



Smart Growth America

Making Neighborhoods Great Together

Identifying the Bait in the Complete Streets Network: Planning for Economic and Fiscal Health

Safe Streets Summit 2015

Broward Complete Streets

Roger Millar, PE, AICP

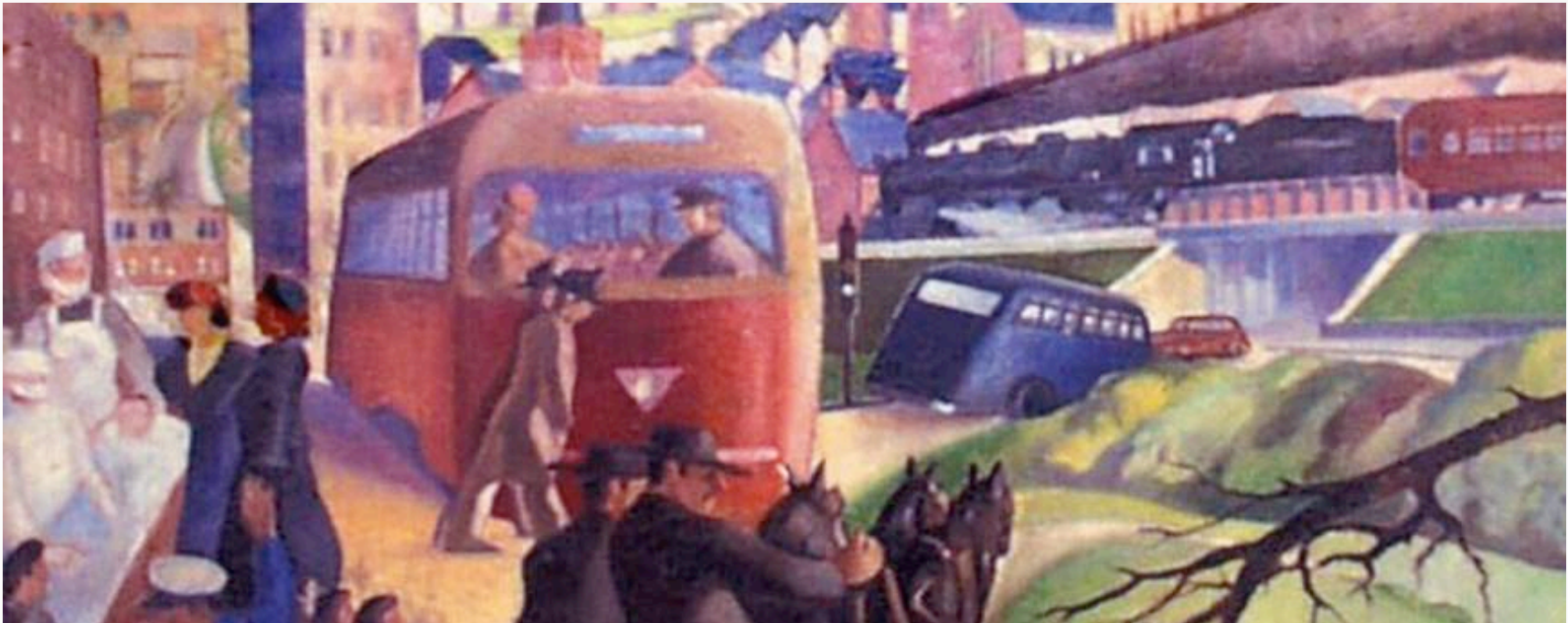
January 22, 2015

Presentation objectives

- Discuss the context within which communities plan
- Frame our work in the context of economic and fiscal health
- Discuss the relationship between transportation and land use
- Share the state of the Complete Streets movement



The value of planning



Smart Growth

Smart growth means building urban, suburban and rural communities with **housing and transportation choices near jobs, shops and schools.**

These strategies **support thriving local economies** and protect the environment.



What I hear about smart growth



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Wengen

Smart growth is ugly.



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Riomaggiore, Italy

We have no history with it.



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Mesa Verde, CO

Nobody would want to live there.



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Aspen, CO

It just doesn't work here.



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Pearl District, Portland, OR

Shut up and drive!



“Trend is not
destiny.”
-Lewis
Mumford



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Why plan?

“Have a plan. Follow the plan and you’ll be surprised how successful you can be. Most people don’t have a plan. That’s why it is easy to beat most folks.”

- Paul “Bear” Bryant



Planning for Economic and Fiscal Health

The pattern of development – how we choose to grow

–

affects our region's ability to compete economically, to

be fiscally sustainable, and to provide efficient and

effective public services –

to maintain our high quality of life.



The way we **design** and **build** our communities has enormous consequences



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We must be aware of 3 important factors affecting the future of our communities

1. The **market** is changing, especially for housing
2. The recipe for **economic growth** is changing
3. We can no longer afford to use tax money to **subsidize inefficiency**

THE CHANGING MARKET



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Your community is changing
and **preferences** and the
market are following.



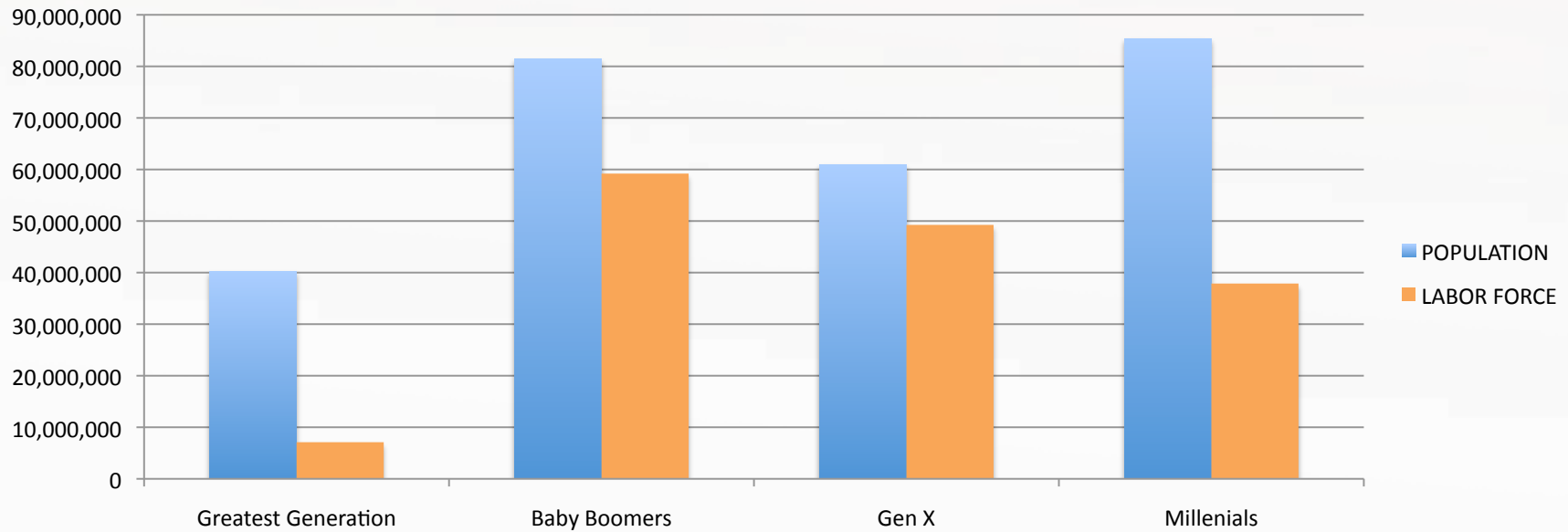
Your community is changing

- There are two demographic changes that are driving the market and must drive your decision making.
 - The **rise** of the **Millennials**.
 - The **aging** of the **Baby Boomers**.



