for Services	\$3,951	\$32,745	\$39,140	\$39,727	\$40,323	\$40,927	\$41,541
Judgments, Fines and Forfeitures	\$517	\$4,288	\$5,126	\$5,203	\$5,281	\$5,360	\$5,440
Miscellaneous Revenues	<u>\$2,862</u>	<u>\$23,725</u>	<u>\$28,359</u>	<u>\$28,784</u>	<u>\$29,216</u>	<u>\$29,654</u>	<u>\$30,099</u>
<b>Total Revenues</b>	<b>\$44,372</b>	<b>\$322,487</b>	<b>\$351,897</b>	<b>\$357,175</b>	<b>\$362,533</b>	<b>\$367,971</b>	<b>\$373,490</b>
<b>Expenditures</b>							
City Council	\$66	\$543	\$649	\$659	\$669	\$679	\$689
Executive	\$303	\$2,515	\$3,006	\$3,051	\$3,097	\$3,143	\$3,190
Financial and Administrative	\$964	\$7,989	\$9,549	\$9,693	\$9,838	\$9,986	\$10,135
Legal Counsel	\$364	\$3,019	\$3,609	\$3,663	\$3,718	\$3,774	\$3,831
Developmental Services	\$1,225	\$10,154	\$12,137	\$12,319	\$12,504	\$12,692	\$12,882
Other General Government	\$2,530	\$20,970	\$25,065	\$25,441	\$25,823	\$26,210	\$26,604
Law Enforcement	\$9,756	\$80,866	\$96,658	\$98,108	\$99,579	\$101,073	\$102,589
Fire Control	\$6,860	\$56,862	\$67,966	\$68,986	\$70,021	\$71,071	\$72,137
Protective Inspections	\$416	\$3,449	\$4,123	\$4,185	\$4,247	\$4,311	\$4,376
Emergency and Beach Operations	\$526	\$4,362	\$5,214	\$5,293	\$5,372	\$5,453	\$5,534
Sustainability	\$106	\$875	\$1,046	\$1,062	\$1,078	\$1,094	\$1,111
Parking Facilities	\$319	\$2,640	\$3,156	\$3,203	\$3,251	\$3,300	\$3,349
Public Works	\$2,038	\$16,894	\$20,193	\$20,496	\$20,803	\$21,115	\$21,432
Community Services	\$212	\$1,829	\$2,184	\$2,217	\$2,250	\$2,284	\$2,319
Economic Development	\$59	\$491	\$587	\$596	\$605	\$614	\$623
Parks/Recreation/Beaches	<u>\$2,253</u>	<u>\$19,437</u>	<u>\$23,209</u>	<u>\$23,558</u>	<u>\$23,911</u>	<u>\$24,270</u>	<u>\$24,634</u>
<b>Total Expenditures</b>	<b>\$27,998</b>	<b>\$232,897</b>	<b>\$278,353</b>	<b>\$282,529</b>	<b>\$286,767</b>	<b>\$291,068</b>	<b>\$295,434</b>
<b>Net Fiscal Impact</b>	<b>\$16,375</b>	<b>\$89,590</b>	<b>\$73,543</b>	<b>\$74,646</b>	<b>\$75,766</b>	<b>\$76,902</b>	<b>\$78,056</b>

## Appendix Table 2 The 301 Fiscal Impact Detail

	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
<b>Revenues</b>							
Ad Valorem Taxes	\$203,590	\$206,644	\$209,743	\$212,889	\$216,083	\$219,324	\$222,614
Local Option Fuel Taxes	\$4,355	\$4,420	\$4,486	\$4,554	\$4,622	\$4,691	\$4,762
Utility Taxes, Franchise Fees	\$28,946	\$29,380	\$29,821	\$30,269	\$30,723	\$31,183	\$31,651
Licenses, Permits. Business Taxes	\$41,139	\$41,756	\$42,382	\$43,018	\$43,663	\$44,318	\$44,983
Intragovernmental	\$22,827	\$23,169	\$23,516	\$23,869	\$24,227	\$24,591	\$24,959
Charges for Services	\$42,165	\$42,797	\$43,439	\$44,091	\$44,752	\$45,423	\$46,105
Judgments, Fines and Forfeitures	\$5,522	\$5,605	\$5,689	\$5,774	\$5,861	\$5,949	\$6,038
Miscellaneous Revenues	<u>\$30,550</u>	<u>\$31,008</u>	<u>\$31,474</u>	<u>\$31,946</u>	<u>\$32,425</u>	<u>\$32,911</u>	<u>\$33,405</u>
<b>Total Revenues</b>	<b>\$379,093</b>	<b>\$384,779</b>	<b>\$390,551</b>	<b>\$396,409</b>	<b>\$402,355</b>	<b>\$408,390</b>	<b>\$414,516</b>
<b>Expenditures</b>							
City Council	\$699	\$710	\$720	\$731	\$742	\$753	\$765
Executive	\$3,238	\$3,287	\$3,336	\$3,386	\$3,437	\$3,489	\$3,541
Financial and Administrative	\$10,288	\$10,442	\$10,598	\$10,757	\$10,919	\$11,083	\$11,249
Legal Counsel	\$3,888	\$3,946	\$4,005	\$4,066	\$4,127	\$4,188	\$4,251
Developmental Services	\$13,075	\$13,271	\$13,470	\$13,672	\$13,877	\$14,086	\$14,297
Other General Government	\$27,003	\$27,408	\$27,819	\$28,236	\$28,660	\$29,090	\$29,526
Law Enforcement	\$104,128	\$105,690	\$107,275	\$108,885	\$110,518	\$112,176	\$113,858
Fire Control	\$73,219	\$74,317	\$75,432	\$76,564	\$77,712	\$78,878	\$80,061
Protective Inspections	\$4,441	\$4,508	\$4,576	\$4,644	\$4,714	\$4,785	\$4,856
Emergency and Beach Operations	\$5,617	\$5,702	\$5,787	\$5,874	\$5,962	\$6,052	\$6,142
Sustainability	\$1,127	\$1,144	\$1,161	\$1,179	\$1,196	\$1,214	\$1,233
Parking Facilities	\$3,399	\$3,450	\$3,502	\$3,555	\$3,608	\$3,662	\$3,717
Public Works	\$21,754	\$22,080	\$22,411	\$22,747	\$23,088	\$23,435	\$23,786
Community Services	\$2,353	\$2,389	\$2,424	\$2,461	\$2,498	\$2,535	\$2,573
Economic Development	\$632	\$642	\$651	\$661	\$671	\$681	\$691
Parks/Recreation/Beaches	<u>\$25,003</u>	<u>\$25,378</u>	<u>\$25,759</u>	<u>\$26,145</u>	<u>\$26,537</u>	<u>\$26,936</u>	<u>\$27,340</u>
<b>Total Expenditures</b>	<b>\$299,866</b>	<b>\$304,364</b>	<b>\$308,929</b>	<b>\$313,563</b>	<b>\$318,267</b>	<b>\$323,041</b>	<b>\$327,886</b>
<b>Net Fiscal Impact</b>	<b>\$79,227</b>	<b>\$80,415</b>	<b>\$81,622</b>	<b>\$82,846</b>	<b>\$84,089</b>	<b>\$85,350</b>	<b>\$86,630</b>



**Appendix Table 2  
The 301  
Fiscal Impact Detail**

	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>
<b><u>Revenues</u></b>							
Ad Valorem Taxes	\$225,953	\$229,342	\$232,783	\$236,274	\$239,818	\$243,416	\$247,067
Local Option Fuel Taxes	\$4,833	\$4,906	\$4,979	\$5,054	\$5,130	\$5,207	\$5,285
Utility Taxes, Franchise Fees	\$32,126	\$32,608	\$33,097	\$33,593	\$34,097	\$34,609	\$35,128
Licenses, Permits. Business Taxes	\$45,657	\$46,342	\$47,037	\$47,743	\$48,459	\$49,186	\$49,924
Intragovernmental	\$25,334	\$25,714	\$26,100	\$26,491	\$26,888	\$27,292	\$27,701
Charges for Services	\$46,796	\$47,498	\$48,210	\$48,934	\$49,668	\$50,413	\$51,169
Judgments, Fines and Forfeitures	\$6,128	\$6,220	\$6,314	\$6,408	\$6,505	\$6,602	\$6,701
Miscellaneous Revenues	<u>\$33,906</u>	<u>\$34,415</u>	<u>\$34,931</u>	<u>\$35,455</u>	<u>\$35,987</u>	<u>\$36,526</u>	<u>\$37,074</u>
<b>Total Revenues</b>	<b>\$420,734</b>	<b>\$427,045</b>	<b>\$433,451</b>	<b>\$439,952</b>	<b>\$446,552</b>	<b>\$453,250</b>	<b>\$460,049</b>
<b><u>Expenditures</u></b>							
City Council	\$776	\$788	\$800	\$812	\$824	\$836	\$849
Executive	\$3,594	\$3,648	\$3,703	\$3,758	\$3,815	\$3,872	\$3,930
Financial and Administrative	\$11,418	\$11,589	\$11,763	\$11,939	\$12,118	\$12,300	\$12,484
Legal Counsel	\$4,315	\$4,380	\$4,445	\$4,512	\$4,580	\$4,649	\$4,718
Developmental Services	\$14,511	\$14,729	\$14,950	\$15,174	\$15,402	\$15,633	\$15,867
Other General Government	\$29,969	\$30,418	\$30,875	\$31,338	\$31,808	\$32,285	\$32,769
Law Enforcement	\$115,566	\$117,300	\$119,059	\$120,845	\$122,658	\$124,497	\$126,365
Fire Control	\$81,262	\$82,481	\$83,718	\$84,974	\$86,248	\$87,542	\$88,855
Protective Inspections	\$4,929	\$5,003	\$5,078	\$5,154	\$5,232	\$5,310	\$5,390
Emergency and Beach Operations	\$6,234	\$6,328	\$6,423	\$6,519	\$6,617	\$6,716	\$6,817
Sustainability	\$1,251	\$1,270	\$1,289	\$1,308	\$1,328	\$1,348	\$1,368
Parking Facilities	\$3,773	\$3,830	\$3,887	\$3,945	\$4,004	\$4,064	\$4,125
Public Works	\$24,143	\$24,505	\$24,873	\$25,246	\$25,625	\$26,009	\$26,399
Community Services	\$2,612	\$2,651	\$2,691	\$2,731	\$2,772	\$2,814	\$2,856
Economic Development	\$702	\$712	\$723	\$734	\$745	\$756	\$767
Parks/Recreation/Beaches	<u>\$27,750</u>	<u>\$28,166</u>	<u>\$28,588</u>	<u>\$29,017</u>	<u>\$29,452</u>	<u>\$29,894</u>	<u>\$30,343</u>
<b>Total Expenditures</b>	<b>\$332,804</b>	<b>\$337,797</b>	<b>\$342,863</b>	<b>\$348,006</b>	<b>\$353,227</b>	<b>\$358,525</b>	<b>\$363,903</b>
<b>Net Fiscal Impact</b>	<b>\$87,930</b>	<b>\$89,248</b>	<b>\$90,587</b>	<b>\$91,946</b>	<b>\$93,325</b>	<b>\$94,725</b>	<b>\$96,146</b>

**Appendix Table 2  
The 301  
Fiscal Impact Detail**

	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>	<u>2047</u>
<b><u>Revenues</u></b>					
Ad Valorem Taxes	\$250,773	\$254,534	\$258,352	\$262,228	\$266,161
Local Option Fuel Taxes	\$5,364	\$5,445	\$5,526	\$5,609	\$5,693
Utility Taxes, Franchise Fees	\$35,655	\$36,190	\$36,732	\$37,283	\$37,843
Licenses, Permits, Business Taxes	\$50,673	\$51,433	\$52,204	\$52,987	\$53,782
Intragovernmental	\$28,117	\$28,538	\$28,967	\$29,401	\$29,842
Charges for Services	\$51,936	\$52,715	\$53,506	\$54,309	\$55,123
Judgments, Fines and Forfeitures	\$6,802	\$6,904	\$7,007	\$7,112	\$7,219
Miscellaneous Revenues	<u>\$37,630</u>	<u>\$38,195</u>	<u>\$38,768</u>	<u>\$39,349</u>	<u>\$39,940</u>
<b>Total Revenues</b>	<b>\$466,950</b>	<b>\$473,954</b>	<b>\$481,063</b>	<b>\$488,279</b>	<b>\$495,603</b>
<b><u>Expenditures</u></b>					
City Council	\$861	\$874	\$887	\$901	\$914
Executive	\$3,989	\$4,049	\$4,109	\$4,171	\$4,234
Financial and Administrative	\$12,672	\$12,862	\$13,055	\$13,251	\$13,449
Legal Counsel	\$4,789	\$4,861	\$4,934	\$5,008	\$5,083
Developmental Services	\$16,105	\$16,347	\$16,592	\$16,841	\$17,094
Other General Government	\$33,261	\$33,760	\$34,266	\$34,780	\$35,302
Law Enforcement	\$128,260	\$130,184	\$132,137	\$134,119	\$136,131
Fire Control	\$90,188	\$91,541	\$92,914	\$94,308	\$95,722
Protective Inspections	\$5,471	\$5,553	\$5,636	\$5,720	\$5,806
Emergency and Beach Operations	\$6,919	\$7,023	\$7,128	\$7,235	\$7,344
Sustainability	\$1,388	\$1,409	\$1,430	\$1,452	\$1,474
Parking Facilities	\$4,187	\$4,250	\$4,314	\$4,379	\$4,444
Public Works	\$26,795	\$27,197	\$27,605	\$28,019	\$28,439
Community Services	\$2,899	\$2,942	\$2,986	\$3,031	\$3,077
Economic Development	\$779	\$791	\$802	\$814	\$827
Parks/Recreation/Beaches	<u>\$30,798</u>	<u>\$31,260</u>	<u>\$31,729</u>	<u>\$32,205</u>	<u>\$32,688</u>
<b>Total Expenditures</b>	<b>\$369,361</b>	<b>\$374,902</b>	<b>\$380,525</b>	<b>\$386,233</b>	<b>\$392,027</b>
<b>Net Fiscal Impact</b>	<b>\$97,588</b>	<b>\$99,052</b>	<b>\$100,538</b>	<b>\$102,046</b>	<b>\$103,577</b>

## Appendix Table 3 The 301 Fiscal Impact Assumptions

Taxable Assessment Ratio	85%	(from input data)		
Homestead Exemption	\$50,000	(from input data)		
Occupancy Rate	97%			
Permanent Resident Percent	100%			
<u>Millage</u>				
General Fund	6.6611	Mills		
<u>Average Taxable Value:</u>				
Multifamily-Rental Apartments	\$319,721			
Commercial-General	\$130			
Employment - Commercial	600	sq. ft. per employee		
<u>Average Annual Rent</u>				
Efficiency	\$19,800			
1-Bedroom	\$26,400			
2-Bedroom	\$34,800			
3-Bedroom	\$46,800			
<u>Population FTE Data</u>				
Population-Working Residents	12,051	Equivalent Factor	0.7619	Full-Time Equivalent
Population-Non-Working Residents	55,051		1.0000	55,051
Population- Seasonal	199		0.34615	69
Population (peak season)	67,301			64,302
Population (total)	67,102			
(FI Population Studies, 2019)				
City Employment (total)	40,169		0.2381	9,564
(State of Florida ES-202, 2020)				
Persons per Household - Single Family *	2.21			
Persons per Household - Multifamily	1.99			
(ESRI Demographic Summary)				
Annual growth rate of Residential Property Value:	1.5%			
Annual growth rate of Non-Residential Property Value:	1.5%			

# Higher-Density Development

## MYTH AND FACT



**Urban Land  
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# Higher-Density Development

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**A**s this country continues to grow and change, communities are left to figure out where all these new people will live, work, and shop. New markets are emerging for real estate that offers a more convenient lifestyle than is offered by many low-density sprawling communities. New compact developments with a mix of uses and housing types throughout the country are being embraced as a popular alternative to sprawl. At the core of the success of these developments is density, which is the key to making these communities walkable and vibrant.

Unfortunately, in too many communities higher-density mixed-use development is difficult to construct because of zoning and building codes that favor low-density development with segregated uses and because of opposition from the community. This publication looks at several myths surrounding higher-density development and attempts to dispel them with facts to help dismantle the many barriers such developments face.

ULI is proud to have partnered with NMHC—the National Multi Housing Council, Sierra Club, and AIA—the American Institute of Architects on this publication. This convergence of interests highlights the importance each organization has placed on finding a new development pattern that better fits the needs of a growing and changing country.

ULI will continue to provide forums in which all stakeholders can explore and debate issues about growth and development patterns and how properly designed and incorporated density can be used to accommodate new growth. ULI will conduct research, produce well-balanced information, and identify best practices on issues relevant to growth and density. Through these efforts, ULI and its partners hope to play a role in planning a better development pattern for the future.