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Demographic change and the labor force



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American households are changing

In the 1950s roughly **half** of all households were **families with kids**.

“Between 1970 and 2012, the share of households that were married couples with children under 18 halved from 40 percent to **20 percent**.”

US Census Bureau, *America's Families and Living Arrangements: 2012*

By Jonathan Vespa, Jamie M. Lewis, and Rose M. Kreider

August 2013



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Preferences: Housing

Millennials especially are trending away from traditional suburbs

- 47% would prefer to live in a city or a suburb with a mix of houses, shops, and businesses
- 40% would prefer a rural or a **small town**
- 12% say they would prefer a suburban neighborhood with houses only

Boomers want to age in their **community**



Americans Want More Walkable, Sustainable Neighborhoods

Americans' **ideal** communities have a **mix** of houses, places to walk, and amenities within an easy walk or close drive.

- 77% of Americans want **pedestrian-friendly** features.
- 88% place more value on the **quality** of the neighborhood than the size of the home.

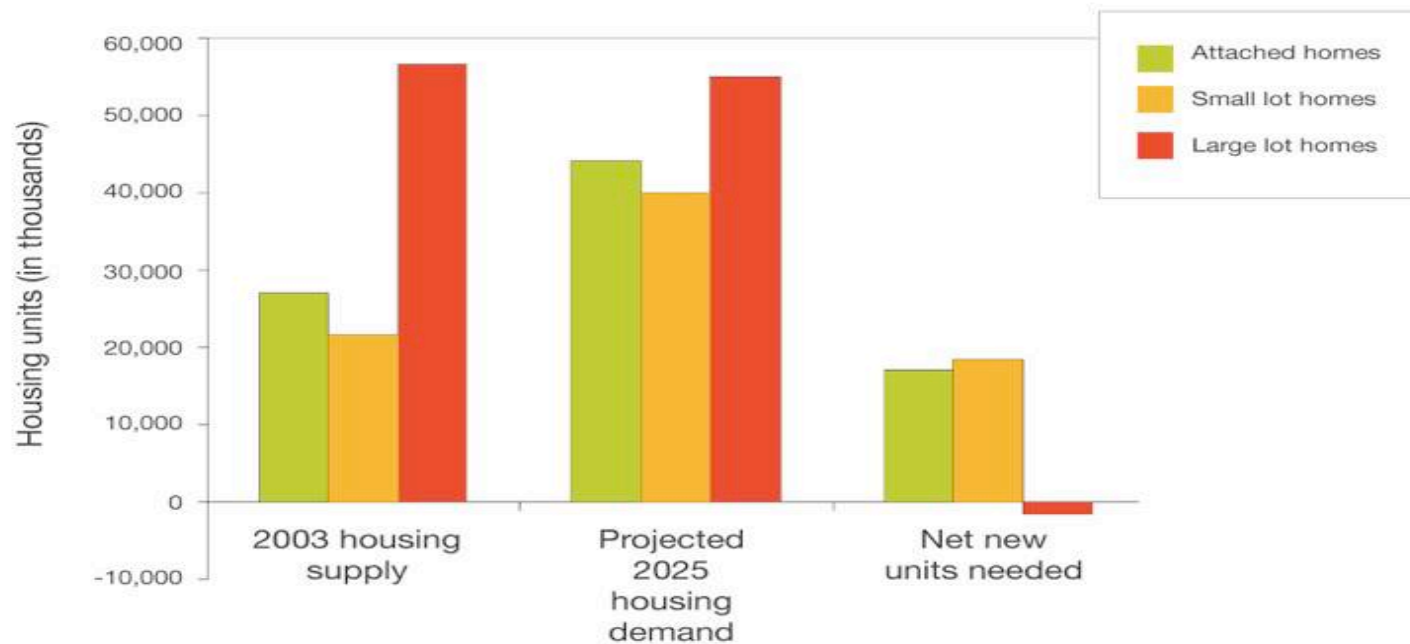
Source: Consumer survey conducted for the National Association of Realtors



THE CHANGING MARKET

The market: Housing

U.S. real estate supply vs. demand, 2003-2025



How will your community meets the
needs of
millennials and **aging**
boomers in order to improve
your competitiveness?



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The rise of the **millennials**
and the **globalization** are
driving the economy.



THE CHANGING MARKET

Millennials

They follow lifestyle,
not jobs.

Millennials choose
where to **live** before
finding a **job**.



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The labor force

- Millennials choose where to **live** before finding a **job**.
 - 64% looked for a job after they chose the city where to live. (Source: U.S. Census)
- **How** people want to work is changing and **where** they want to work is changing.



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The labor force

From office space....



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The labor force

....to office settings.



*Research Triangle Park,
Raleigh, NC*



Kendall Square, Cambridge, MA



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Businesses respond to changing preferences

- Across the country corporations are responding to employee preferences and **moving to the talent**.
- They are **choosing to relocate** from suburban offices to downtown locations.



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Businesses respond to changing preferences



Zappos, Las Vegas, NV



Hillshire, Chicago, IL



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There is a price/value premium
for walkable places



There is a price/value premium for walkable places (commercial)

“We find that, all else being equal, the benefits of walkability are capitalized into office, retail and industrial property values with more walkable sites commanding higher property values. On a 100 point scale, a 10 point increase in walkability increases property values by 1 to 9 percent, depending on property type.”

Gary Pivo and Jeffrey D. Fisher,
“The Walkability Premium In Commercial Real Estate Investments,” February 2010.



There is a price/value premium for walkable places (residential)

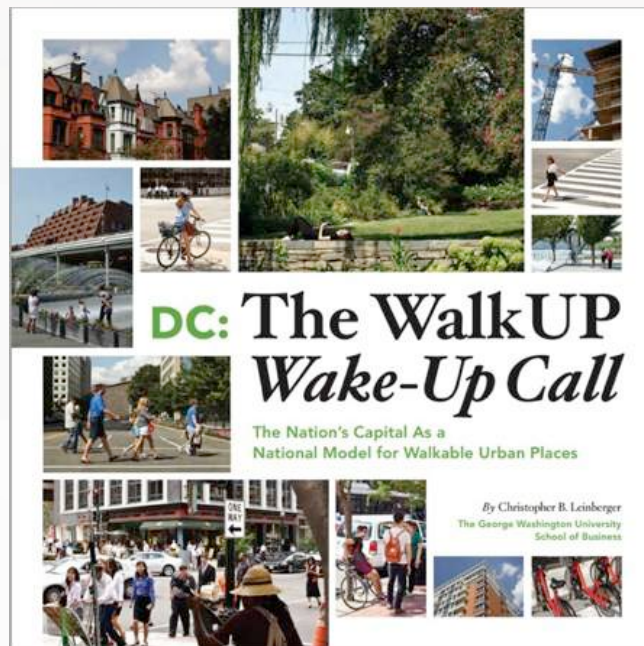
“More than just a pleasant amenity, the walkability of cities translates directly into increases in home values. Homes located in more walkable neighborhoods—those with a mix of common daily shopping and social destinations within a short distance—command a price premium over otherwise similar homes in less walkable areas. Houses with the **above-average levels of walkability command a premium of about \$4,000 to \$34,000** over houses with just average levels of walkability in the typical metropolitan areas studied.”

Joe Cortright,
“Walking the Walk: How Walkability
Raises Home Values in U.S. Cities,”
August 2009



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Walkable Urban Places



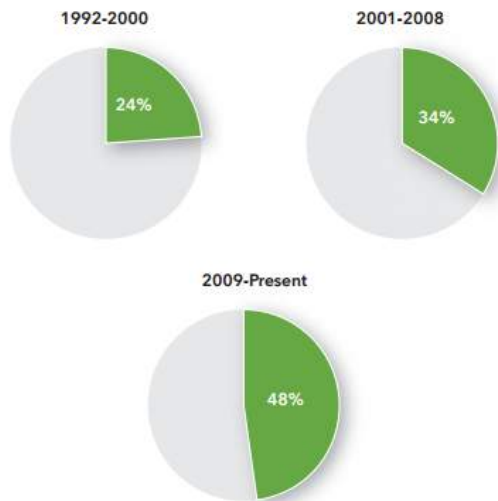
“ . . . walkable urban places and projects will drive tomorrow’s real estate industry and the economy”

- Christopher B. Leinberger



Walkable Urban Places

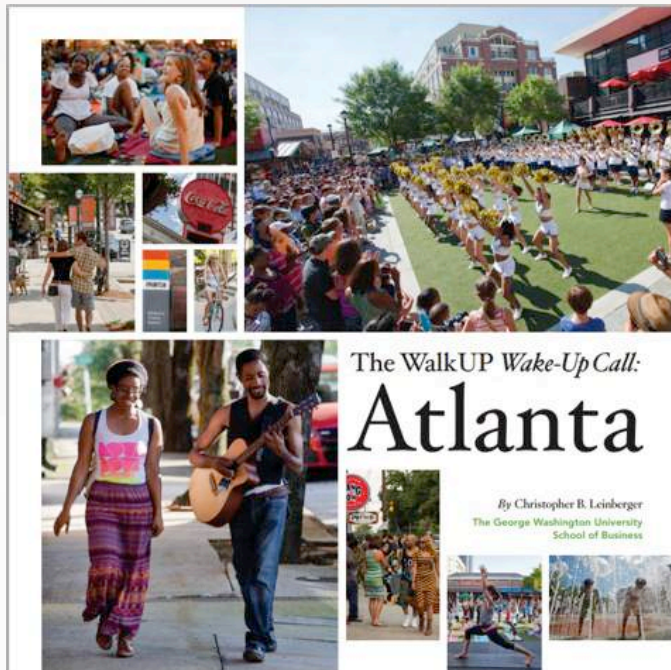
Share of Income Property
in WalkUPs Over the Last 3 Real Estate Cycles
Income Property = Office, Retail, Apartment and Hotel



“ . . . walkable urban places and projects will drive tomorrow’s real estate industry and the economy”



Walkable Urban Places - Atlanta



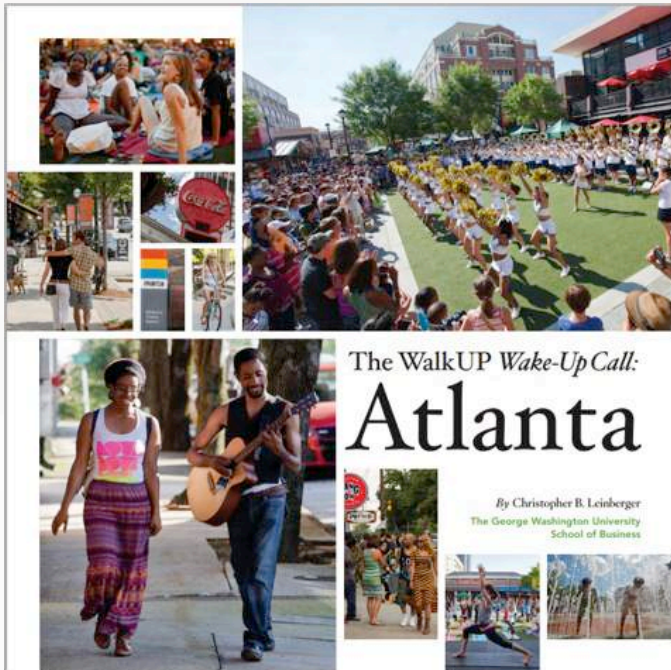
“Metro Atlanta, the ‘poster child of sprawl,’ is now experiencing the end of sprawl”

- Leinberger



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Walkable Urban Places - Atlanta



Report finding:

From 1992-2000, roughly 13 percent of real estate investment in the region went into Current and Emerging 'WalkUPs.'

From 2001-2008, that number **doubled** to 26 percent.

Since 2009, it more than **doubled again**, reaching 60 percent.



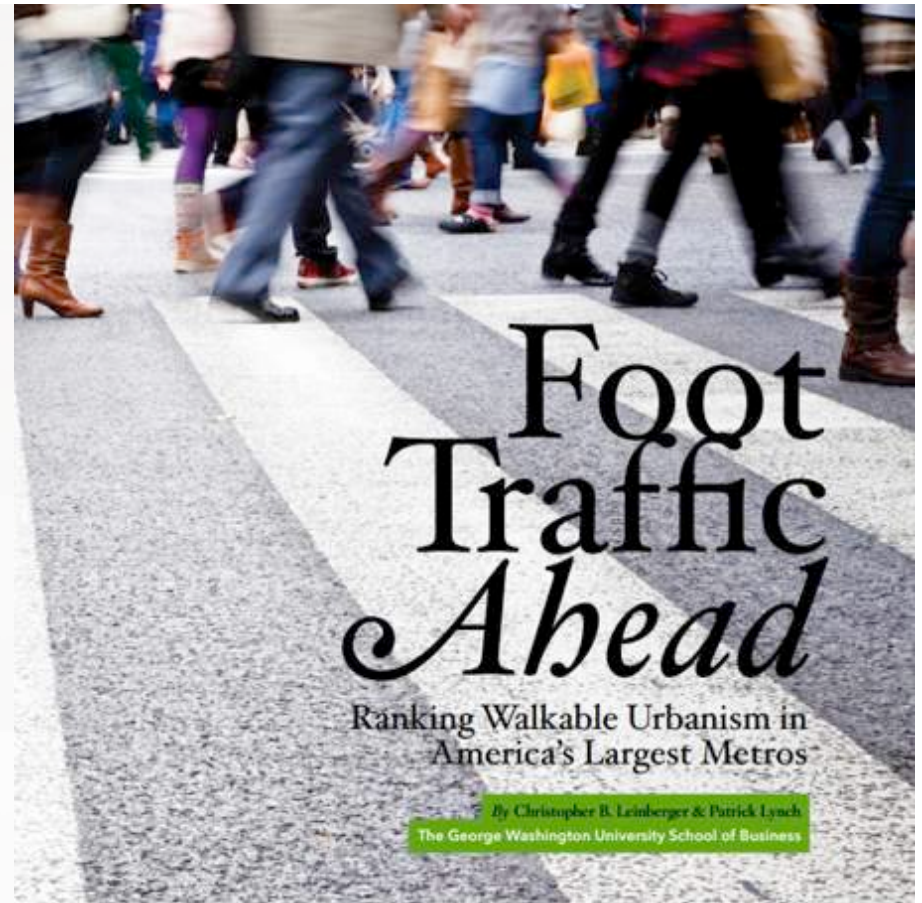
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There is a price/value premium for walkable places

New study ranks the top 30 US metropolitan areas in walkability

Major findings:

- The top ranking metros have an average of 38% higher GDP per capita as compared to the low ranking metros.
- Office rent in urban WalkUPs rent at a 74% higher premium per square foot over drivable sub-urban areas.