Harry H. Frampton III  
*Chair*

# Higher-Density Development: Myth and Fact

America's changing population is creating demand for new types of homes, offices, and retail outlets. Better solutions are needed to the challenges created by changing demographics, dwindling natural areas, smog and public health issues, shrinking municipal budgets, and traffic congestion. Communities that answer these challenges will develop into great places to live.

America will add roughly 43 million new residents—that's 2.7 million new residents per year—between now and 2020.<sup>1</sup> America is not only growing but also undergoing dramatic demographic changes. The traditional two-parent household with children is now less than a quarter of the population and getting proportionally smaller. Single-parent households, single-person households, empty nesters, and couples without children make up the new majority of American households, and they have quite different real estate needs.<sup>2</sup> These groups are more likely to choose higher-density housing in mixed-density communities that offer vibrant neighborhoods over single-family houses far from the community core.

The fact is that continuing the sprawling, low-density haphazard development pattern of the past 40 years is unsustainable, financially and otherwise. It will exacerbate many of the problems sprawl has already created—dwindling natural areas and working farms, increasingly longer commutes, debilitating traffic congestion, and harmful smog and water pollution. Local officials now realize that paying for basic infrastructure—roadways and schools, libraries, fire, police, and sewer services—spread over large and sprawling distances is inefficient and expensive.

Most public leaders want to create vibrant, economically strong communities where citizens can enjoy a high quality of life in a fiscally and environmentally responsible manner, but many are not sure how to achieve it. Planning for growth is a comprehensive and complicated process that requires leaders to employ a variety of tools to balance diverse community interests. Arguably, no tool is more important than increasing the density of existing and new communities, which includes support for infill development, the rehabilitation and reuse of existing structures, and denser new development. Indeed, well-designed and well-integrated higher-density development makes successful planning for growth possible.

Density refers not only to high-rise buildings. The definition of density depends on the context in which it is used. In this publication, *higher density* simply means new residential and commercial development at a density that is higher than what is typically found in the existing community. Thus, in a sprawling area with single-family detached houses on one-acre lots, single-family houses on one-fourth or one-eighth acre are considered higher density. In more densely populated areas with single-family houses on small lots, townhouses and apartments are considered higher-density development. For many suburban communities, the popular mixed-use town centers being developed around the country are considered higher-density development.

Most land use professionals and community leaders now agree that creating communities with a mix of densities, housing types, and uses could be the antidote to sprawl when implemented regionally. And across the country, the general public is becoming more informed and engaged in making the tough land use choices that need to be made while understanding the consequences of continuing to grow as we have in the past. Many have also come to appreciate the “place-making” benefits of density and the relationship between higher-density development and land preservation. Media coverage of the topic of growth and development has also evolved. Past media coverage of growth and development issues was often limited to the heated conflicts between developers and community residents. Many in the media are now presenting more thoughtful and balanced coverage, and several editorial boards support higher-density developments in their communities as an antidote to regional sprawl.

Yet despite the growing awareness of the complexity of the issue and growing support for higher-density development as an answer to sprawl, many still have questions and fears related to higher-density development. How will it change the neighborhood? Will it make traffic worse? What will happen to property values? And what about crime? Ample evidence—documented throughout this publication—suggests that well-designed higher-density development, properly integrated into an existing community, can become a significant community asset that adds to the quality of life and property values for existing residents while addressing the needs of a growing and changing population.

Many people’s perception of higher-density development does not mesh with the reality. Studies show that when surveyed about higher-density development, those interviewed hold a negative view. But when shown images of higher-density versus lower-density development, people often change their perceptions and prefer higher density.<sup>3</sup> In a recent study by the National Association of Realtors® and Smart Growth America, six in ten prospective homebuyers, when asked to choose between two communities, chose the neighborhood that offered a shorter commute, sidewalks, and amenities like shops, restaurants, libraries, schools, and public transportation within walking distance. They preferred this option over the one with longer commutes and larger lots but limited options for walking.<sup>4</sup> The 2001 American Housing Survey further reveals that respondents cited proximity to work more often than unit type as the leading factor in housing choice.<sup>5</sup> Such contradictions point to widespread misconceptions about the nature of higher-density development and sprawl. Several of these misconceptions are so prevalent as to be considered myths.

To some degree, these myths are the result of memories people have of the very-high-density urban public housing projects of the 1960s and 1970s that have been subsequently deemed a failure. Somehow, the concept of density became associated with the negative imagery and social problems of depressed urban areas. The reality

is that complex interrelated factors such as the high concentration of poverty and poor educational and employment opportunities combined to doom the public housing projects. Even very-high-density housing can be practical, safe, and desirable. For example, the mixed-income apartments and condominiums or luxury high rises in New York and Chicago—some of the safest and most expensive housing in the country—prove that density does not equal an unsafe environment.

The purpose of this publication is to dispel the many myths surrounding higher-density development and to create a new understanding of density that goes beyond simplistic negative connotations that overestimate its impact and underestimate its value. Elected officials, concerned citizens, and community leaders can use this publication to support well-designed and well-planned density that creates great places and great communities that people love. With the anticipated population growth and continuing demographic and lifestyle changes, consensus is building that creating communities with a mix of densities, housing types, and uses will be both necessary and desirable.

*Higher-Density Development: Myth and Fact* is the sixth in a series of Urban Land Institute myth and fact booklets. The series is intended to clarify misconceptions surrounding growth and development. Other topics covered have included transportation, smart growth, urban infill housing, environment and development, and mixed-income housing.

*Higher-Density Development: Myth and Fact* examines widespread misconceptions related to higher-density development and seeks to dispel them with relevant facts and information. Although the benefits of higher-density development are often understated, so are the detrimental effects of low-density development. The advantages and drawbacks of higher-density development are compared throughout this publication with the alternative of low-density development. In the process, misconceptions regarding low-density development are also addressed.

# MYTH

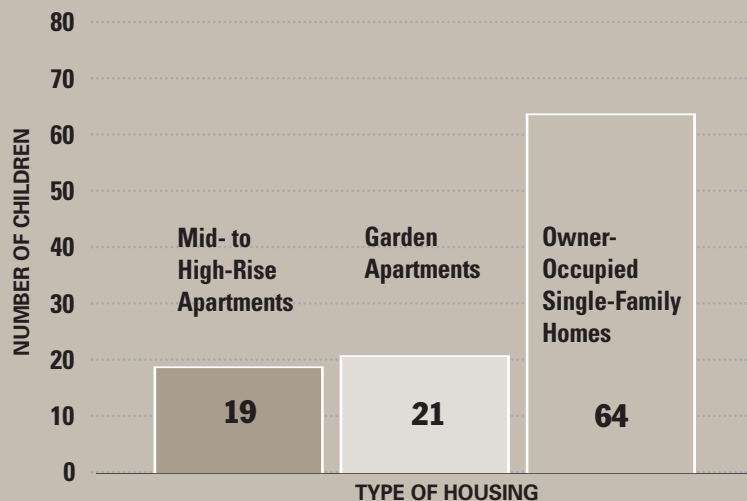
Higher-density development overburdens public schools and other public services and requires more infrastructure support systems.

# FACT

The nature of who lives in higher-density housing—fewer families with children—puts less demand on schools and other public services than low-density housing. Moreover, the compact nature of higher-density development requires less extensive infrastructure to support it.

**P**ublic officials across the country struggle to afford the infrastructure needed to support sprawling development. A recent study analyzing the costs of sprawl estimated that more than \$100 billion in infrastructure costs could be saved over 25 years by pursuing better planned and more compact forms of development.<sup>6</sup> The issue has transcended political parties and ideologies and has become an issue of basic fiscal responsibility. California’s Republican Governor Arnold Schwarzenegger has criticized “fiscally unsustainable sprawl,”<sup>7</sup> while Michigan’s Democratic Governor Jennifer Granholm has noted that sprawl “is hampering the ability of this state and its local governments to finance public facilities and service improvements.”<sup>8</sup>

**NUMBER OF SCHOOL AGE CHILDREN PER 100 UNITS OF NEW HOUSING**



Source: 1999 American Housing Survey (Washington, D.C.: U.S. Bureau of the Census and U.S. Department of Housing and Urban Development, 1999).

Progressive and conservative groups have identified sprawl as a real problem. Charter of the New Urbanism states that “placeless sprawl” is an “interrelated community building challenge.”<sup>9</sup> Conservative groups have concluded that “sprawl is in fact a conservative issue” with “conservative solutions” and that “sprawl was in large part created through government intervention in the economy.”<sup>10</sup>

Indeed, numerous government policies over the last half century have led to and supported sprawl. Historically, federal spending for transportation has subsidized large-scale highway construction over other modes of transportation. Financing policies from the Federal Housing Administration have promoted suburban subdivisions across the nation. Large lot exclusionary zoning has forced the artificial separation of land uses, leading to large distances between employment centers, housing, and retail. But many government agencies now realize they cannot afford to continue providing the infrastructure and public services that sprawl demands.

Not only do local governments absorb much of the cost of more and more roadways, profoundly longer water and electrical lines, and much larger sewer systems to support sprawling development, they must also fund public services to the new residents who live farther and farther from the core community. These new residents need police and fire protection, schools, libraries, trash removal, and other services. Stretching all these basic services over ever-growing geographic areas places a great burden on local governments. For example, the Minneapolis/St. Paul region built 78 new schools in the suburbs between 1970 and 1990 while simultaneously closing 162 schools in good condition located within city limits.<sup>11</sup> Albuquerque, New Mexico, faces a school budget crisis as a result of the need to build expensive new schools in outlying areas while enrollment in existing close-in schools declines.

## P R O F I L E



MCCAFFERY INTERESTS

### The Market Common Clarendon

Located on the site of a former parking lot and occupying roughly ten acres of land, the Market Common in Clarendon, Virginia, just outside Washington, D.C., provides 300 Class A apartments, 87 townhouses, 100,000 square feet of office space, and 240,000 square feet of prime retail space. Located within walking distance of the Orange Line of Washington’s extensive subway system, residents can leave their cars parked while they take public transit to work. They can also walk to a Whole Foods grocery store adjacent to the highly successful development. Prominent national retailers occupy the ground level of the building, and structured parking is provided. The compact development form of the Market Common promotes walking, biking, and using public transit over autos. The apartments are attractive to young professionals without children, lessening the impact on the county’s school system. The project is the result of a successful collaboration of McCaffery Interests, Arlington County officials, and citizens of the Clarendon neighborhood; it has spurred new retail, office, and residential construction on neighboring sites.

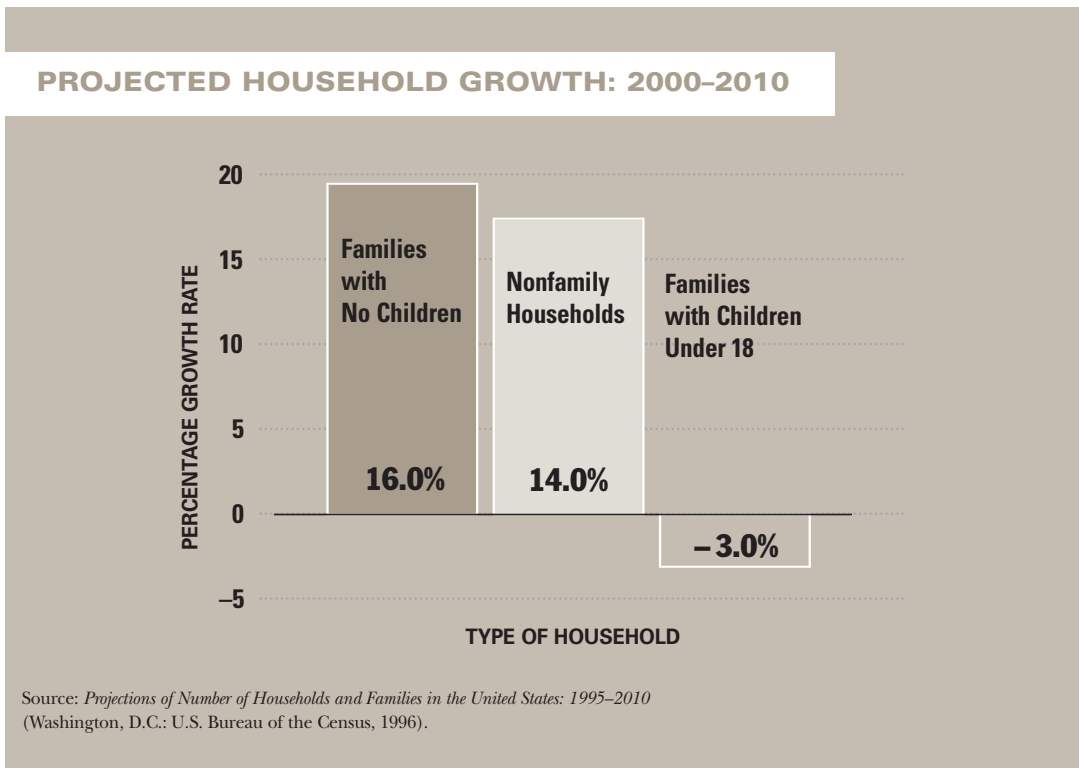
**Located within walking distance of a Washington, D.C., Metro stop, the Market Common provides housing, offices, retail, and restaurants on a ten-acre site that was formerly a parking lot.**

Unfortunately for local governments, a growing body of evidence shows that sprawling development often does not pay enough property tax to cover the services it requires. A study conducted for a suburban community outside Milwaukee found that public services for an average-price single-family house in that community cost more than twice as much as the property taxes paid by the homeowner.<sup>12</sup>

One reason for the disparity between property tax revenue and the cost of public services is expenditures for public schools. Low-density suburbs and exurban areas generally attract families with more school-age children. In fact, single-family developments average 64 children for every 100 units, compared with only 21 children for every 100 units of garden apartments and 19 children for every 100 units of mid- to high-rise apartments.<sup>13</sup> The reason is that multifamily housing attracts predominantly childless couples, singles, and empty nesters.

And although apartment renters do not pay property tax directly, apartment owners do. Apartments are also usually taxed at a higher commercial real estate tax rate,<sup>14</sup> so a typical mixed-use development with retail, office, and apartments may subsidize the schools and other public services required by residents of low-density housing in the same community. This phenomenon is further exacerbated because many multifamily developments and retail and office establishments pay for their own trash disposal, shuttle buses, and security.

Reducing the distance between homes, shops, and offices also reduces the cost of public infrastructure. According to one of many studies, “The public capital and operating costs for close-in, compact development [are] much lower than they [are] for fringe, scattered, linear, and satellite development.”<sup>15</sup> And many of these studies do not take into account the advantages created by making public transit





more feasible as well as making delivery of basic services like mail delivery, trash collection, and police and fire protection more efficient.

Another emerging body of research suggests that higher-density development is an important component of economic development initiatives and helps attract new employers. “Information economy” is a term used to define the growing industries based on the economics of the Internet, information goods, and intellectual property. Workers in this field are known as “knowledge workers,” and many believe they are the future of the American economy. These workers are comfortable with the latest technology and, because their skills are transferable, choose their jobs based on the attributes of the town or city where they are located. They seek out vibrant, diverse urban centers that offer access to technology, other knowledge workers, and lifestyle.<sup>16</sup>

The economic development game has changed. Employers now follow the workers rather than the other way around. Therefore, communities that focus on providing a high quality of life with the energy and vitality created by urban centers will be much more likely to attract these highly prized, talented, and productive workers than communities of faceless sprawl. Companies that understand the appeal of these communities are making relocation decisions with these workers in mind. Studies have shown that increasing employment density increases labor productivity, generally by reducing commuting times.<sup>17</sup>

Thus, introducing higher-density projects into a community will actually increase that community’s revenue without significantly increasing the infrastructure and public service burdens. Blending apartments into low-density communities can help pay for schools without drastic increases in the number of students. Diversifying housing options and adding amenities like shops and offices close by will improve the quality of life and attract businesses and people that will strengthen the community’s economic stability. Increasing density provides a real economic boost to the community and helps pay for the infrastructure and public services that everybody needs.

## PROFILE

### Highlands’ Garden Village

Built on the site of the Elitch Gardens amusement park in Denver, Highlands’ Garden Village is a walkable, transit-linked community and a financially viable model for environmentally responsible infill development. New York–based developer Jonathan Rose & Companies developed single-family homes, townhouses, seniors’ and multifamily apartments, cohousing, offices, and retail space on the site. At the center, a historic theater and carousel from the original amusement park are being transformed



JONATHAN ROSE & COMPANIES

**Highlands’ Garden Village reuses some structures from the amusement park previously located on the site. The compact development, combined with a variety of uses and housing types, uses public infrastructure more efficiently than low-density sprawling development.**

into a community performing arts center and a walking labyrinth. Berkeley, California–based Calthorpe Associates designed a plan that put new homes on three sides of a square-shaped village and a commercial “main street” on the fourth. Restaurants, studios, and shops line the street with live/work townhouses and offices above, giving residents the opportunity to live, work, and shop in the same community. The proximity of amenities, location near downtown, and convenience of public bus lines encourage people to walk and reduce travel costs.