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“Urban vitality drives innovation
and attracts ‘talent.’”

(Freedmen, Tung & Sasaski, 2012)

“Livable cities draw creative people, and
creative people spawn jobs.”

(*Wired*, “Small Cities Feed the Knowledge Economy”,
Adam Davidson, May 31, 2011.)

PROSPERITY

Compact development is the market



GOING BACK TO ROCKVILLE

AFTER THE BUST, URBAN-STYLE LIVING IS GAINING MOMENTUM



“The 2011 Community Preference Survey reveals that, ideally, most Americans would like to live in walkable communities where shops, restaurants, and local businesses are within an easy stroll from their homes and their jobs are a short commute away”

Source: Consumer survey conducted for the National Association of Realtors



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Smart growth is part of an economic development strategy

- Economic development is increasingly a competition over *placemaking*.
- Building a great place to live, work, and play *IS* an economic development strategy.



How can your community take
advantage of the
changing nature of the
economy in order to create
jobs and wealth?



FISCAL HEALTH



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How communities
develop affects
costs and revenue.



FISCAL HEALTH

Development affects costs



Development affects costs

When it comes to costs:

- Compact development is the best deal.
- Low-density suburban development rarely pays for itself.
- It makes sense to reuse existing infrastructure.

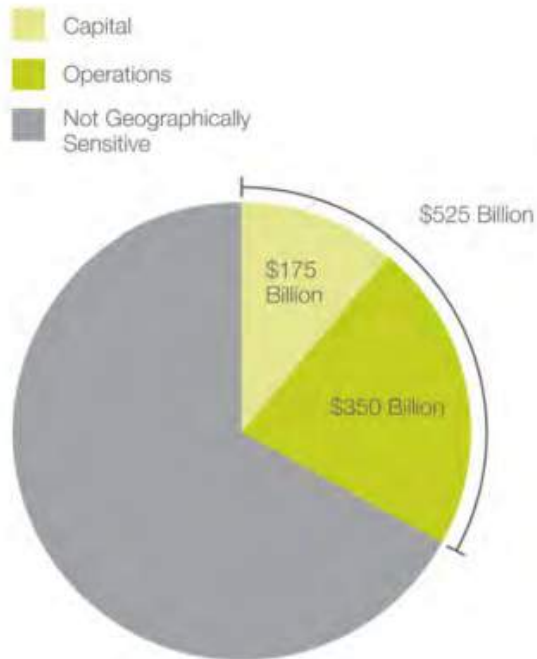




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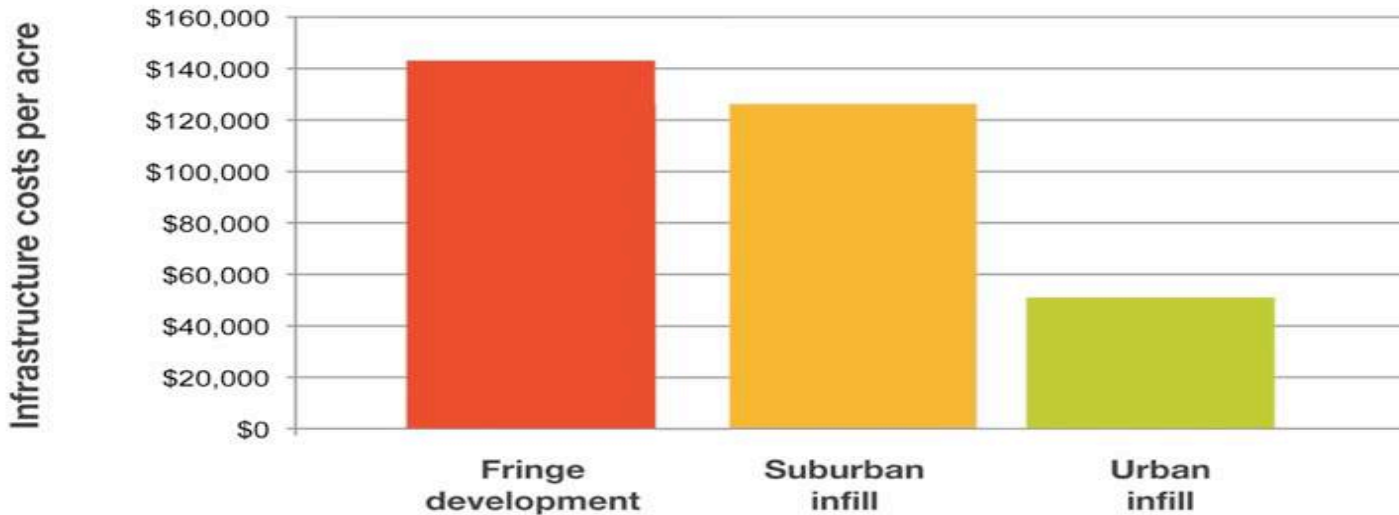


FIGURE 1
Portion of local budgets influenced by land use choices, nationwide



Development affects costs

Per acre infrastructure costs for single-family homes by location



Building infrastructure to serve new development on the fringe can cost the city **up to three times more per acre** than urban infill development.



Development affects costs

- Compact development offers efficiencies in regards to **services** as well.
 - Police and fire departments have less area to cover.
 - Fewer miles of road to cover for snow removal and trash pickup.



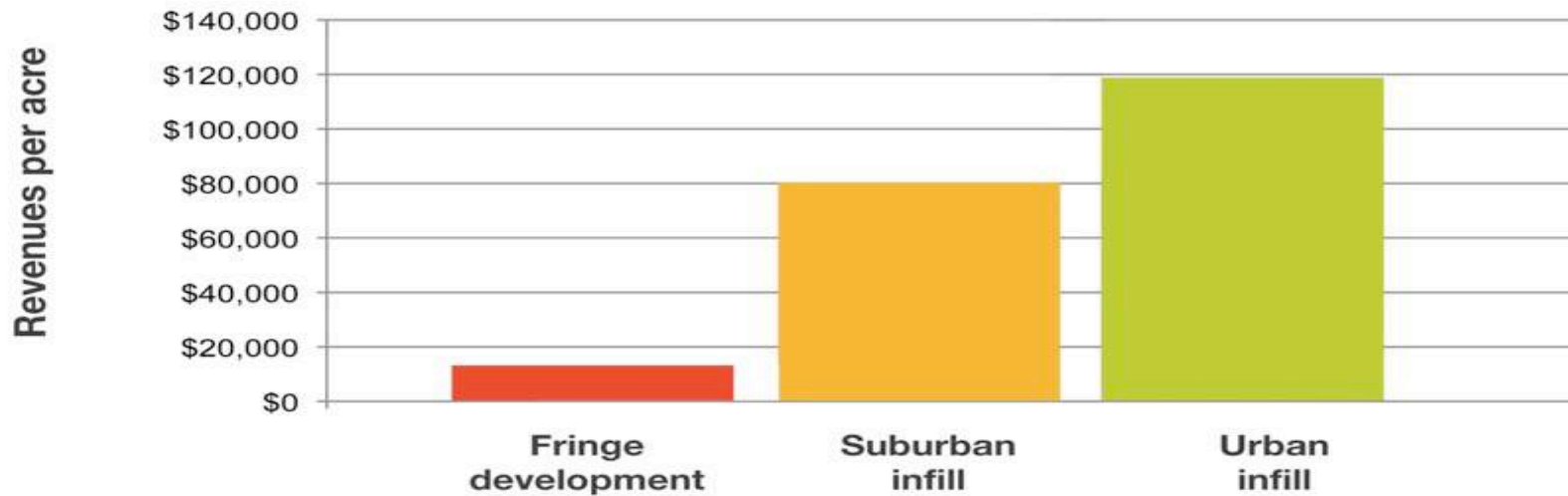
Development affects revenue

- When it comes to **revenue**...
 - Compact development is the best deal.
 - Low-density suburban development generates much less per acre revenue.
 - You can increase your property tax base significantly simply by bringing back areas that already exist