# MYTH

Higher-density developments lower property values in surrounding areas.

# FACT

No discernible difference exists in the appreciation rate of properties located near higher-density development and those that are not. Some research even shows that higher-density development can increase property values.

**T**he precise value of real estate is determined by many factors, and isolating the impact of one factor can be difficult. Although location and school district are the two most obvious determining factors of value, location within a community and size and condition of the house also affect value. Several studies have examined whether multifamily housing has any impact on the value of nearby single-family detached houses. These studies have shown either no impact or even a slightly positive impact on appreciation rates.

## PROFILE



HAILE PLANTATION CORPORATION

### Haile Plantation

Haile Plantation is a Gainesville, Florida, icon. Although it is denser than surrounding communities, the values of homes in Haile Plantation are often higher than the values of houses in neighboring lower-density communities, because the traditional neighborhood design employed there makes Haile Plantation more desirable and valuable. Beginning with the master plan in 1979, Haile Plantation has been called one of the first new urbanist communities in the country. Developers Bob Rowe and Bob Kramer in conjunction with the Haile Plantation Corporation developed the 1,700-acre site to include more than 2,700 units, ranging from single-family homes to townhouses and garden apartments. The sense of community has only grown with the expansion of the development to include a town center, a village green, trails, civic uses, and offices. Indeed, it is density and diversity that together add value to this popular Florida community.

**Homes in Haile Plantation sell for more than neighboring homes because prospective buyers view the traditional neighborhood design as a valuable and desirable amenity.**

For instance, one study by the National Association of Home Builders looked at data from the American Housing Survey, which is conducted every two years by the U.S. Census Bureau and the Department of Housing and Urban Development. It found that between 1997 and 1999, the value of single-family houses within 300 feet of an apartment or condominium building went up 2.9 percent a year, slightly higher than the 2.7 percent rate for single-family homes without multifamily properties nearby.<sup>18</sup>

Another study, commissioned by the Family Housing Fund in Minnesota, studied affordable apartments in 12 Twin Cities neighborhoods and found “little or no evidence to support the claim that tax-credit family rental developments in [the] study eroded surrounding home values.”<sup>19</sup> And a long-term study by Harvard University’s Joint Center for Housing Studies published in 2003 also confirms that apartments pose no threat to nearby single-family house values, based on U.S. Census data from 1970 to 2000.<sup>20</sup>

Not only is there compelling evidence that increased density does not hurt property values of nearby neighbors: researchers at Virginia Tech University have concluded that over the long run, well-placed market-rate apartments with attractive design and landscaping actually increases the overall value of detached houses nearby.<sup>21</sup> They cite three possible reasons. First, the new apartments could themselves be an indicator that an area’s economy is vibrant and growing. Second, multifamily housing may increase the pool of potential future homebuyers, creating more possible buyers for existing owners when they decide to sell their houses. Third, new multifamily housing, particularly as part of mixed-use development, often makes an area more attractive than nearby communities that have fewer housing and retail choices.<sup>22</sup>

## P R O F I L E

### Echelon at Lakeside

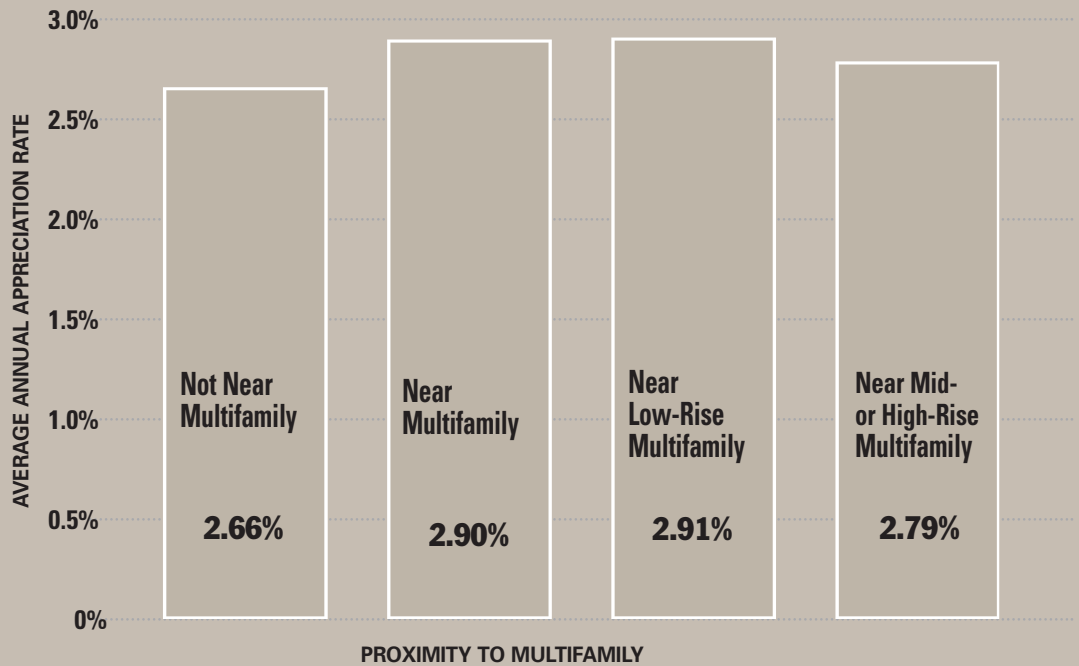
Echelon at Lakeside is the only multifamily development in an upscale, master-planned single-family suburban neighborhood of Lakeside on Preston in Plano, Texas a suburb of Dallas. Florida-based developers Echelon Communities, LLC, overcame initial community opposition from area residents through high-quality innovative design. The award-winning architecture blends seamlessly with the surrounding neighborhood’s traditional style. Larger-than-normal floor plans, individual entries, and attached garages combine to mirror the grand



**The award-winning apartments at Echelon at Lakeside were designed to blend with the neighboring luxury homes.**

estates in the surrounding communities. Although street elevations make the buildings appear to be one single-family home, they actually house several multifamily units. Memphis-based architects Looney Ricks Kiss used five building types and three building styles. All units include high-quality interior finishes; community amenities include a resort-style pool, fitness facility, clubroom, business and conference center, and full-time concierge.

**AVERAGE ANNUAL APPRECIATION FOR SINGLE-FAMILY DETACHED HOMES BY NEARNESS TO MULTIFAMILY BUILDINGS**



Source: NAHB computations based on data in the *American Housing Survey: 1997 and 1999* (Washington, D.C.: U.S. Bureau of the Census and U.S. Department of Housing and Urban Development, 1997 and 1999).

Concerned citizens should use the entitlement process to demand high-quality development in their communities while understanding that density and adjacent property values are not inversely related. Higher-density real estate developers and investors in higher-density real estate need to appreciate the fact that most Americans’ wealth is held in their home equity. Therefore, changes in property values can have very real consequences to existing property owners. Likewise, homeowners would benefit from knowing that developers make a substantial financial commitment when investing in new higher-density projects. This investment is an incentive to make the project successful, which can give the community leverage in working with the developer. Such interrelated and overlapping economic interests among these stakeholders make it all the more likely that a mutually beneficial agreement can be reached. Such an agreement can result in a project that enhances the existing community, ensures the appreciation of residents’, developers’, and the local government’s financial interests, and addresses the needs of current and future residents of the community and region.

# 3 MYTH 3 FACT

Higher-density development creates more regional traffic congestion and parking problems than low-density development.

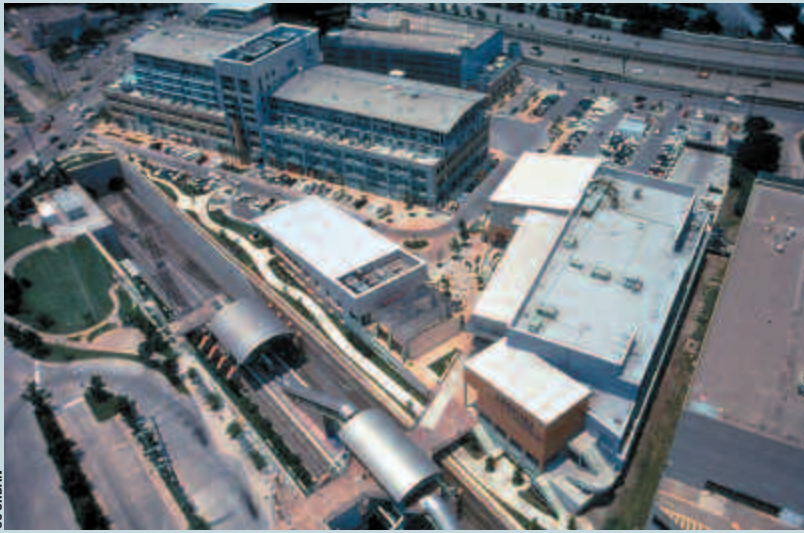
Higher-density development generates less traffic than low-density development per unit; it makes walking and public transit more feasible and creates opportunities for shared parking.

**M**ost people assume that higher-density development generates more traffic than low-density development and that regional traffic will get worse with more compact development. In fact, the opposite is true. Although residents of low-density single-family communities tend to have two or more cars per household, residents of high-density apartments and condominiums tend to have only one car per household.<sup>23</sup> And according to one study using data from the National Personal Transportation Survey, doubling density decreases the vehicle miles traveled by 38 percent.<sup>24</sup>

## PROFILE

### Mockingbird Station

The residents of Mockingbird Station in Dallas, Texas, are far less dependent on their cars, because they have a whole host of amenities at their doorstep. Dallas developer Ken Hughes partnered with Denver-based Simpson Housing Group to create the ten-acre pedestrian-oriented urban village, which includes 216 loft apartments, an eight-screen film center and café, more than 90 shops and restaurants, offices, an enclosed public plaza, and parking, all directly linked to the Dallas Area Rapid Transit (DART) light-rail system. Mockingbird Station provides direct platform access to DART trains, which offer residents an eight-minute commute to Dallas's central business district and a single train connection to the Dallas Convention Center, Reunion Arena, and other downtown entertainment. The new village is also immediately adjacent to the campus of Southern Methodist University and within walking distance of the university's new stadium and sports center. RTKL created architecture reminiscent of historic train stations but with a modern twist to the materials and detailing. Although only limited driving is necessary, a parking garage is provided but placed out of sight and underground. The myriad materials, architectural styles, and amenities create a vibrant transit-oriented community.



**Residents of Mockingbird Station can leave their cars in the garage and take an eight-minute train ride to downtown Dallas; they can also walk to shops, offices, and a movie theater.**



The reason is that higher-density developments make for more walkable neighborhoods and bring together the concentration of population required to support public transportation. The result is that residents in higher-density housing make fewer and shorter auto trips than those living in low-density housing.<sup>25</sup> Condominium and townhouse residents average 5.6 trips per day and apartment dwellers 6.3 car trips per day, compared with the ten trips a day averaged by residents of low-density communities. (A trip is defined as any time a car leaves or returns to a home.)

Increasing density can significantly reduce dependency on cars, but those benefits are even greater when jobs and retail are incorporated with the housing. Such mixed-use neighborhoods make it easier for people to park their car in one place and accomplish several tasks, which not only reduces the number of car trips required but also reduces overall parking needs for the community. But if retail uses are to survive, they must be near households with disposable income. Having those households within walking distance of the shops builds in a market for the stores. One study indicates that in some markets, 25 to 35 percent of retail sales must come from housing close to shops for the shops to be successful.<sup>26</sup>

PROFILE

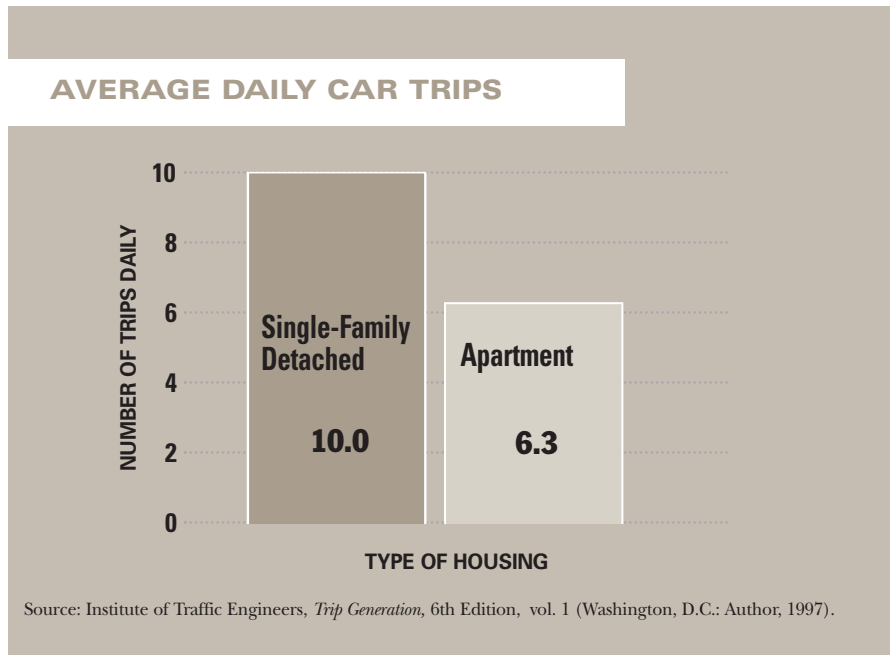
Southwest Station

The Southwest Metro Transit Commission is a small suburban bus system near Minneapolis that serves downtown Minneapolis and numerous other employment and recreation centers, including Minnesota Twins baseball games. The American Public Transportation Association calls it the “best small system in the country.” In an effort to capitalize and expand on the success of the system, the commission has encouraged transit-oriented development at its bus stops. In Eden Prairie, Minnesota, the commission completed a bus depot and five-story parking garage on 22 acres of excess right-of-way. In 2001, it started selling land around the transit complex for retail and residential development. Restaurants, shops, and more than 250 apartments, condominiums, and townhouses soon followed. The new development generated revenue for the commission, new public transit riders, affordable convenient housing, and a suburban lifestyle with the amenities usually afforded only to city dwellers.



The Southwest Metro Transit Commission in suburban Minneapolis runs an award-winning bus system and has encouraged higher-density development around transit stops, like this one at Southwest Station in Eden Prairie, Minnesota.

With a typical family now making more car trips for family, personal, social, and recreational reasons than for commuting to work,<sup>27</sup> reducing the number of noncommuting trips takes on greater importance in the battle to reduce traffic congestion and parking problems. A case study in Washington, D.C., found that workers in dense downtown Washington made 80 percent of their mid-day trips by foot while suburban workers made 67 percent of their mid-day trips by car.<sup>28</sup> Although a suburban office park would never reach the density levels of a downtown area, planners can still reduce the auto dependency of suburban office workers by using some of the same design techniques. Concentrating density around



suburban offices, allowing and encouraging retail and restaurants in and near the offices, and planning for pedestrian and bike access can all reduce the number of lunchtime car trips required by office workers.

Higher-density mixed-used developments also create efficiencies through shared parking. For example, office and residential uses require parking at almost exact opposite times. As residents leave for work, office workers return, and vice versa. In addition, structured parking becomes feasible only with higher-density developments.

Higher-density development also makes public transit more feasible. When a community that includes residences, shops, and offices reaches a certain threshold of density, public transit-shuttles, bus service, trams, or light rail becomes an option for residents. It is estimated that a minimum density of seven dwelling units per acre is needed to make local bus service feasible with an intermediate level of service.<sup>29</sup> Light rail needs a minimum density of nine dwelling units per acre to be feasible.<sup>30</sup> When a community can take advantage of these options and increase the transportation choices for residents, relief is greater as total car dependency is further broken. Such choices are impossible for low-density developments.

# MYTH

Higher-density development leads to higher crime rates.

# FACT

The crime rates at higher-density developments are not significantly different from those at lower-density developments.

People sometimes associate density with crime, even though numerous studies show that no relationship exists between the two. A study in Irving, Texas, using geographic information systems and crime statistics, found no link between crime and density. In fact, it found that single-family neighborhoods are “not all associated with lower crime rates.”<sup>31</sup> Another study conducted by the University of Alaska found no relationship between housing density and crime in Anchorage.<sup>32</sup>

## PROFILE

### Westminster Place

Although today Westminster Place is a thriving, safe community in midtown St. Louis, it was not always the case. The area, approximately 90 acres, was well known by the St. Louis police department for its high rate of violent crime, which led to the area’s becoming blighted. McCormack Baron Salazar, a St. Louis-based developer, brought the community back through the addition of higher-density mixed-income housing comprising affordable and market-rate units. The master plan included for-sale and rental housing, garden apartments, townhouses, single-family homes, and even an assisted living facility for seniors. A new community pool, a bustling retail center, and a magnet school are included as well. The new plan slowed traffic through the community, added landscaping and street and parking lot lighting, and new “eyes on the street,” making it more difficult for criminals to go unnoticed. The area blossomed into a place where people once again feel safe walking. The success of the community spurred the revitalization of surrounding areas.