Development affects revenue

Per acre revenues by density and location in the State of California

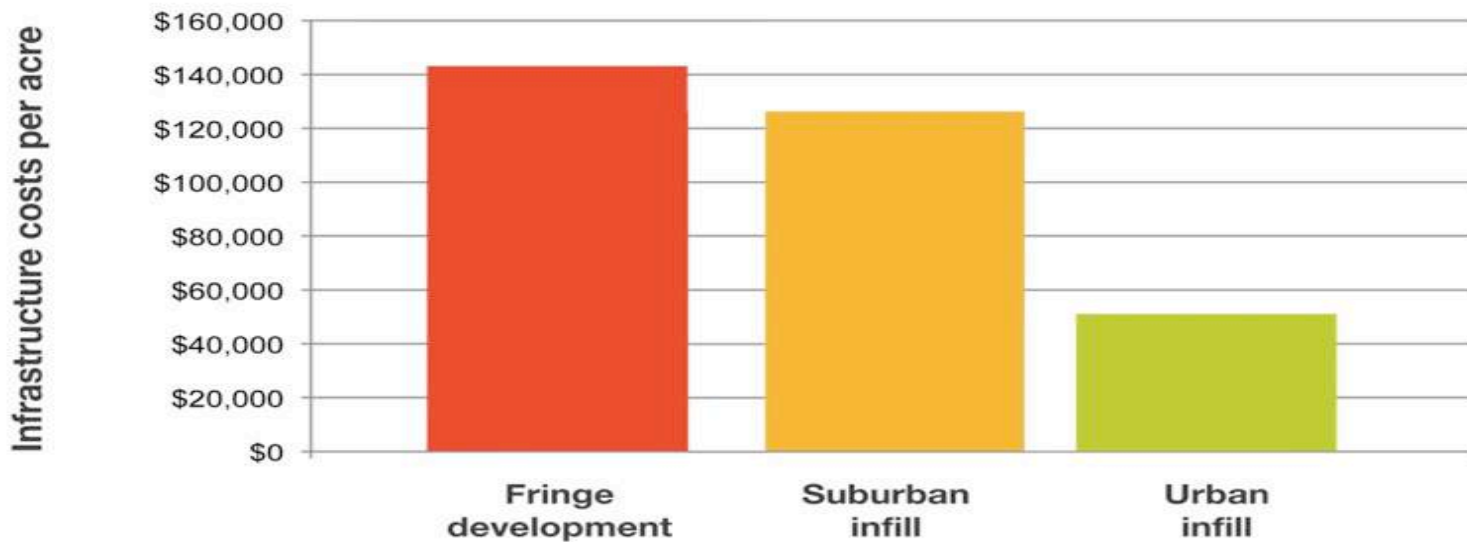


Multifamily housing in near an area's center can generate **nine times more revenue per acre** than traditional large-lot, single-family housing on the fringe.



Development affects costs

Per acre infrastructure costs for single-family homes by location

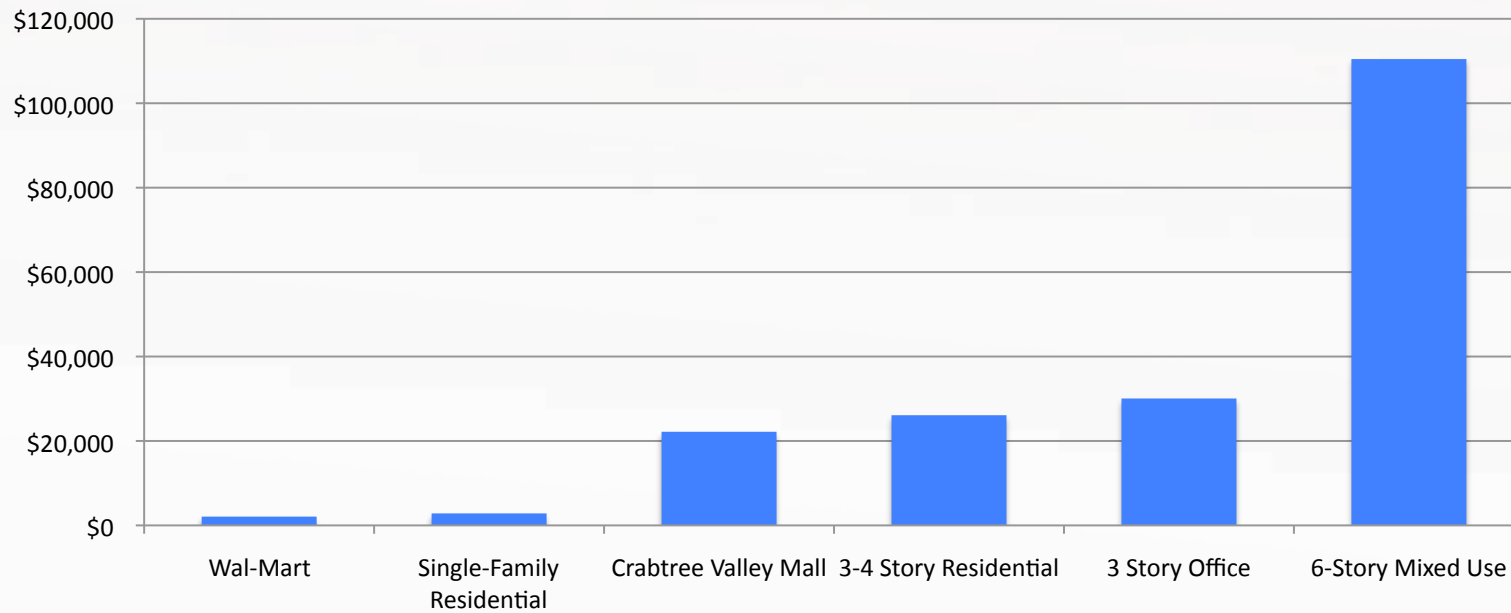


Building infrastructure to serve new development on the fringe can cost the city **up to three times more per acre** than urban infill development.