MCCORMACK BARON SALAZAR

**Increasing the housing density, adding some market-rate housing, and developing a design that slowed traffic and added additional lighting changed Westminster Place from a crime-ridden neighborhood to a thriving, safe community.**

PROFILE

East Village

East Village is a small urban revitalization project on the edge of downtown Minneapolis. Before the project was built, the neglected 2.9-acre site contained several deteriorating rental homes, old commercial buildings, and abandoned surface parking lots. The neighborhood wanted to improve the area and the image of one of the city’s oldest neighborhoods, Elliot Park. The developers of the project, Central Community Housing Trust and East Village Housing Corporation, developed the new mixed-income housing and commercial community to encourage a sense of community and ownership. East Village now features community green space, pedestrian paths, and neighborhood businesses. Buildings surround the greenway that leads to Elliot Park, a city park with year-round activities and a community center. Brick, bay windows, and French balconies complement historic buildings in the area. In addition, all buildings have multiple entrances to encourage interaction among neighbors. An underground 350-space parking garage frees up space for landscaped areas. This once neglected area has won two awards for innovation and design and become an exceedingly successful vibrant and safe community.



CENTRAL COMMUNITY HOUSING TRUST

The additional “eyes on the street” created by the development of East Village in Minneapolis has led to a safer vibrant community.



Arizona researchers found that when police data are analyzed per unit, apartments actually create less demand for police services than a comparable number of single-family houses. In Tempe, Arizona, a random sample of 1,000 calls for service showed that 35 percent originated from single-family houses and just 21 percent came from apartments. Similarly, a random sample of 600 calls for service in Phoenix, Arizona, found that an apartment unit's demand for police services was less than half of the demand created by a single-family house.<sup>33</sup>

One reason for the misperception that crime and density are related could be that crime reports tend to characterize multifamily properties as a single "house" and may record every visit to an apartment community as happening at a single house. But a multifamily property with 250 units is more accurately defined as 250 houses. To truly compare crime rates between multifamily properties and single-family houses, the officer would have to count each household in the multifamily community as the equivalent of a separate single-family household. When they do so, many find what the previous studies prove: that crime rates between different housing types are comparable.

Higher-density developments can actually help reduce crime by increasing pedestrian activity and fostering a 24-hour community that puts more "eyes on the street"<sup>34</sup> at all times. Many residents say they chose higher-density housing specifically because they felt more secure there; they feel safer because there are more people coming and going, making it more difficult for criminals to act without being discovered. This factor could explain why a ULI study of different housing types in Greenwich, Connecticut, shows that higher-density housing is significantly less likely to be burglarized than single-family houses.<sup>35</sup> The relationships among design, management, and security became better understood in the past few decades with the publication of several seminal works, including *Defensible Space: Crime Prevention through Urban Design* by Oscar Newman<sup>36</sup> and *Fixing Broken Windows: Restoring Order and Reducing Crime in our Communities* by George Kelling and Catherine Coles.<sup>37</sup> Many new higher-density developments include better lighting plans and careful placement of buildings and landscaping to reduce opportunities for crime, contributing to a safer community.

With the emergence of better-quality designs, higher-density mixed-use development is an attractive and safe addition to a community, one that is increasingly attracting a professional constituency seeking safety features. In fact, the luxury segment is one of the fastest-growing components of the multifamily industry.<sup>38</sup>

# 5 MYTH FACT

Higher-density development is environmentally more destructive than lower-density development.

Low-density development increases air and water pollution and destroys natural areas by paving and urbanizing greater swaths of land.

**L**ow-density sprawl takes an enormous toll on our air, water, and land. The United States is now losing a staggering 2 million acres of land a year to haphazard, sprawling development.<sup>39</sup> More than 50 percent of Americans live in places where the air is unhealthy to breathe,<sup>40</sup> and childhood asthma and other respiratory diseases are on the rise.<sup>41</sup> Almost half the damage to our streams, lakes, and rivers is the result of polluted runoff from paved surfaces.<sup>42</sup>

It is inefficient land use, not economic growth, that accounts for the rapid loss of open space and farms. Since 1994, housing lots larger than ten acres have accounted for 55 percent of the land developed.<sup>43</sup> This loss of land often causes unexpected economic challenges for rural communities, where farmland, forests, rangeland, and open space tend to be the economic drivers that attract businesses, residents, and tourists. Low-density sprawl compromises the resources that are the core of the community's economy and character. The majority of American homeowners think it is important to stop these trends. In fact, 76 percent of local ballot initiatives related to land conservation passed in November 2004, making \$2.4 billion in funding available for protection of parks and open space.<sup>44</sup> But purchasing land is only part of the solution and not always an option for financially strapped governments.

Higher-density development offers the best solution to managing growth and protecting clean air and clean water. Placing new development into already urbanized areas that are equipped with all the basic infrastructure like utility lines, police and fire protection, schools, and shops eliminates the financial and environmental costs of stretching those services farther and farther out from the core community. Compact urban design reduces driving and smog and preserves the natural areas that are assets of the community: watersheds, wetlands, working farms, open space, and wildlife corridors. It further minimizes impervious surface area, which causes erosion and polluted stormwater runoff. Two studies completed for the state of New Jersey confirm that compact development can achieve a 30 percent reduction in runoff and an 83 percent reduction in water consumption compared with conventional suburban development.<sup>45</sup>

PROFILE

### Prairie Crossing

The developers of Prairie Crossing, George and Vicky Ranney, saved \$1 million in infrastructure costs through environmentally sensitive design. The 677-acre conservation community is located in Grayslake, Illinois, 40 miles northwest of Chicago and one hour south of Milwaukee. The community features 350 acres of open space, including 160 acres of restored prairie, 158 acres of active farmland, 13 acres of wetlands, a 22-acre lake, a village green, and several neighborhood parks. Houses are sited to protect natural features such as hedge-rows, native habitat, and wetlands. Designed with colors and architecture inspired by the landscape, every home has a view of open space and direct access to ten miles of on-site walking and biking trails. Wide sidewalks, deep front porches, and rear garages encourage neighbors to meet. The homes were built with U.S. Department of Energy–approved green building techniques. As a result, they are 50 percent more energy efficient than other homes in the Chicago area, and they sell for a 33 percent sales premium. Station Village is the last phase of Prairie Crossing. When complete, it will include residential, retail, and office space, all within walking distance of two commuter train stations. Residents can ride Metra’s North Line to Chicago’s Union Station or the Central Line to downtown Chicago and O’Hare Airport.

**More than half the land at Prairie Crossing was preserved as open space, and homes were built with approved green building techniques.**



PRAIRIE CROSSING



PROFILE

**The Preserve**

USS Real Estate originally held a 550-acre tract of land in Hoover, Alabama, but sold 250 acres to the city, intending to create the Moss Rock Nature Preserve. The 680 single-family homes, 50,000 square feet of retail, and 50,000 square feet of office space are concentrated on the remaining 311-acre site. Before development of the Preserve, Hoover was characterized by sprawling conventional development and lacked a town center. The Preserve's future town center is planned to include 34 live/work units, 14 retail units, and two restaurants: at the heart of the community is the village green, an impressive eight-acre park with a town hall, a fitness center, a junior olympic swimming pool, and a kiddie pool. Residents have access to 15 acres of parks and seven miles of trails that connect to award-winning Hoover schools and the newly created Moss Rock preserve.

**Clustering development at the Preserve in Hoover Alabama, enabled the creation of the 250-acre Moss Rock Nature Preserve.**



USS REAL ESTATE

Many communities employ techniques such as infill and brownfield development to transform unused, abandoned lots into vibrant, revenue-generating components of the community. Some create direct incentives for higher-density development. The city of Austin, Texas, for example, created a program that rewards developers for locating projects in the city's existing neighborhoods and downtown. Others award points for a variety of attributes, such as transit access, the redevelopment of empty lots, and an increase in pedestrian facilities. By employing standards for factors like open space, dense development, and impact on water quality, communities can facilitate good urban design that preserves natural resources.

Although a well-designed higher-density community offers residents a higher-quality environment, poorly planned sprawl does the opposite. Because low-density sprawl gobbles up so much land through large-lot zoning, it ends up destroying the very thing most people moved there for in the first place—the natural areas and farmland. It forces people to drive longer distances, increasing regional air quality problems. The average American man spends 81 minutes behind the wheel every day, while women average 63 minutes. And surveys show that the time spent driving has been consistently increasing every year.<sup>46</sup> The national road network, currently at 4 million miles according to the U.S. Department of Transportation, is still growing at an alarming rate, mainly for the purpose of connecting new low-density suburbs back to core communities. Along with the water and air pollution, construction of these highways perpetuates the cycle of sprawl, fragments wildlife habitats, and dries up a community's financial coffers.

Increasing density not only improves air and water quality and protects open space but also redirects investments to our existing towns and cities. It can revitalize existing communities and create more walkable neighborhoods with access to public transit and hiking and biking trails. Pedestrian-friendly higher-density developments offer general health benefits as well. Mixed land uses give people the option to walk and bike to work, shops, restaurants, and entertainment. The convenience of compact communities may help fight diseases related to obesity.<sup>47</sup> Higher-density communities are vital to preserving a healthy environment and fostering healthy lifestyles.

# MYTH

Higher-density development is unattractive and does not fit in a low-density community.

# FACT

Attractive, well-designed, and well-maintained higher-density development attracts good residents and tenants and fits into existing communities.

**H**igher-density development comes in many forms. Some of the most attractive well-planned modern development is built at a high density. Across America, appealing higher-density mixed-use town centers have been wildly popular with the public. Lushly landscaped boulevards, fountains, and showcase architecture have created a sense of place in areas previously known only for faceless, uninteresting low-density development. The enduring appeal

## PROFILE

### Post Riverside

Atlanta is often called the poster child for suburban sprawl. However, it is also the home of Post Riverside, a revolutionary new mixed-use pedestrian-oriented community developed by Atlanta-based Post Properties, Inc., and located on the banks of the Chattahoochee River between Atlanta's bustling Buckhead and Vinings communities. As is the trend nationally, 65 percent of all vehicle trips in Atlanta are to run errands, not to commute to work. With offices, shops, and restaurants within walking distance of the apartments, Post Riverside residents depend on autos much less than their neighbors in lower-density areas. In addition, the community is connected to Atlanta's MARTA subway system and the Cobb County transit system. This award-winning 85-acre mixed-use development includes 25,000 square feet of retail space, 225,000 square feet of office space, and 535 apartments, all designed around a gracious town square. For many people, this amenity-rich, low-maintenance lifestyle better suits their needs than a traditional single-family home in a low-density neighborhood.



POST PROPERTIES, INC. PHOTOGRAPH ©STEVE HINDS

**Post Riverside in Atlanta demonstrates that higher-density development can be attractive and successful in a community known for lower-density development.**



and desirability of older and more gracious higher-density neighborhoods—Georgetown in Washington, D.C., Beacon Hill and Back Bay in Boston, and Lincoln Park in Chicago—attest to the fact that some of the more desirable neighborhoods in America historically have been of higher density than that found in typical outer suburbs.

This return to the design principles of the past is at the core of the new urbanist movement that took hold in the 1990s. The movement grew as many people came to miss the sense of community that was created by the mixed-density and mixed-use communities of the past. They realized that low-density subdivisions isolated their owners not only from pedestrian access to shops and offices but also from their neighbors. The growing sense of social alienation, highlighted in books like Robert Putnam's *Bowling Alone*,<sup>48</sup> has led many back to the comfort of communities that are a reminder of the places where many of us grew up. These new communities combine the best design ideas of the past with the modern conveniences of today to provide residents with what has been missing from many sprawling areas—a sense of community.

Today's developers, architects, and planners know that to attract customers and to secure zoning approvals and community acceptance, they must produce attractive and innovative properties that complement their surroundings. Design professionals are driven to produce projects that meet users' demands, understand and respond to the context of a site, enhance its neighborhood, and are built to last.<sup>49</sup> In fact, attendance at a recent American Institute of Architects-sponsored conference on density far surpassed expectations, speaking to the interest among land use professionals in addressing the design issues associated with density.<sup>50</sup>

It is plausible that the high level of citizens' opposition to density may be based on an outdated notion of what higher-density development looks like. A University of North Carolina study revealed that when given a choice between two attractively designed communities, one higher density and the other low density; the majority preferred the higher-density option.<sup>51</sup> Other visual preference surveys confirm that there is an almost universal negative reaction to the visual appearance of commercial strip sprawl and an almost universal positive reaction to traditional town-like communities of the past, communities that almost invariably included a mix of densities and uses.<sup>52</sup>

## P R O F I L E

### The Plaza at the Arboretum

This award-winning mixed-use project in Santa Monica, California, developed by California-based Legacy Partners, achieves a density of 97.5 dwelling units per acre. The attractive seven-story building includes 10,000 square feet of retail space and 350 apartment units ranging from 612 to 1,555 square feet. The architecture firm Meeks and Partners used strong geometric forms to create a playful architectural character that fits nicely in the avant-garde Hollywood studio section of Santa Monica. The development includes a swimming pool, spa, fitness center, and clubhouse.



**Higher-density developments like the Plaza at the Arboretum present opportunities to create outstanding award-winning architecture.**

# MYTH

No one in suburban areas wants higher-density development.

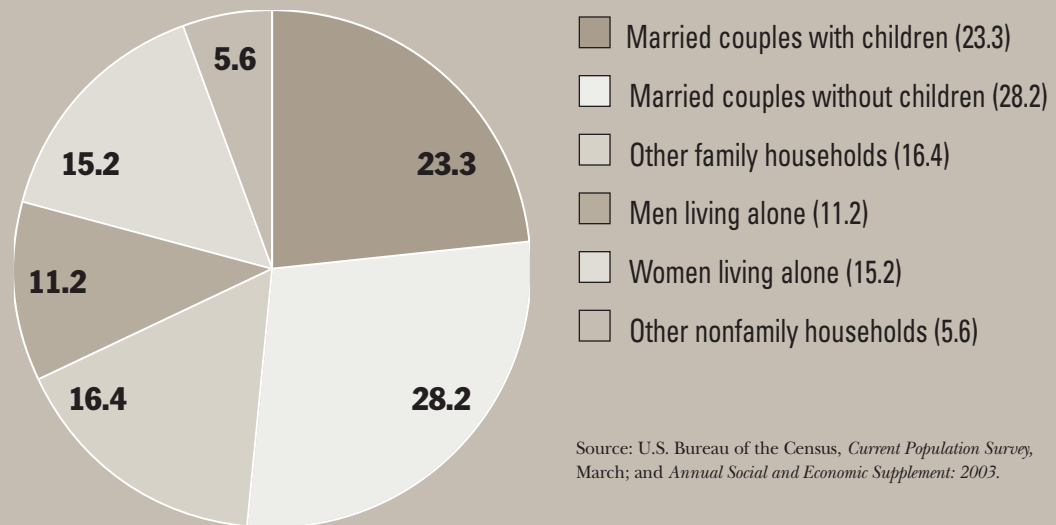
# FACT

Our population is changing and becoming increasingly diverse. Many of these households now prefer higher-density housing, even in suburban locations.

**W**hen many of us think of the American Dream, we envision married couples with children living in single-family detached houses in the suburbs. The notion is that the only people who want to live in higher-density areas are those who cannot afford a traditional house with a back yard or who want to live in the middle of the city. Both perceptions are flawed.

This country's population is changing, and so are its real estate preferences. These lifestyle changes have significant implications for suburban development. For the first time, there are more single-person households (26.4 percent) than married-

HOUSEHOLDS BY TYPE: 2003 (PERCENTAGE OF TOTAL)



Source: U.S. Bureau of the Census, *Current Population Survey*, March; and *Annual Social and Economic Supplement: 2003*.