Development affects revenue

Municipal property tax yield (per acre) 2011 Raleigh, NC



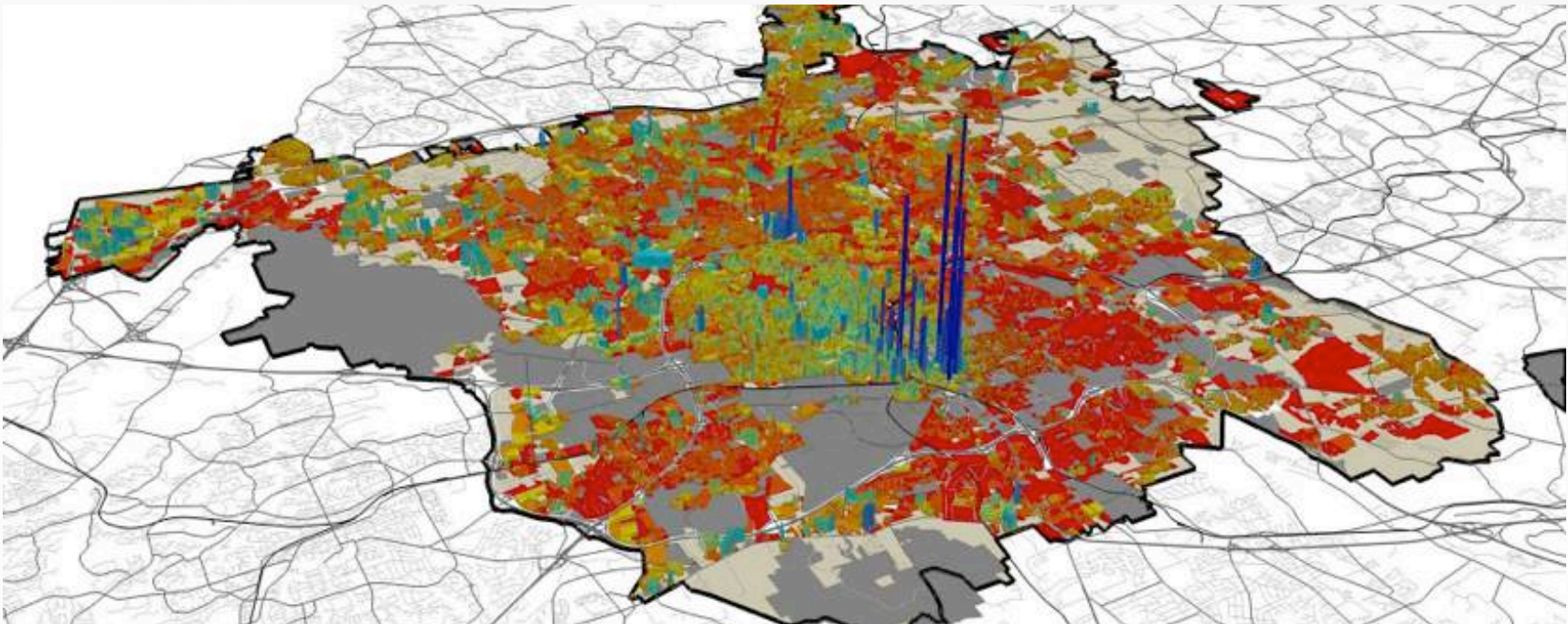
Development affects revenue

	Asheville Wal-Mart	Downtown
Land Consumed (Acres):	34.0	00.2
Total Property Taxes/Acre:	\$ 6,500	\$634,000
City Retail Taxes/Acre:	\$ 47,500	\$ 83,600
Residents per Acre:	0.0	90.0
Jobs per Acre:	5.9	73.7



FISCAL HEALTH

Development affects revenue



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Nashville Case Study

- 3 development projects
 - *Bradford Hills (conventional suburban)*
 - *Lenox Village (“New Urban suburban”)*
 - *The Gulch (smart growth)*
- Operating Costs only
 - *No infrastructure cost analysis*
- General Fund only



Bradford Hills (conventional suburban)



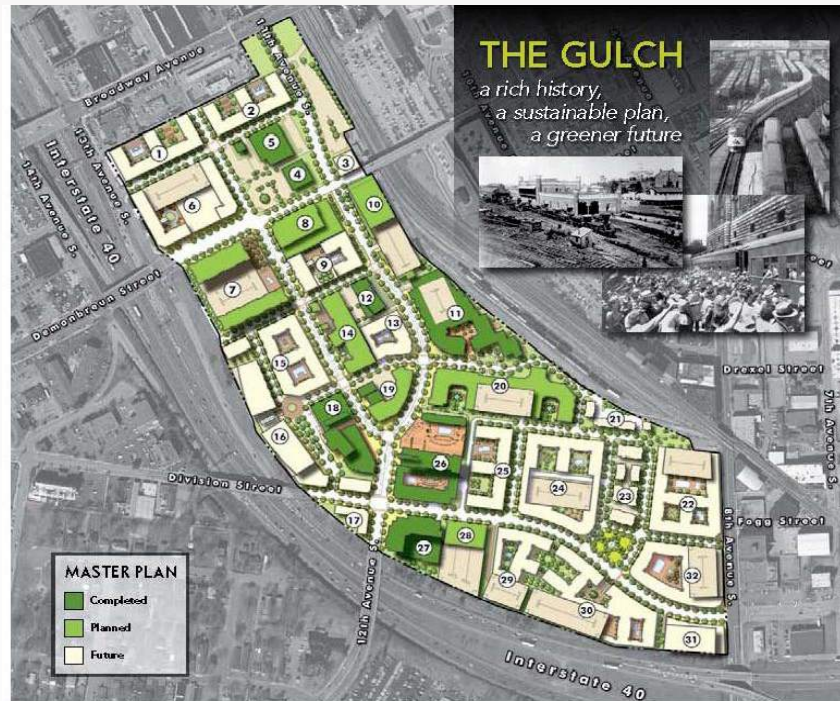
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Lennox Village (“New Urban suburban”)

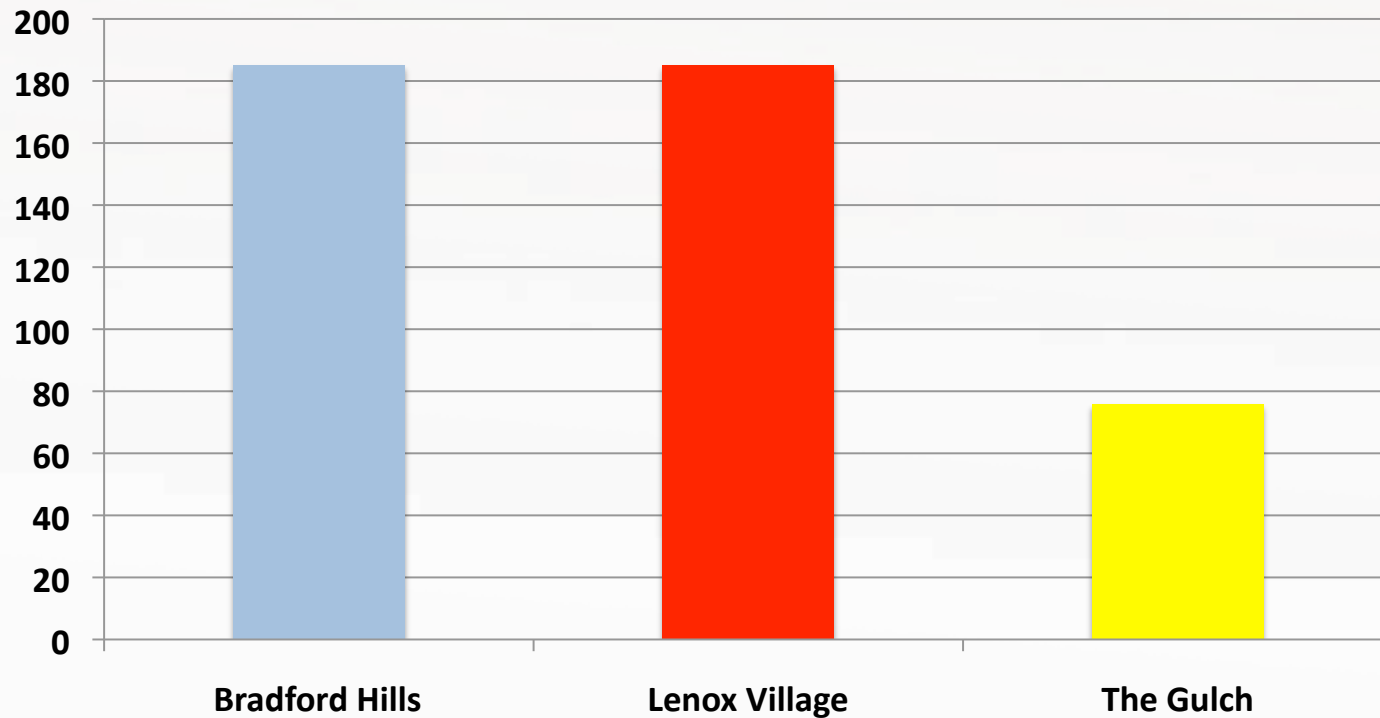


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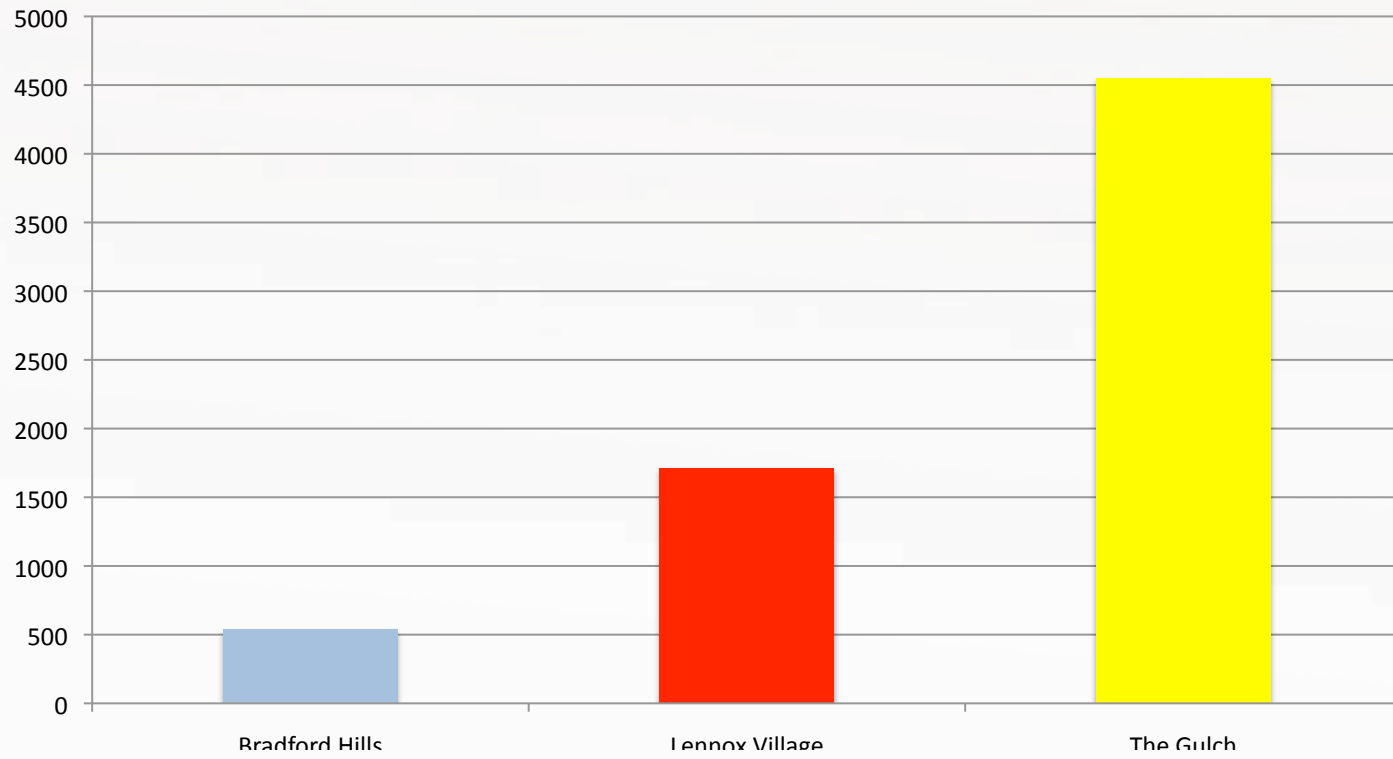
The Gulch (smart growth)