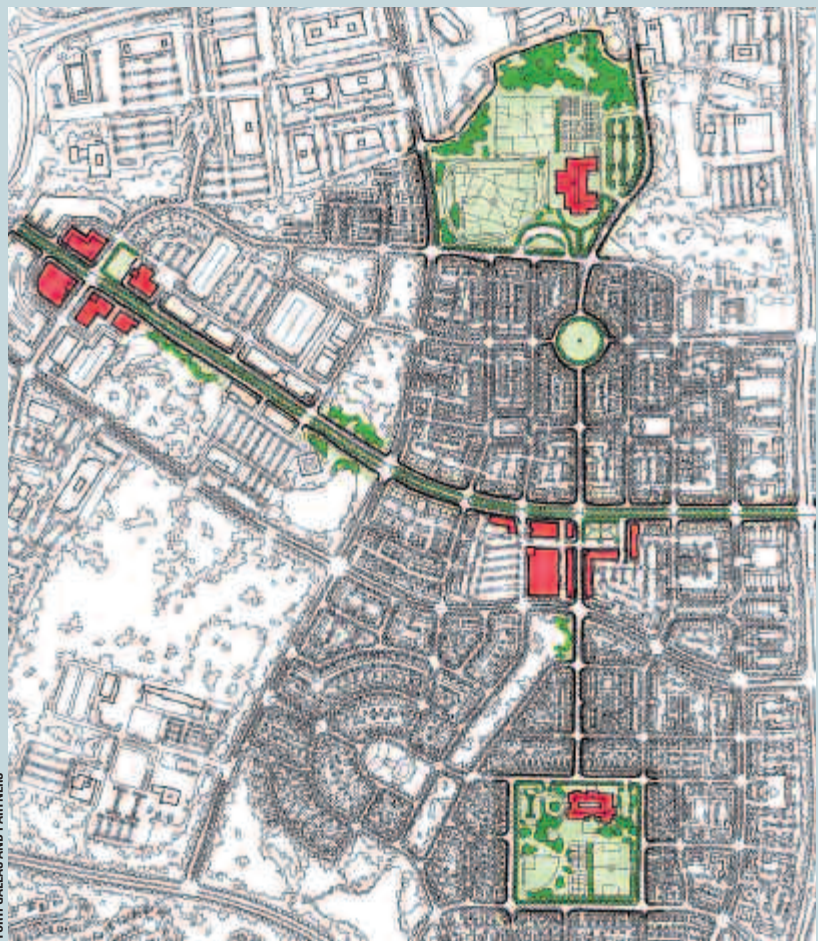
couple-with-children households (23.3 percent).<sup>53</sup> The groups growing the fastest, people in their mid-20s and empty nesters in their 50s, are the groups most likely to look for an alternative to low-density, single-family housing.<sup>54</sup>

A growing number of Americans are redefining their American Dream. They are seeking a more convenient and vibrant lifestyle. And while some seek this lifestyle in cities, many others seek the same lifestyle in the suburbs. According to a 2002 study by the National Association of Home Builders, more than half the renters questioned said they wanted to live in the suburbs.<sup>55</sup> Moreover, a national survey of homebuyers' community preferences found that nearly three-quarters of all

PROFILE

King Farm

This 430-acre community is characterized by the historic architecture of the region but offers an assortment of modern conveniences as well. Developed by King Farm Associates, LLC, King Farm is located in Rockville, Maryland, five miles from the Washington, D.C., beltway, 15 miles from downtown D.C., and walking distance from the Shady Grove Metro station. The neighborhood was designed for pedestrians, but the King Farm shuttle makes getting around even easier. The shuttle runs a complimentary route between the King Farm Village Center, the Metro station, and the Irvington Center, a 90-acre commercial complex next to the Metro. In addition, two types of public bus service are available at King Farm. At the Village Center, 120,000 square feet of retail space is within walking distance from both residential and commercial development. The center also includes 47 loft apartments and a one-acre village green. Watkins Pond and Baileys Common are King Farm's two residential villages. They offer single-family homes, townhouses, condominiums, and luxury apartments intertwined with natural areas. The center of Watkins Pond is a 12-acre city park with tennis and basketball courts, a soccer and softball field, two playgrounds, several picnic areas, benches, and paths.



TORTI GALLAS AND PARTNERS

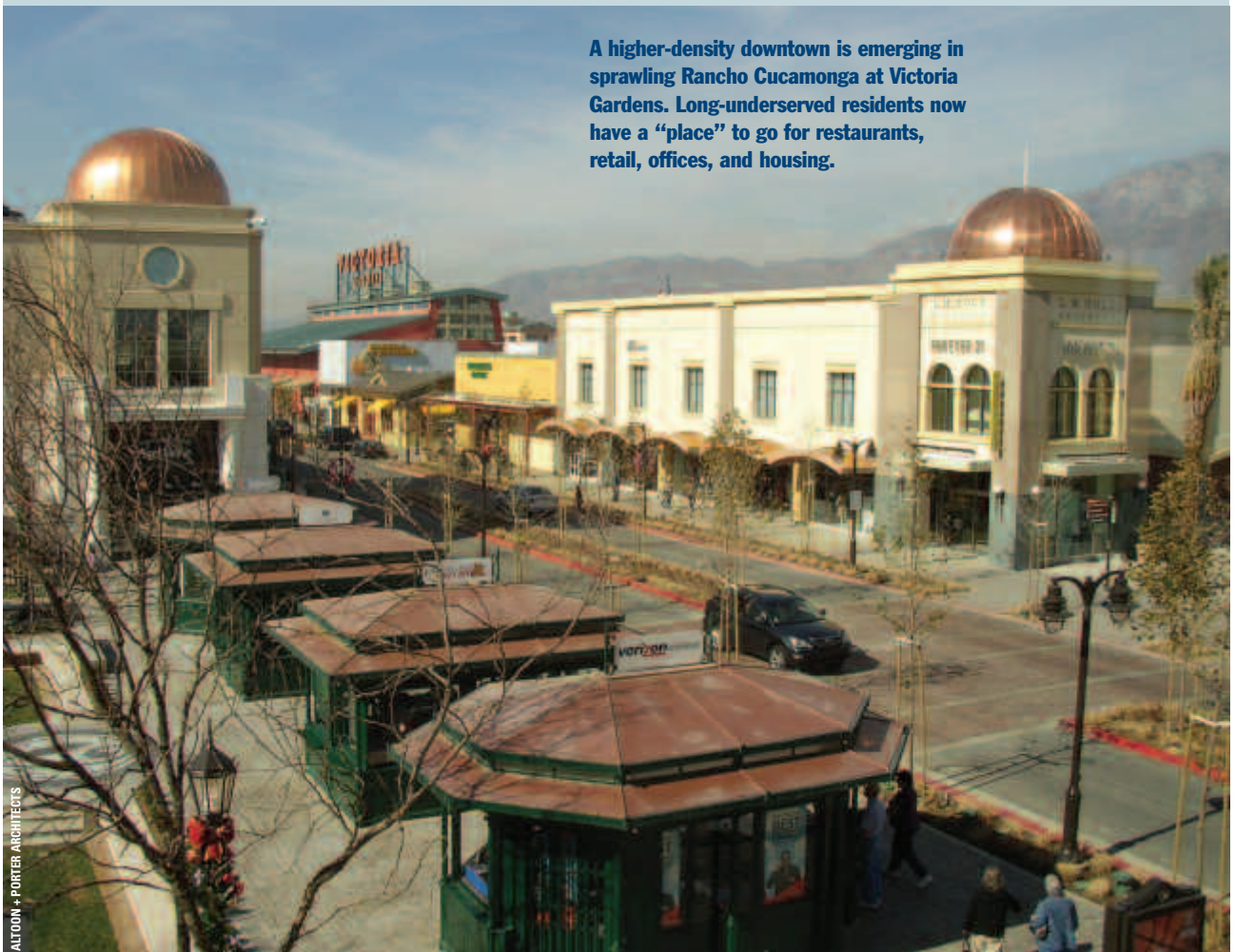
**King Farm is a successful higher-density suburban community that integrates housing, retail shops, offices, and public transit.**

PROFILE

### Victoria Gardens

The city of Rancho Cucamonga, located roughly 60 miles east of Los Angeles in California’s Inland Empire, has a rich agricultural history and, more recently, a history of low-density sprawl with no real city center. This situation is changing, however, with the opening of the first phases of a huge new mixed-use development known as Victoria Gardens. The development, designed by L.A.-based architects, Altoon + Porter, and being developed jointly by California-based developers Forest City California and the Lewis Investment Company, will create a vibrant higher-density downtown where none previously existed. Rapidly growing Rancho Cucamonga has been traditionally underserved by restaurants and entertainment options. The long-awaited addition of a “place” in the city has been well received by residents. The 147-acre development will eventually contain 1.3 million square feet of commercial and community space, including retail, entertainment, office, and civic uses with a cultural center and a library. Twenty acres of housing on site will allow people to live within walking distance of all the amenities of Rancho Cucamonga’s new downtown.

**A higher-density downtown is emerging in sprawling Rancho Cucamonga at Victoria Gardens. Long-underserved residents now have a “place” to go for restaurants, retail, offices, and housing.**



ALTOON + PORTER ARCHITECTS

buyers prefer to live in a community where they can walk or bike to some destinations.<sup>56</sup> The 2001 American Housing Survey further reveals that respondents cited proximity to work more often than unit type as the leading factor in housing choice.<sup>57</sup> These surveys confirm that many people prefer the suburbs but want the amenities traditionally associated with cities, including living close to work.

With the continuing decentralization of cities and the rise of suburban communities with urban-like amenities, many people find that they can live and work in the suburbs with all the attributes of suburbia they desire without giving up walkability and convenience. A recent study confirms that in many regions, more office space is located in suburban locations than downtowns,<sup>58</sup> providing an opportunity for people to live near their jobs. Communities and developers that have recognized and responded to the dual trends of decentralized offices and a growing desire for a more convenient lifestyle have been rewarded. Well-placed mixed-use, higher-density developments in the suburbs are increasingly popular, creating a new sense of place.

Communities are being developed using the best concepts of traditional communities—smaller lots, a variety of housing types, front porches and sidewalks, shops and offices within walking distance, and public transit nearby. Communities like Celebration in Florida and King Farm in Maryland have been so popular with the homebuying public that past worries over whether the demand exists for them have been replaced by concerns about their rapid price appreciation, putting them out of the reach of all but the highest-income households. Today's real demographic and lifestyle changes are inspiring a return to traditional development styles that offer walkable, bikeable, and more dynamic communities that put residents closer to shops, offices, and parks.



# 8 MYTH

Higher-density housing is only for lower-income households.

# FACT

People of all income groups choose higher-density housing.

**M**ultifamily housing is not the housing of last resort for households unable to afford a single-family house. Condominiums, for instance, are often the most sought after and highly appreciating real estate in many urban markets. The luxury segment of the apartment market is also rapidly expanding. Most people are surprised to learn that 41 percent of renters say they rent by choice and not out of necessity, and households making more than \$50,000 a year have been the fastest-growing segment of the rental market for the past three years.<sup>59</sup> Multifamily housing throughout the world has historically been the housing of choice by the wealthiest individuals because of the access and convenience it provides. From Manhattan to Miami to San Francisco, higher-density housing has been prized for the amenity-rich lifestyle it can provide.

Higher-density development can be a viable housing choice for all income groups and people in all phases of their lives. Many financially secure baby boomers, who have seen their children leave the nest, have chosen to leave behind the yard maintenance and repairs required of a single-family house for the more carefree and convenient lifestyle multifamily housing provides. Interestingly, their children, the echo boomers, are entering the age where many will likely live in multifamily housing. Just starting careers, many are looking for the flexibility of apartment living to follow job opportunities. Their grandparents, likely on a fixed income, may also prefer or need to live in multifamily housing as physical limitations may have made living in a single-family house too challenging.

Providing balanced housing options to people of all income groups is important to a region's economic vitality. The availability of affordable multifamily housing helps attract and retain the workers needed to keep any economy thriving. In many American towns and cities, rapidly rising house prices are forcing working families to live farther away from their jobs. In fact, the lack of affordable housing is mentioned as the number one problem facing working families today.<sup>60</sup>

PROFILE

## Rollins Square

Rollins Square, a mixed-use development in Boston's South End, is a truly mixed-income community that provides housing for a wide spectrum of people in all income brackets. Twenty percent of the overall units are reserved for people whose income is 30 to 60 percent of the Boston area median income (AMI), 40 percent are for-sale condominiums reserved for working households with incomes 80 to 120 percent of the AMI, and the remaining 40 percent are market-rate units sell-

ing for up to \$750,000. The residences occupy two city blocks and integrate seamlessly into the existing neighborhood. The varying heights and diverse exterior materials give the appearance that the development was constructed over time. Rollins Square was developed by the Planning Office for Urban Affairs, Inc., a nonprofit developer associated with the Archdiocese of Boston.

**Rollins Square effectively provides housing for low-, moderate-, and high-income households in one attractive development that is well integrated into the existing community.**



CBT/CHILD BERTMAN TSECKARES ARCHITECTS

PROFILE

**I’On**

I’On is a 244-acre master-planned community along the deep-water marshes of Hobcraw Creek in Mount Pleasant, South Carolina. Just six miles east of Charleston, the community features 700 single-family homes, community facilities, and a small-scale commercial area. Vince Graham, principal with the I’On Company, is developing six residential neighborhoods connected by narrow streets, pedestrian corridors, and community spaces. An I’On Guild member, one of 18 builders selected for experience, talent, and financial strength, builds each individual home. The architecture is inspired by classic Lowcountry style with large balconies, deep front porches, and tall windows on even taller homes. Homes now sell for \$685,000 to \$1.7 million. Community facilities include I’On Square, I’On Club, the Creek Club, and the Mount Pleasant Amphitheater. Residents also enjoy easy access to the Cooper and Wando rivers, the Charleston harbor, and the Atlantic Ocean. One neighborhood boat ramp and four community docks are available for crabbing and fishing. Two miles of walking trails are available for residents; a five-acre pond, the Rookery, is a protected nesting site for wading birds. In addition, the public and private schools in Mount Pleasant are some of the best in the area.



**Some home prices in the well-planned higher-density community of I’On are approaching \$2 million. The traditional neighborhood design combined with the community amenities made possible by higher densities have made the community one of the most desirable in the Charleston area.**

As the problem of affordability worsens, workers on the lower end of the salary scale may move to more affordable cities, leaving a labor shortage in their wake. Such shortages make a region less desirable as an employment center. According to PricewaterhouseCoopers, access to a large and diverse labor pool is the most important factor in making corporate decisions on locations.<sup>61</sup> Communities that do not provide housing for all income groups become less desirable corporate locations.

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## Higher-Density Development Myth and Fact

Richard Haughey

No one likes sprawl and the traffic congestion it creates, yet proposals for increasing density in new and existing neighborhoods often are squashed by community fears of public housing, crime, and ugly high rises. *Higher-Density Development: Myth and Fact* dispels these negative connotations, by comparing the advantages and drawbacks of higher- and low-density development. The definition of higher-density development is relative to the community the development is in—it could be single-family homes on smaller lots, or townhouses and apartments in more populated areas. Eight widespread misconceptions about higher-density development are examined and dispelled with well-researched facts and examples of high-quality, compact developments.

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- Higher-density development is environmentally more destructive than lower-density development.
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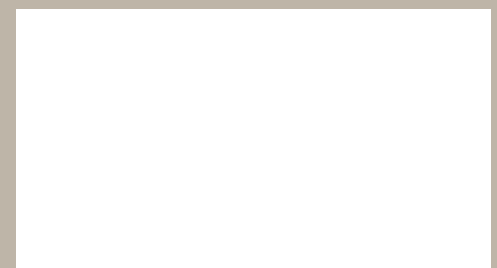
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# URBANLAND

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## Flexible Parking Structures as Civic Catalysts

 By [Will Macht](#)

November 24, 2014

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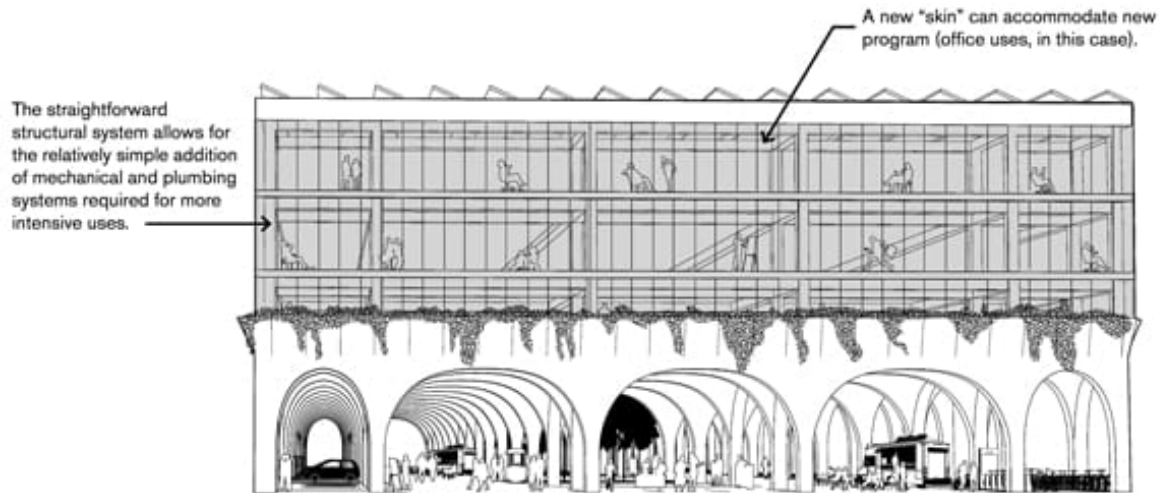

*The flexible parking structure is located next to a colonnade under the adjacent Long Island Rail Road (LIRR) commuter rail line, which would be turned into a pedestrian spine through the heart of Rockville Centre's downtown. The structure has 20-foot-tall (6 m) ceilings at grade to act as a covered plaza during off-peak parking hours in the evening and on weekends, when public markets and festivals can also spill out onto a contiguous open plaza. (Utile Inc.)*

For urban planners who consider the automobile the major cause of the deterioration of cities, loss of community spaces, elimination of mixed uses, and decimation of urban street life, it may seem a contradiction to propose construction of parking structures as the cure. Yet that is precisely the intent and result of a proposal submitted in a design challenge sponsored by a nonprofit entity, supported by a regional foundation, and entered by leading architects and urban planners.

In suburban downtowns, where sufficient parking is still critical to operational viability, land prices and parking rates typically have not risen to levels that support the cost of structured parking. As a result, vast quantities of land are committed to surface parking in patterns that work against adequate numbers and concentration of the shops, restaurants, theaters, and cafés that draw enough patrons to activate those downtowns. Redevelopment potential could be substantial. For example, more than 4,000 acres (1,600 ha) in and around Long Island's downtowns are dedicated to parking.

In addition to being expensive, structured parking facilities are generally single-purpose, stand-alone structures that sit empty during evenings and weekends and are filled only sporadically. In suburban downtowns near commuter rail lines or

new light-rail extensions, weekday demand for park-and-ride facilities can overwhelm the parking supply, displacing the shorter-term parking needed to revitalize those downtowns. Yet most such expensive parking facilities lie fallow during evenings and weekends.



*The narrower two-bay prototype is also well-dimensioned for a future 120-foot-wide (37 m) office building. A new glass skin, accessible cores, and mechanical, plumbing, and electrical chases can be added to a flexible structure. (Utile Inc.)*

Facing this chicken-and-egg conundrum, the Long Island Index, a nonprofit organization funded by the Rauch Foundation—a Garden City, Long Island, family foundation intended to spark and sustain regional systemic change—organized a design challenge. The goal was to demonstrate how a suburban downtown setting can be transformed by such structures—when they are exceptionally well designed and feature innovative architectural, technical, operational, and financing strategies as part of a broader approach to managing downtown parking and mobility.

In response, architects and urban planners Tim Love, founding principal, and designer Elizabeth Christoforetti at Utile, a Boston-based architecture and urban design firm, developed a solution, dubbed “Civic Arches,” based on two principles.

First, parking structures need to be used for longer periods of the day and for different purposes, both public and private. With single-purpose parking—designated for support of office, retail, hotel, housing, or entertainment facilities alone—patterns of use are highly variable depending on the time of day, the day of the week, or the season. Such inefficiencies drive up the cost of building and maintaining parking structures.

Second, parking structures need to be designed as flexible structures that can accommodate transitions from parking alone to a variety of other uses as parking ratios decline with further mixed-use development and increased use of shared parking facilities and transit. Future functions for these properties should include civic, office, retail, hotel, housing, and entertainment uses. Cities evolve over time, and the functions of structures can change if they are designed for flexibility.



*Utile Design proposed 20-foot-high (6 m) ceilings on the floor at grade so that when the structure is mostly vacant, it could be used for a variety of civic uses, such as public markets, food carts, and festivals. In future years, at-grade parking might be limited and the perimeter bays used for more permanent shops and restaurants, with adequate parking provided on upper floors.*



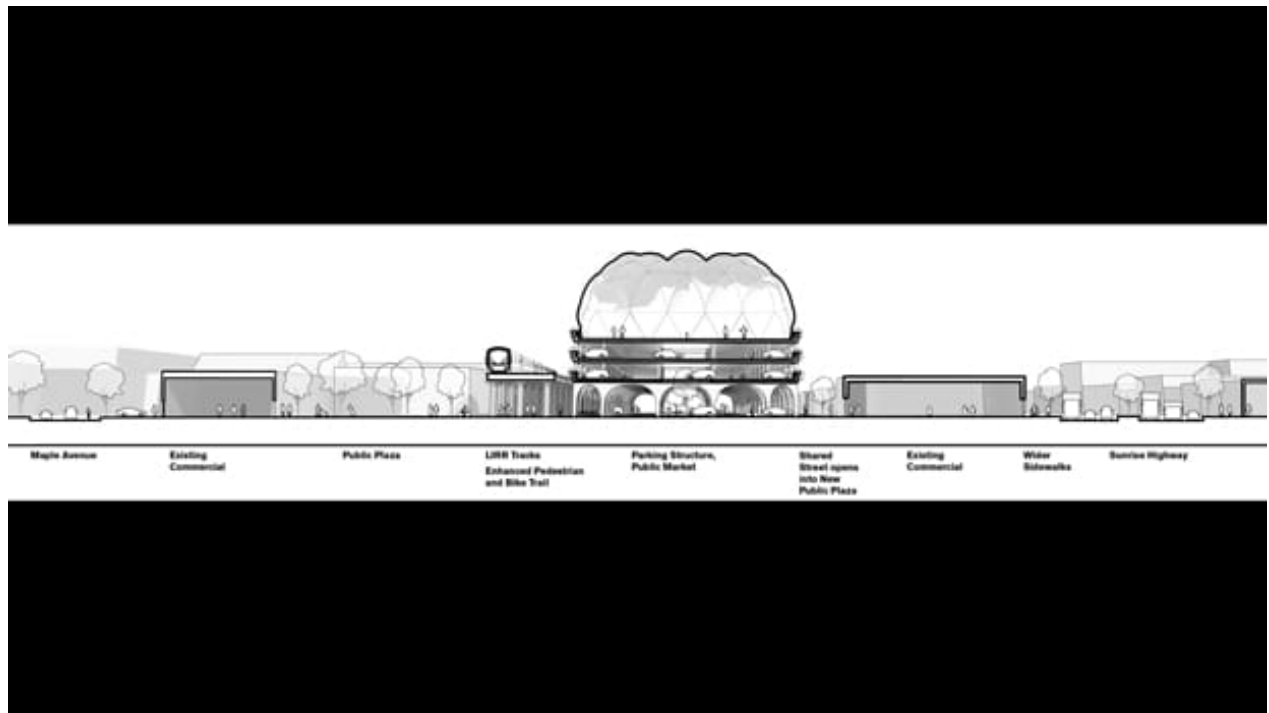
“The early 20th-century loft building was our model for how to design a flexible building that could be repurposed over time,” Love said of earlier prototypes that influenced Utile’s thinking. “Examples include the cast-iron loft buildings in Soho and the brick warehouses that the Boston Wharf Company built in the Fort Point District in Boston in the early 20th century. In most American cities, this type of building has been especially adaptable to residential and office conversion because of the simple column grid, workable floorplate dimensions, the structural capacity, and large windows. We think that architects should focus more on future-use buildings rather than one-off structures that are customized for a very specific program. Unfortunately, architects are not typically trained to think this way.”

*Parking structures need to be designed to accommodate transitions, from parking alone to other uses as parking ratios decline with further mixed-use development, shared parking, and increased transit.*

Love and Christoforetti searched for the optimal module that could be adapted to all potential future uses for the universal utilitarian structures. That module proved to be a 30-by-30-foot (9 by 9 m) bay. Standard parking bays for perpendicular parking are 60 feet (18 m) wide, allowing for 18-foot-deep (5.5 m) parking spaces flanking a 24-foot (7 m), two-way drive aisle. In their prototype design, to shift the columns of the 30-foot (9 m) bays out of the center of the drive aisle, 15-foot-wide (5 m) bays ring the perimeter of the structure.

Says Love, “A 30-foot bay is the ideal dimension for a structure that begins as a parking garage and can then be repurposed for office/flex space or housing in the future. An efficient parking configuration that uses a 30-foot bay requires the system to start with a 15-foot bay so that the first 30-foot bay is centered over the drive aisle. This is how, more generally, the two-dimensional systems sync up. Therefore, lateral parking bay dimensions for a 120-foot-wide [37 m] double-bay garage are 18-24-18 and 18-24-18 feet [6-7-6 m] while the corresponding grid is 15-30-30-30-15 feet [5-9-9-9-5 m].”

The proportions and dimensions of these flexible structures can also accommodate a variety of future uses. The three-bay-wide prototype structure Love and Christoforetti designed, for example, can accommodate a future double-loaded-corridor (units flanking a center hallway) residential building around a center courtyard, which would be formed by removing the center 60-foot-wide (18.3 m) inclined driving ramps. And comfortable hotel rooms could easily fit within a 15-by-30-foot (5 by 9 m) bay dimension. The narrower two-bay prototype also has suitable dimensions for a future 120-foot-wide (37 m) office building.



*This sectional diagram shows the flexible parking structures flanking a new pedestrian spine under the LIRR colonnade. Civic uses for both*

*an open plaza and an arch-covered plaza give a new urban heart to Rockville Centre.*

Different-sized retail shops and restaurants could fit within the 15-, 30-, 45-, and 60-foot (4.6, 9.1, 13.7, and 18.3 m) depths. Recreational uses would fit on the rooftops of the two- and three-bay structures. Tennis courts at 36 by 78 feet (11 by 24 m) can fit side-to-side with adequate access space on top of the two-bay structure. In fact, for the parking structure proposed for the Lot 3 surface parking lot in the village of Rockville Centre on Long Island, Utile—at the request of local officials and as part of the design challenge—proposed five tennis courts, covered by a pneumatic bubble that would allow use of the area for indoor events and glow at night as a visual attraction to passersby on the adjacent Long Island Rail Road (LIRR) commuter rail line. The team even sited a 180-by-300-foot (55 by 91 m) soccer field on the rooftop of a three-bay structure to demonstrate its recreational flexibility.

Traditional parking structures have minimal ceiling heights of seven to eight feet (2.1 to 2.4 m) that preclude conversion to other commercial or civic uses. Utile proposed 20-foot (6 m) ceilings on the floor at grade so that when the structure is mostly vacant on evenings and weekends, it could be used for civic purposes such as a public market, a staging area for food carts, or festivals. In future years, the at-grade parking could be limited and the perimeter bays used for more permanent shops and restaurants, with adequate parking on upper floors, which Utile designed with 11-foot (3.4 m) ceiling heights to permit conversion to other uses.

The fact that Rockville Centre's sites mostly flank the LIRR also influenced Utile's design of the structures. Stout octagonal columns with prominent octagonal capitals form a colonnade that elevates the LIRR tracks. Utile would recapture that space as a covered pedestrian spine through Rockville Centre's downtown. The new flexible parking structures, with their high-bay, open first floors, would flank the colonnade and extend the public realm into covered and open plazas.



*Architects looked to earlier arched forms for bridges and viaducts, such as the conversion of a defunct suburban railway into the Viaduc des Artes in Paris.*

For centuries, the arch and vault have been used to create civic spaces. Utile looked to earlier arched forms for bridges and viaducts, such as those under the nearby Gowanus Expressway and Queensboro Bridge, and to the conversion of a defunct suburban railway into the Viaduc des Artes in Paris. The more gracious heights of the structures do not preclude utilitarian methods to construct them, Utile contends: it proposes use of efficient tilt-up concrete construction for the arches. Running perpendicularly, such arches would buttress each other—much like in a Toyo Ito–designed library at Tama Art University in Tokyo—and create a rhythm of arched vaults that could give a monumental civic character to a suburban town lacking a civic venue. Hence the name Civic Arches for the concept.

The strong arched concept permits concrete floors above that are poured in place. They would be more flexible for future conversions than the more common, thinner, post-tensioned concrete floors. The tensioned cables embedded in such floors cannot be severed without compromising structural integrity, limiting the placement of plumbing, electrical and mechanical lines, and chases.

The strong arched concept permits concrete floors above that are poured in place. They would be more

flexible for future conversions than the more common, thinner, post-tensioned concrete floors. The tensioned cables embedded in such floors cannot be severed without compromising structural integrity, limiting the placement of plumbing, electrical and mechanical lines, and chases.

How is it possible that building new parking structures—adding parking spaces to suburban downtowns divided by a plethora of surface parking lots—can be economical despite the considerable expense? There are several reasons:

- **Shared parking.** Scattered surface parking lots, just like structured parking under a single office, residential, or hotel building, serve mostly a single use and are often vacant. They cannot support mixed uses. But centrally located parking structures of adequate size can offer a sufficient density of parking spaces to support an equivalent density of mixed uses. Until most goods and services are conveniently supplied within walking distance or served by high-frequency transit, residents will own and use cars that need to be parked. In fact, the less that car-owning residents of the mixed-use development use their cars, the more they will need spaces in which to park them.

So a higher density of uses requires a higher density of parking spaces—precisely the reverse of conventional wisdom. The way to economize on their construction, proponents reason, is to maximize their occupancy. And the only way to do that is to mix the uses that such spaces support, because then the peak periods for one use complement those of another use with different peak periods. Furthermore, because structured parking can cost more than \$40,000 per space, and developers generally do not make money on building or selling the parking spaces but rather on the uses they support, careful developers want to build the fewest spaces possible and maximize their use through shared parking.

The Rockville Centre plan benefits because many of the uses in and near the project—such as recreation, theaters, and restaurants and cafés—have peak parking demands at times when LIRR commuter spaces are empty. Consultants anticipate such new mixed uses could create hundreds of new permanent jobs.

**Redevelopment.** The more than 4,000 acres (1,600 ha) of surface parking in and around Long Island's downtowns represent large land banks more than one quarter the size of Manhattan, 35 minutes away from Rockville Centre on the LIRR. In fact, consultants note, when Morristown, New Jersey, which is twice the distance from Manhattan by train, constructed a \$10 million, 700-space downtown parking garage in 2000, it catalyzed more than \$60 million in new residential and commercial development in the immediate vicinity over the following five years. A second, 800-car downtown garage completed in 2008 at a cost of about \$16 million supported a new round of residential and commercial redevelopment totaling \$125 million.

**Tax revenue.** Gerard Giosa, a parking consultant and president of Old Bethpage, New York-based Level G Associates, estimates that based on projected development supported by flexible parking solutions, Rockville Centre will generate \$2 million of additional revenue annually from property and sales tax. In addition to forecasting property tax revenue from new housing, hotels, offices, and entertainment, Giosa says those attracted to suburban downtown living would spend about 30 percent of their discretionary income on shopping, eating, and entertainment.

Despite the long-term macroeconomic factors favoring development of such parking structures, financing of their construction can be a challenge. Giosa cites the Morristown Parking Authority as an example of a solution. The quasi-public agency, created to finance, develop, maintain, and operate the municipal parking system, developed the Morristown garages with 30-year tax-exempt parking revenue bonds it issued. Giosa says other public and/or private resources would likely be required to finance a project like Civic Arches in a town with lower parking rates. Utile suggests that the city or LIRR might be needed to facilitate such a project.

Utile contends that the answer to the putative contradiction of building parking structures to catalyze denser mixed-use development with revitalized urban street life lies not in the fact that they house more cars. Rather, the important point is that those cars support a greater density of a mixture of complementary uses in a central location where the structure is purposely designed to integrate civic uses in a covered public square adjoining an open one. Moreover, as the urban center evolves, Love and Cristoforetti argue, architects and planners should design and proportion the structures so they can be converted to accommodate a wide variety of other uses that intensify the urbanity to which a city aspires and for which it plans.

**William P. Macht** is a professor of urban planning and development at the Center for Real Estate at Portland State University in Oregon and a development consultant.

*The Investor's Guide to Commercial Real Estate (ISBN 9780874203493) is [available through ULI's online bookstore](#) for \$124.95 (The Canadian price is \$149.95 and ULI members receive a 25-percent discount; for details, e-mail [customerservice@uli.org](mailto:customerservice@uli.org) or call 800-321-5011).*

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# URBANLAND

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## Parking Yields to the Sharing Economy

By [Leslie Braunstein](#)

November 13, 2013

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- The “sharing economy” includes new transportation modes such as car sharing, bike sharing, and even scooter sharing.
- These shared transportation modes and services can help reduce the need for parking.
- U.S. cities are following the example of Copenhagen by reclaiming street parking for use by pedestrians and cyclists, as well as for parklets.

Just as rapidly urbanizing U.S. neighborhoods grapple with the challenges of auto-oriented land use patterns from the past, millennials and entrepreneurs have come up with a solution: the sharing economy. Flexible new transportation services like Uber, Zipcar, and bikeshare programs can reduce parking requirements and free up street-level space for more dynamic urban uses.

At a ULI’s Fall Meeting, Jeff Risom, partner at Gehl Architects, explained how Copenhagen has incrementally transformed a downtown, once dominated by cars and surface parking lots, to one that prioritizes pedestrians and bicyclists. Copenhagen’s multi-modal transportation system comprises 36 percent bikes, 33 percent transit, 23 percent cars, and 7 percent pedestrians. “More than half of the city’s residents cycle to work or school every day; 63 percent say they do so because it’s fast, easy and convenient, even in the Scandinavian winter,” he pointed out.

Much of the city’s former parking space has been reclaimed for pedestrians, cyclists, sidewalk cafes, and parklets. Some bike parking spaces become available to cars after 5:00 pm; in other instances, rows of parallel-parked cars shield cyclists from auto traffic. Perhaps as a result of their people-friendly urban spaces, Risom noted, Danes are the happiest people in the world.

While the Danish mode may not be fully adaptable, some U.S. cities are moving forward rapidly. Timothy Papandreou, director of strategic planning and policy for the San Francisco Municipal Travel Agency, said “San Francisco is at ground zero for the sharing economy. The city’s jobs and population are expected to grow by over 35 percent, but we can’t allow any more cars in the city. So how do we accommodate growth?”

The solution includes shared transportation modes: ridesharing, car sharing, scooter sharing, bike sharing, shuttles, driverless vehicles, transportation network companies like Uber and Sidecar, and public transit, Papandreou stated. “These modes are evolving and distinctions are blurring. People are choosing to live in the city without owning cars, and we have to provide choices.” Furthermore, he concluded, the city is working to link the various modes of routing, booking, and payment, because “too many smart cards makes for a dumb wallet.”

Shared transportation modes have evolved because they provide ease and flexibility of use, said Alan Owings of Forest City. The millennials who drive the sharing economy are drawn to quality, he added, and like the idea of using a higher quality service even if they can’t afford to own it. And even as they share services, they feel ownership; some customers request, for example, a particular car.



With more city dwellers eschewing private car ownership, Owings said, parking can be reclaimed for other uses as it has in Copenhagen. In the DUMBO section of Brooklyn, for example, a parking lot has been temporarily repurposed as outdoor café seating and a bike sharing facility.

Similarly, Gehl Architects is helping New York City put the square back in Times Square, transforming 350,000 square feet of former traffic and parking lanes – the equivalent of 18 Rockefeller Centers – into pedestrian-only areas and parklets. As a result, noted Risom, retail sales have increased 14 percent around the new seating areas; pedestrian traffic has increased 11 percent while pedestrian injuries have dropped 35 percent; and auto travel time has improved by 17 percent because intersections are now less confusing.

Forest City's Owings commented that with lower or even zero parking requirements, "it will become more economical to build community into mixed-use environments on the ground-floor plane, with a diverse mix of uses, some curated and some subsidized." Twenty-first century cities, he concluded, can survive without parking.

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**ULI Washington**

# **A Technical Assistance Panel Report**

**The Long Branch Community**

**Sponsored by:  
The Montgomery County Department of Housing and  
Community Affairs**

**February 8-9, 2005**

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# **The Long Branch Community Montgomery County, Maryland**

## **How to Spur Redevelopment Within and Beyond the Long Branch Community's Commercial Center**

February 8-9, 2005  
A Technical Assistance Panel Report

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## **About The Technical Assistance Panel Program (TAPs)**

The objective of ULI Washington's TAP program is to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and non-profit organizations in the Washington metropolitan area. Drawing from its extensive membership base, ULI Washington conducts one and one-half day panels offering objective and responsible advice to local decision-makers on a wide variety of land use and real estate issues ranging from site-specific projects to public policy questions. The TAP program is intentionally flexible to provide a customized approach to specific land use and real estate issues.

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## Acknowledgements

Both personally and on behalf of the Urban Land Institute's Washington District Council, the panel members and project staff would like to express their sincere appreciation to Montgomery County's Department of Housing and Community Affairs for their work in sponsoring and preparing for the panel. Specifically, the panel would like to thank Elizabeth Davison, Director of the Department of Housing and Community Affairs for inviting the panel to explore revitalization opportunities for Long Branch's Commercial Center.

The panel also appreciates the time and energy of the members of the Long Branch Task Force who helped procure the panel, provided insight onto the panel's scope, led the panel site tour, participated in the roundtable discussions and attended the final presentation. The panel was impressed with the level of commitment these members have to the betterment of their community.

Special thanks are extended to Roylene Roberts, Denise Stilla, Frances Snetter-Carey and Tim Miner of Montgomery County as well as Joel Gallihue of the Maryland-National Capital Park and Planning Commission for the time they took to plan for the panel, prepare briefing materials and ensure that the panel went smoothly.

The panel would also like to extend its thanks to Douglas M. Duncan, Montgomery County's County Executive; Montgomery County Council members Thomas E. Perez, President; George Leventhal, Vice President; and Nancy Floreen; as well as other area stakeholders and community leaders for their participation in the panel process.

ULI Washington hopes that the comments and recommendations provided in this report result in a valuable contribution to the redevelopment of this area as a whole. We encourage Montgomery County to inform us of new developments associated with Long Branch's revitalization and allow us to participate in future panels should the need arise.

This report has been dedicated to the memory of W. Retta Gilliam. Ms. Gilliam contributed significantly to this panel, but more important was her contribution to the Anacostia area of Washington, DC, where she had worked tirelessly to create a better community. Ms. Gilliam was enthusiastic about the opportunities that the Long Branch community has to offer and was pleased to have been able to contribute to the plans for its future.

## **The Panel**

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## Foreword: Overview and Panel Assignment

The Long Branch community of Silver Spring, Maryland is an economically and ethnically diverse community with over 27,000 residents located inside the Capital Beltway in Maryland's most populous jurisdiction of Montgomery County.

Long Branch's commercial center, which was the focus of the Technical Assistance Panel, has 292,000 square feet of retail space in six small retail centers at scattered locations along Flower Avenue and Piney Branch Road. The 95 retail shops and restaurants that make up the retail



One of four grocery stores within the community

centers are primarily small "Mom and Pop" stores, and an abundance of them are discount retail shops. There are also a large number of grocery stores in the area. Giant Food grocery store, located within the panel's study area has higher than the national average sales for a large grocery store and reportedly succeeds in drawing from beyond the immediate trade area. In addition to Giant Food, three other grocery stores (Bestway, Americana Grocery and Oriental Supermarket) have a special niche, offering both Latin and Asian groceries.

While investment in the commercial area has been primarily limited to the County's façade treatment program, there have been recent discussions with Washington Adventist Hospital to locate a medical office building on the site, which the County hopes will spur additional redevelopment in the commercial area.

The diversity of Long Branch is also reflected in its housing stock, which is among the oldest in the County. Multi-family complexes, garden apartments, townhouses and single family houses are located within the community with approximately 42 percent of those being used as rental apartments. While rents in the community are among the most affordable in the County, they are still high with only 10% of the units being rented at below-market rates. For sale homes on the other hand have appreciated significantly, with sales exceeding \$500,000 for some single family homes.

### Creation of the Long Branch Task Force

After the East Silver Spring Master Plan was approved in December 2000, the County recognized that the Long Branch community, whose ethnically and economically diverse population differed significantly from any other part of Montgomery County, required further study due to its unique needs.

Montgomery County Executive Douglas M. Duncan and the Montgomery County Council therefore appointed The Long Branch Task Force to undertake a two-year in-depth examination of their community and make recommendations to the County Executive. The

objective of the Long Branch Task Force, as defined in the enabling resolution, is “to address the full range of issues affecting the quality of life in the Long Branch community, including the needed revitalization of the residential and commercial areas in Long Branch. It should work to achieve a healthy, stable and sustainable community.”<sup>1</sup> The Task Force which was convened in 2002 concludes on May 31, 2005.

### **Issues**

Over the past two and one-half years, the Long Branch Task Force identified several key issues that it has worked to resolve. Task Force members have learned that residents of Long Branch often leave the community for shopping and other services -- needs that the Task Force members believe could be satisfied within the community itself. One of the main reasons that people shop outside of Long Branch is because the current commercial district lacks cohesiveness, linkages, safety, and connectivity, making it an unfriendly place to drive and walk. The district also lacks the type and variety of stores that residents desire, as well as gathering places where residents feel that they can safely congregate and provide a sense of community.



The community currently lacks the variety of stores that would draw residents to the commercial center.

Task Force members concluded that in order to promote the rejuvenation of Long Branch, the community needs a catalyst that will invigorate the commercial district and help to revitalize surrounding areas. Long Branch needs to create an atmosphere that will draw its residents back to the core of the community.

### **The Assignment**

Having recently released its Second Annual Report, the Long Branch Task Force made one of its priority recommendations to enlist the assistance of the Urban Land Institute’s Washington District Council in conducting a Technical Assistance Panel to respond to the issues the Task Force had enumerated.

The ten member ULI Washington TAP panel spent an intensive one and one-half days touring the Long Branch community; participating in a briefing led by Elizabeth Davison, Director of Montgomery County’s Department of Housing and Community Affairs; sitting down with Task Force members and area stakeholders to discuss their hopes and concerns; and spending hours behind closed doors deliberating on the issues and formulating recommendations.

In the context of the challenges outlined above, Montgomery County Department of Housing and Community Affairs put forth the following questions for consideration by the ULI Washington TAP panel:

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<sup>1</sup> Resolution 14-975

1. The Catalyst. What types of uses would successfully create a catalyst for the redevelopment of the commercial district and lead to the revitalization of the surrounding area, such as the ERA Market study suggested “restaurant row”?
2. Medical Office Building. What is the demand for professional/medical office space in the Long Branch area? How can the Long Branch Town Center best accommodate this need?
3. Demands on Infrastructure. What would be the impact of a medical / office building or other retail development have on the infrastructure?
4. Bi-County Transit Way. Is the Arliss Street location a suitable location for a metro (Purple Line) station?
5. Connections. How can the redevelopment of the commercial core create cohesiveness within the commercial area and provide better connections to the surrounding residential and civic areas?
6. Parking District. What effect would the creation of a Parking District have on the development potential of the study area?
7. Parking Needs. What is the best means to address the parking needs in Long Branch?
8. Joint Effort Among Landowners. Given the many owners of Long Branch, what can the sponsor do to get the property owners to agree to develop their properties as part of a larger revitalization effort?
9. Phasing Redevelopment. Can the development of Long Branch be done incrementally or do the properties require consolidation?
10. County Involvement. What role should the County play in the development of Long Branch?
11. Zoning Incentives. Are the Commercial Revitalization Overlay Zone (CROZ) incentives effective?

After finalizing its recommendations, the panel presented its findings to the Department of Housing and Community Affairs, Task Force members, and invited guests.

## Introduction and Summary of Recommendations

When redeveloping a community it is important that it have a positive impact twenty to thirty years into the future. In order to determine what was best for the future, panel members took the opportunity to look at what has made Long Branch successful in the past.

Silver Spring and specifically the Long Branch Community have always provided the gateway to the American dream. Beginning with Roosevelt's New Deal administration in the late 1930s, there was a commitment to the ideals of social justice. Housing with ample open space, sunlight, privacy and good design was built in the community for lower income people who could not otherwise afford good housing.

Long Branch remains a gateway today, providing some of the most affordable housing in the County as well as single family homes for first time home buyers. The panel found it important to respect the New Deal goals when considering how best to redevelop Long Branch's commercial center.

The panel also took into consideration the priorities of the community. Panelists had the opportunity to sit down with members of the Long Branch Task Force, public officials, and area stakeholders which gave them additional insight into the community's main concerns. Coupled with the information in the panelists' briefing materials, panel members left the roundtable discussions understanding the key priorities for the redevelopment of the community as: safety, affordability, an identity for community, connectivity, new business development, home ownership, and parking.



Douglas M. Duncan, Elizabeth Davison, ULI panelists and members of the community discuss Long Branch's issues

Keeping in mind the history of Long Branch and the community's hopes for its future, the panel developed recommendations on how to revitalize the commercial center. The environment of the commercial center is in the panel's opinion what has led to the center's downfall, and what will be the catalyst for its redevelopment. Through good design and a mix of uses that satisfy a broad range of consumers, the center will bring itself back to life. Currently residents do not come to the center because they do not feel safe, it is difficult to drive and walk through due its design and large surface parking lots, it is not a place to socialize, and it does not offer a broad retail mix. These deficiencies have also discouraged new stores that serve moderate- and middle-income residents from locating there. Incrementally redeveloping the study area to provide for a pedestrian friendly environment with new stores will bring the critical mass of people, who are already there, into the core of Long Branch.

To create a catalytic environment through good design, the panel recommends taking the commercial center, which is a super block in an otherwise urban grid setting, and breaking it into

four quadrants. By implementing a “Main Street” concept, these four quadrants will be able to support an array of uses including a medical office building, a larger, redeveloped Giant Food grocery store, restaurants, retail shops, housing, parking structures and a transit station.

In order to support redevelopment, facilitate land assemblage and attract private sector investment to the area, the panel found it necessary to increase the density of the commercial core. Providing for greater height limitations as well as residential units above retail shops, will attract new business development, provide for home ownership within the core of Long Branch, and allow for the development of parking structures. Home owners and tenants within the commercial core will also provide additional eyes and foot traffic within the center, inherently increasing safety in the area.

Concurrent with the incorporation of incentives to redevelop the commercial core, the panel felt it necessary to encourage redevelopment of the adjacent residential apartment properties utilizing similar density incentives. This will enhance the success of the commercial core redevelopment.

To implement the recommendations for the study area the panel recommends that a separate entity be formed to foster the relationships of property owners in order to revitalize the commercial center and surrounding areas. The panel recommends that the County help facilitate the establishment of a separate entity such as a Community Development Corporation (CDC).



At the onset of the panel, panel members took both a bus and walking tour of the greater Long Branch Community.



## Market Potential

The panel recognizes that there is substantial demand for revitalization of the commercial center from a base of households within Long Branch with strong aggregate spending power. The key in revitalizing the area is therefore to create a place that attracts residents to both shop and socialize. Currently, a majority of the residents come to Long Branch for groceries and dry cleaning, turning to downtown Silver Spring and other areas for all other forms of shopping and entertainment.

While the panel realizes that Long Branch is not destined nor desired to become the next downtown Silver Spring, panelists felt that there was ample demand to create a quality place with a pedestrian environment where neighborhood serving retail and services could thrive in a walkable center. The key will be to create convenience shops and services that serve the entire community of different income levels.

### Grocery Store

The Giant Food grocery store located in the Long Branch study area is reported to have higher than average sales levels and the panel found it to be the one thing that continues to bring Long Branch residents to the commercial center on a weekly basis. The Giant Food's lease does not expire until August 31, 2021, and its sales have proven that there is demand for a large grocery store within the commercial center. The current Giant Food however is housed in a 40,000 square foot footprint while newer Giant Food grocery stores require a 60,000 square foot or larger footprint. The panel believes that the grocery store is necessary to the vitality of the center and every effort should be made to keep it in operation throughout the entire redevelopment process.

### Restaurant Row

The Economics Research Associates (ERA) market study that was prepared in November 2002 and provided to the panel in their briefing materials presents the opportunity of a "restaurant row." The panel echoes ERA's recommendation believing that restaurants will be an important use in the commercial core and recommends that this idea be pursued. The panel does recognize however, that restaurants in this location will operate primarily during the evening and on weekends, which makes it more difficult to attract restaurants that need activity during the weekday hours as well.



The panel recommends keeping the Flower Theater for when the demand arises.

### Medical Office Building

The panel learned that there have been discussions with Washington Adventist Hospital to locate a medical office building within the study area. The panel found this to be a unique opportunity

of which the community should take advantage. While not guaranteed to bring additional medical office development to the community, it could be the lever to kick-off redevelopment.

A medical office building would generate daytime activity within Long Branch and would generate approximately 80 jobs. The panel felt that the office building would be best accommodated with shared parking<sup>2</sup> that supported other retail uses. While the panel recognized community concerns that a 50,000 square foot building would be a stark contrast to the single family homes that line Flower Avenue, the panel pointed out that a medical office building would buffer the residential neighborhood from more active uses and if accompanied by a coordinated parking strategy, would alleviate some of the causes of congestion on both Piney Branch Road and Flower Avenue.

### **Bi-County Transit Way**

The Bi-county Transit Way also known as the Purple line will provide a high-capacity public transportation link between Bethesda in Montgomery County, and New Carrollton in Prince George's County. The Maryland Transit Administration is currently in the process of identifying key locations for transit stations and the panel understands that the corner of Piney Branch Road and Arliss Street is under consideration.

The panel believes that the corner of Piney Branch Road and Arliss Street is a suitable location for a transit stop. There are a large number of residents living within walking distance of the location, and redevelopment of the commercial center will also add residents and jobs.

The panel points out however, that being chosen for a transit stop is a competitive process. By increasing the residential population and density, thereby creating a larger critical mass, the site will become more feasible and desirable from the perspective of the Maryland Transit Administration.

### **Residential Uses**

In order to successfully redevelop the commercial core the panel believes that it is necessary to include residential units in and around the commercial center of Long Branch.

Commercial Center. Residential apartments and condominiums above retail space within the commercial center will activate the district. There will be more foot traffic, as well as additional eyes and ears around the clock, increasing safety, and adding homeowners, who care about their neighborhood, to the community.

Residential units above retail will help to offset the risk to private sector developers. While the demand for retail and restaurants has not proven itself in the area, residential units in this particular location will likely sell and rent quickly compensating for any delay in finding tenants

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<sup>2</sup> ULI's shared parking standards determine how many spots each of the uses for the parking need and then analyze when those parking spots would be filled by each use to determine whether uses can share parking spots. Here, the medical office building would require parking spots for office hours, leaving their spots unused on evenings and weekends. The grocery store's parking needs however increase during evenings and weekends and therefore could use the medical office building's spaces instead of building additional spots of its own. Reducing the overall number of parking spots therefore reduces the overall cost of building the parking garage.

for the retail or restaurants locations. The residential units will in turn activate the market for the higher quality retail that current residents are seeking. These additional residents also generate tax revenues to the County that will allow for the County to provide reasonable subsidies to the overall project.

Flower Branch Apartments. While not officially included within the panel's study area, panelists found it difficult to focus on the commercial center without considering the future of the Flower Branch Apartments.

While the panel believes that the redevelopment focus should begin with the commercial center, the panel clearly sees redeveloping the Flower Branch Apartments into a mixed-income residential community, as necessary for the long-term viability of the commercial core.

Looking through the eyes of a future investor, the panel was concerned with the negative impact that the Flower Branch Apartments could have on redevelopment. The 316-units situated on the 10-acre property appeared deteriorated and bursting at the seams with residents. If developers were to make a large investment in the redevelopment of the commercial center, the panel believes that they would look for plans to redevelop the adjacent property as well.



**The panel recommends that the County consider the future of the Flower Branch Apartments.**



# Redevelopment Strategies

## Commercial Revitalization Overlay Zoning

The purpose of the Takoma Park/East Silver Spring Commercial Revitalization Overlay Zone (CROZ) is to foster economic vitality and attractive community character in areas needing revitalization; promote an enhanced pedestrian environment and an improved circulation system to pedestrians and bicycles as well as motor vehicles; ensure consistency with the master plan vision for specific existing commercial areas; and provide for the combination of residential with commercial uses by providing for flexibility of certain development standards which may allow for more commercial development and better design than would otherwise be achieved; providing for design review either through site plan review, or administrative review for minor changes; allowing or limiting uses consistent with the master plan vision for specific commercial areas; and enabling the master plan to modify the development standards of the base zones.<sup>3</sup>



The panel looked at how it could better link the Community Center and Library with the community



The panel found however that current incentives provided by the CROZ are not effective as evidenced by the private sector not utilizing the incentives. More importantly though in the panel's opinion, the CROZ does not provide for the level of density and building heights necessary to encourage redevelopment in the Long Branch commercial center.

Height and Density Limitations. Currently the CROZ limits building heights to 30 feet within the overlay zone. It is only with the Planning Board's approval that additional height may be added to buildings; up to 42 feet for commercial development, and up to 50 feet for residential development. The CROZ does not however, define the floor area ratio (F.A.R.)<sup>1</sup> for the area. It is the panel's opinion that the CROZ needs to be more specifically defined from Flower Avenue to the Long Branch Community Center to provide for additional density and allow for greater height.

The Long Branch commercial center currently has a floor area ratio (FAR) of 0.35:1. It is the panel's opinion that in order to create the critical mass to bring to Long Branch the services and business that the community is seeking, the density within the commercial core needs to be increased to 3 FAR. Areas like Silver Spring, which have been successfully redeveloped have allowed for a FAR of 4 to 5, a density that while appropriate for that area, would in the panel's opinion, overwhelm the Long Branch community.

<sup>3</sup> Montgomery County Code, Zoning Ordinance, Chapter 59, Sec 59-C-18.21

Taking into consideration the grade change on the study area and how much of the current site is surface parking, the panel believes that an increase in density to a 3 FAR will not be nearly as dramatic as the number sounds. Currently the CROZ allows up to 50' in height for residential uses. By starting at a 50' height along the west side of Flower Avenue, and increasing in height at appropriate increments eastward and away from the residential homes on Flower Avenue, the impact of a 3 FAR in regards to height is not any different to the existing homes than what is currently in place with the CROZ.<sup>4</sup>

Affordable Housing. Montgomery County's Moderately Priced Dwelling Unit (MPDU) program requires new residential developments to set aside 12.5% of their units for the MPDU program. By increasing the density of the development to an FAR of 3, approximately 150 new affordable units would be developed within the commercial core,<sup>5</sup> improving the economic diversity of the community. With the added redevelopment of Flower Branch Apartments at a 3 FAR, over 190 additional affordable units could be added to the community.<sup>6</sup> This total of 340 MPDUs is achievable at a set aside of 15%. A higher set aside for MPDUs or a separate set aside for workforce housing could bring even more affordable units to the community. An increase in density within the study area will maintain the affordability of the project, increase the number of affordable residential units that will be built, and require less county investment.

Parking Strategy. When redeveloping the commercial site, the current surface parking lots will have to be removed in order to develop the land to its highest and best use; creating the need for structured parking. As outlined in the Market Potential section, the panel believes that a parking analysis be undertaken to determine the extent in which the redevelopment could support a shared parking strategy. Every effort should be made to overlap uses for the parking spaces in order to decrease the overall number of spaces needed and therefore the cost of the structures.

While the creation of parking districts and meters were suggested to support the building of the parking structures, the panel would rather see that cost born by the developers in return for a



One of many parking lots that would be replaced with a more efficient use of the land.

greater FAR. The more in line the redevelopment is with an FAR of 2 or 3, the more likely the private developer will be able to pay for the structured parking. Conversely, if the redevelopment plan remains at its low FAR, then the County will need to subsidize the parking structures. The panel felt however that a parking fee to use the grocery store or other retail establishments within the center would only deter people from coming to the commercial district.

<sup>4</sup> Please see Appendix 1 for examples of an F.A.R between 2 and 3.

<sup>5</sup> Calculated with 15% MPDUs.

<sup>6</sup> Calculated with 15% MPDUs.

## Planning and Design

Looking beyond the immediate study area, the panel noted that the Long Branch, Takoma Park and Silver Spring neighborhoods all adhere to an urban grid system. The commercial center on the other hand appears as a suburban super block, out of place in the midst of an urban framework. In order to redevelop the center into its natural urban framework, the panel determined that it was necessary to fracture the super block and create a grid system that would provide for a hierarchy of streets and reconnect the community to its parks and civic assets.

### Urban Grid System

As depicted in Figure 1 the panel took the study area and divided it into four quadrants (A, B, C, & D) creating two new secondary roads. The new road running on a horizontal axis extends east beyond the quadrants, following an existing foot path past the Long Branch library and the Long Branch Community Center eventually connecting to Piney Branch Road. By allowing both vehicular and pedestrian access via the new street, both civic uses are integrated into the center of the community. The new road framework also provides better access to Piney Branch Creek and its surrounding park area.



Figure 1: Urban grid system connects civic uses to the Long Branch Community. See Appendix 2

Create an Identity. While panel members found Long Branch to be a vibrant, diverse community, it was apparent that the community and its commercial center lacked identity. The panel recommends establishing both a beginning and end to the precinct through the use of gateway monumentation, continuous streetscaping treatments, pedestrian amenities and signage. The panel strongly believes that integrated within the redevelopment of the commercial center, there should be a memorable gathering spot such as a public plaza where residents can socialize, wait for a friend, or sit with a cup of coffee. The area does not have to be large; Bethesda accomplished this with a simple fountain and seating in front of Barnes and Noble on Woodmont Avenue.

## Development Framework

By breaking the commercial center into more manageable blocks the panel was able to clearly see how this large study area could become a very walkable, inviting area. The newly created road on the vertical axis provides a new main street for the center. A visually and functionally strong public environment must be created along all streets in the core area. Pedestrian in scale, these walkways provide a vibrant opportunity to enjoy shopping, socializing, and safe havens to sit at neighborhood cafes and restaurants to ‘people-watch.’

Quadrant A. The panel envisions Quadrant A to contain primarily retail uses with a 600-space structured parking garage located in the middle of the block. This would serve as a parking reservoir for the retail space and combined with parking in other quadrants, would be the central part of parking management plan for the district. The panel recommended keeping the Flower Theater, noting that while it may not have a current reuse, over time it will.

It was evident to the panel through its briefing materials, roundtable discussions and the Task Force’s reaction to County Executive Douglas M. Duncan’s suggestion to move the liquor store, that there is little desire for a liquor store at the gateway to Long Branch. Panel members shared this sentiment recommending that a more vibrant use occupy this prime space.



A liquor store currently occupies the space at the corner of Piney Branch Road and Flower Avenue.

Quadrant B. Quadrant B makes room for the Bi-county Transit Way by leaving the corner of Piney Branch Avenue and Arliss Street untouched. The panel felt that the Chevron gas station was an appropriate use for the corner until or even without the proposed transit station stop.



The Chevron gas station is an appropriate use for its location.

Adjacent to the gas station, the panel proposes retail / restaurant and green space to pull people into the core of the redevelopment, and create an identifiable front door to the commercial district. The remainder of the block is designated to a mix of retail and residential. The panel proposes residential apartments and for sale condominiums above retail with parking in the middle of the block. The panel believes that the parking could be shared by both the residents and retailers. The retail space could then carry the cost of its own parking.

Quadrant C. The two most prominent uses within Quadrant C are the proposed medical office building and the grocery store. The panel agrees with the County that the proposed location at the northwest edge of the study area at the corner of Flower Avenue and Arliss Street is an appropriate location for the medical office building.



Keeping in mind the importance of the Giant Food grocery store to attracting residents to the commercial center, the panel proposed rebuilding the outdated grocery store next door, on a 60,000 square foot footprint of what is currently surface parking. This will enable the Giant Food to turn out the lights in its current location one night and turn them on in the new location the next morning. Given its proximity to the medical office building, the panel recommends that the Giant Food be built with below grade parking that can be shared with the medical office building. The panel recommends that retail and restaurant and perhaps residential uses be accommodated on the remainder of the quadrant.

Quadrant D. Similar to Quadrant B, the panel recommends that Quadrant D accommodate a mix of uses with an interior parking structure accessible from Arliss Street. Following the same model as Quadrant B, this quadrant would allow for retail on the first floor with residential units above.

Phasing. The redevelopment of Long Branch's commercial center should begin with Quadrant C. The panel believes that relocating the grocery store and bringing the medical office building to the community is an essential first step in the redevelopment of the commercial district. This would allow for the remaining parcels to be combined and reconfigured facilitating orderly redevelopment as illustrated in the concept plan (Figure 3). For the next phase of development, the panel proposes Quadrant A, with the 600-car parking structure be developed, followed by Quadrant C and Quadrant D as the market demands.



Figure 2: Open space framework; see Appendix 3 for larger version



Figure 3: Concept Plan; see Appendix 3 for larger version

## Traffic and Circulation

After reading the Long Branch Resident Shopping Study completed by Hollander Cohen & McBride in May of 2004, it was evident to the panel that residents found the study area to be congested, confusing, and unfriendly to pedestrians.

The panel noted that the traffic experienced in the community is a regional traffic problem, not a local traffic problem. The volume is due to people passing through the area to and from their way to work.

To address this issue the panel suggested improvements to Piney Branch Road such as widening the right-of-way to allow for the creation of a landscaped boulevard, which would slow traffic and make an enjoyable and safe pedestrian environment. This feature could also help identify the greater Long Branch area to those traveling along Piney Branch Road.

The panel also recommended a speed table at the intersection of Piney Branch Avenue and Flower Avenue. A speed table is nothing more than an extended speed bump, bringing the grade of the road up to sidewalk level. Placing a speed table at this intersection will not only slow traffic, but increase awareness that pedestrians are in the area.

The panel addressed the circulation issues with a revised grid for the study area. By extending the new horizontal road past the library and community center to Piney Branch Road, vehicles will have an alternative to Arliss Street if their destination is the shopping center, library or areas north of the library.

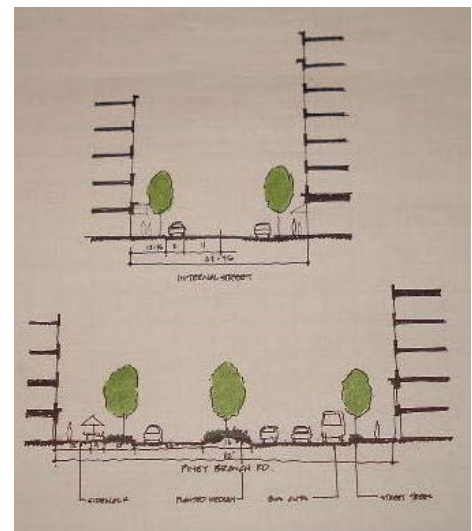


Figure 4: Landscaped medians will increase pedestrian safety; See Appendix 4 for larger version.



## Implementation

The panel commends the role that Montgomery County has taken in forming the Task Force and providing staff liaisons to determine how to best revitalize the Long Branch Community. Given that the Task Force dissolves in May 2005, the panel believes going forward there needs to be some organization other than the County working full time to foster the relationships of property owners in order to revitalize the commercial center and surrounding areas. The panel believes that a separate entity is the most effective means in doing this and therefore the county's primary role should be to help facilitate its establishment. While further research should be undertaken by the County to determine the most appropriate entity formation for this revitalization project, the panel recommends that the County consider following a model such as or similar to a Community Development Corporation (CDC).

A CDC is a locally based, independent, 501(c) (3), not-for-profit agency that focuses on leveraging the public and private sector in order to redevelop the targeted area. Led by an experienced Executive Director who in this case has expertise in real estate finance and community development, the CDC could have up to one or two additional staff members as well as any number of needed consultants. Directed by its mission and objectives as determined by a diverse policy making board, the CDC would work with the development community and land owners to create a shared vision and development plan. The CDC acts a liaison between residents, property owners, and the County to initiate strategic planning and redevelopment.



The panel discusses their recommendations behind closed doors

The three keys to a successful CDC are first, to have a clear mission and objectives; second, to structure the policy making board with a strong mix of citizens, government officials, deal makers, and financial experts; and third to have a targeted boundary of operation from which the CDC can work within.

While funding for a CDC is provided by both the public and private sector, the panel recommends that the county help seed the CDC or similar organization over the first few years. The CDC can also look to area foundations such as the Meyer Foundation, the Cafritz Foundation, the Fannie Mae Foundation, and area banks for financial support.

CDC's also have the ability to receive recoverable grants. A recoverable grant is funding that is provided under terms that provide for the return of capital under certain circumstances. It is a non-interest bearing loan that is unsecured and is unconditionally repayable if the project is completed or moves to the next phase. The primary advantage of this type of funding, compared to low-interest loans, is the simplicity of the transaction. The documentation may be quite similar to that of a traditional grant and require no more than a modified grant agreement.

National non-profit intermediaries such as Local Initiative Support Corporation (LISC) or the Enterprise Foundation are usually sources of this type of financing.

In addition to grants and recoverable grants, a CDC would also have access to below market rate funding from foundations and non-profit intermediaries interested in neighborhood/community revitalization. These funds can provide leverage, along with public sector financing, to produce the required rate of return for traditional funding sources. This tiered financing structure produces a win-win situation for residents, the county government, land owners and investors.

Whether the new entity is formed as a CDC or in another manner, the panel believes that efforts should be made to create an organization that can offer the same value that a CDC can bring to a community like Long Branch.

## **Conclusions**

The panel's recommendations build upon the strong foundation of the Long Branch Community and respond to the concerns heard throughout the panel. With continued community participation and an understanding that in order to finance and attract the type, size and scope of redevelopment that the community members are seeking, added heights and additional residents will be required, the panel believes that the Long Branch community will continue to thrive as the gateway to the American dream.

# Appendix 1

## Examples of development with a 2-3 Floor-to-Area Ratio



## Appendix 2

**Figure 1**  
**Urban Grid System connects civic uses to the Long Branch Community**



## Appendix 3

Figure 2: Open Space Framework



Figure 3: Concept Plan





## Appendix 4

Figure 4: Landscaped medians will increase pedestrian safety