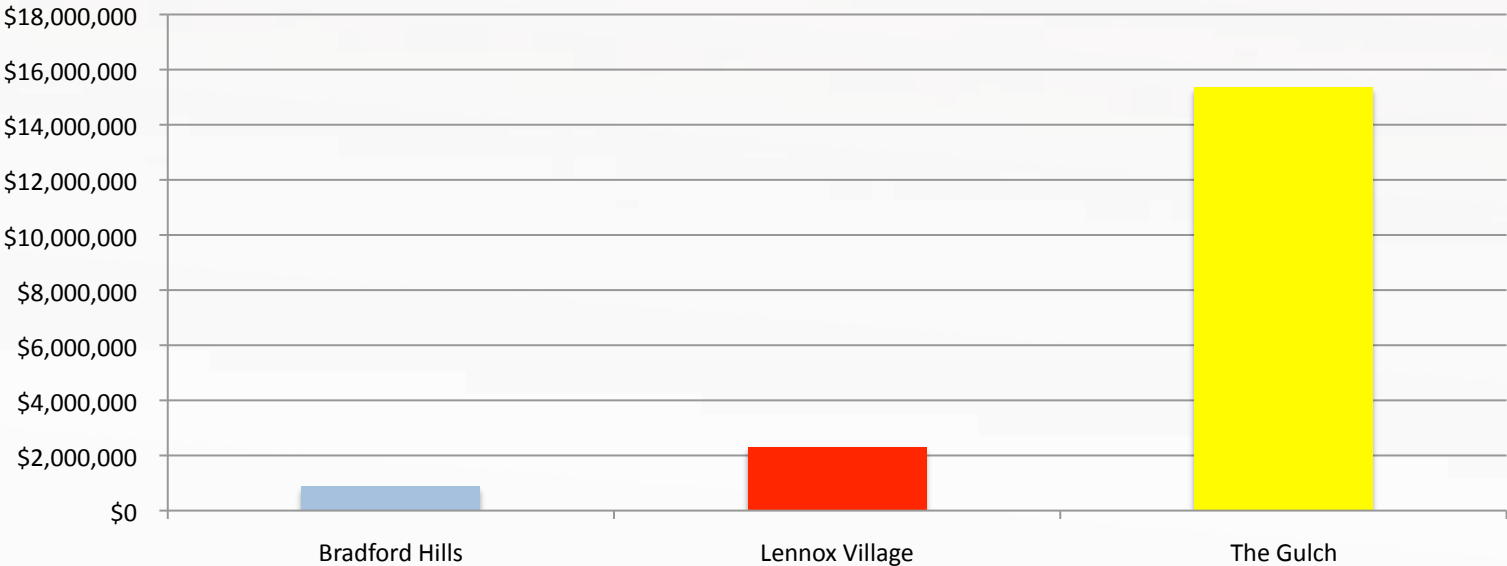
Project Acreage



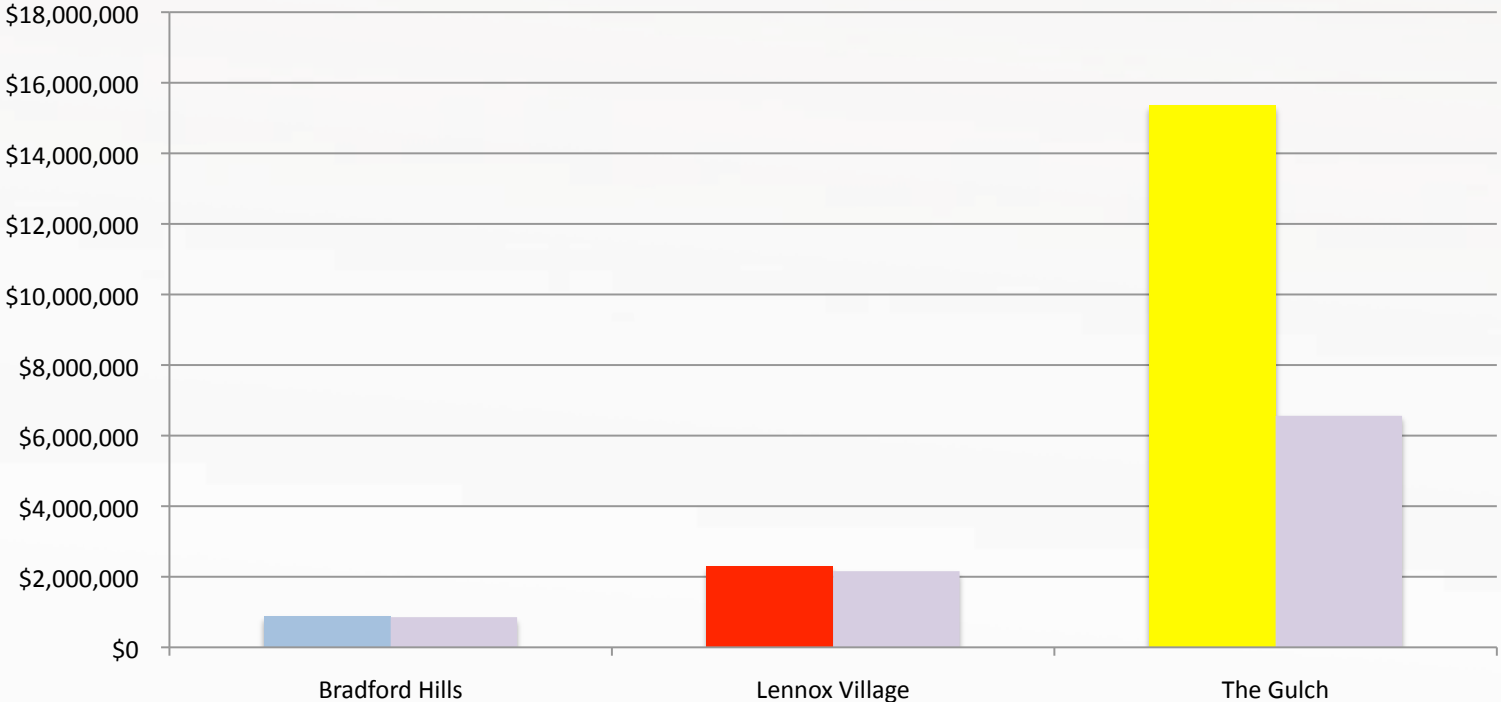
Housing Units



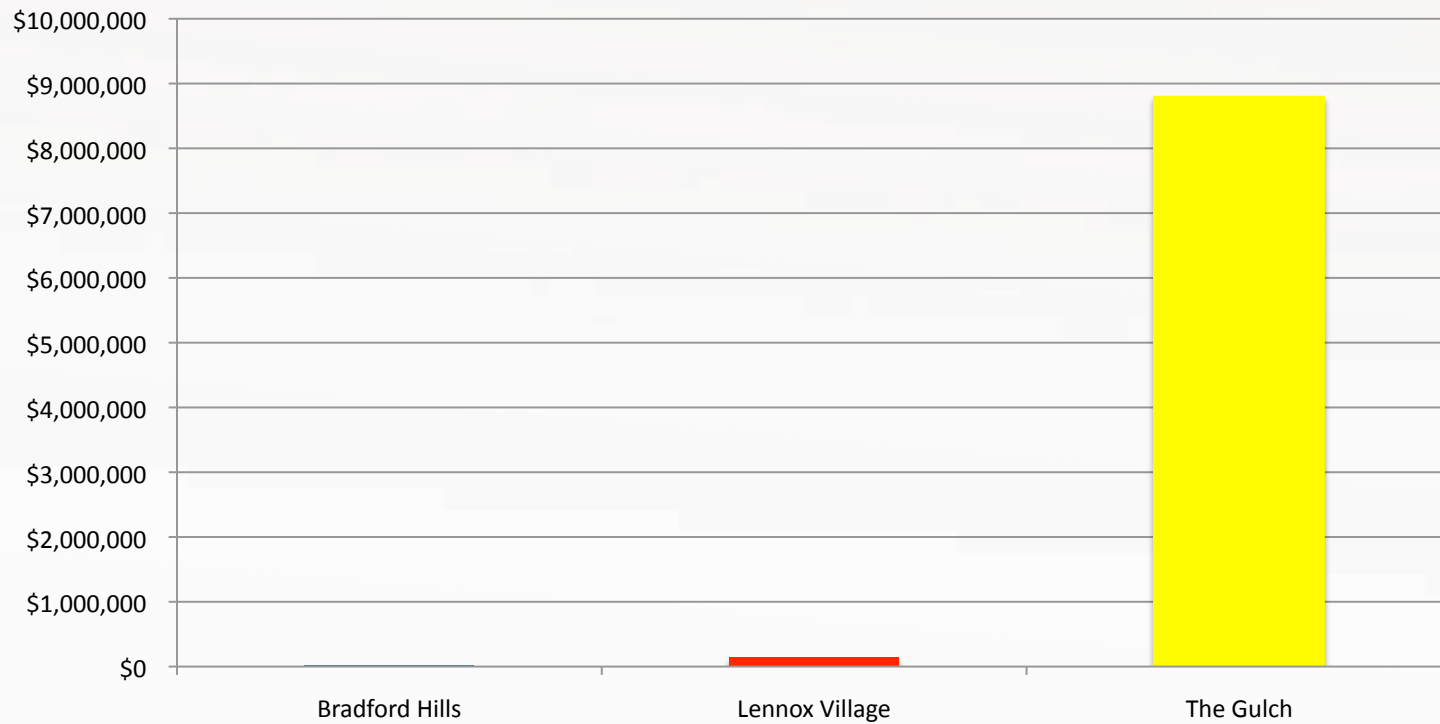
Gross Revenue



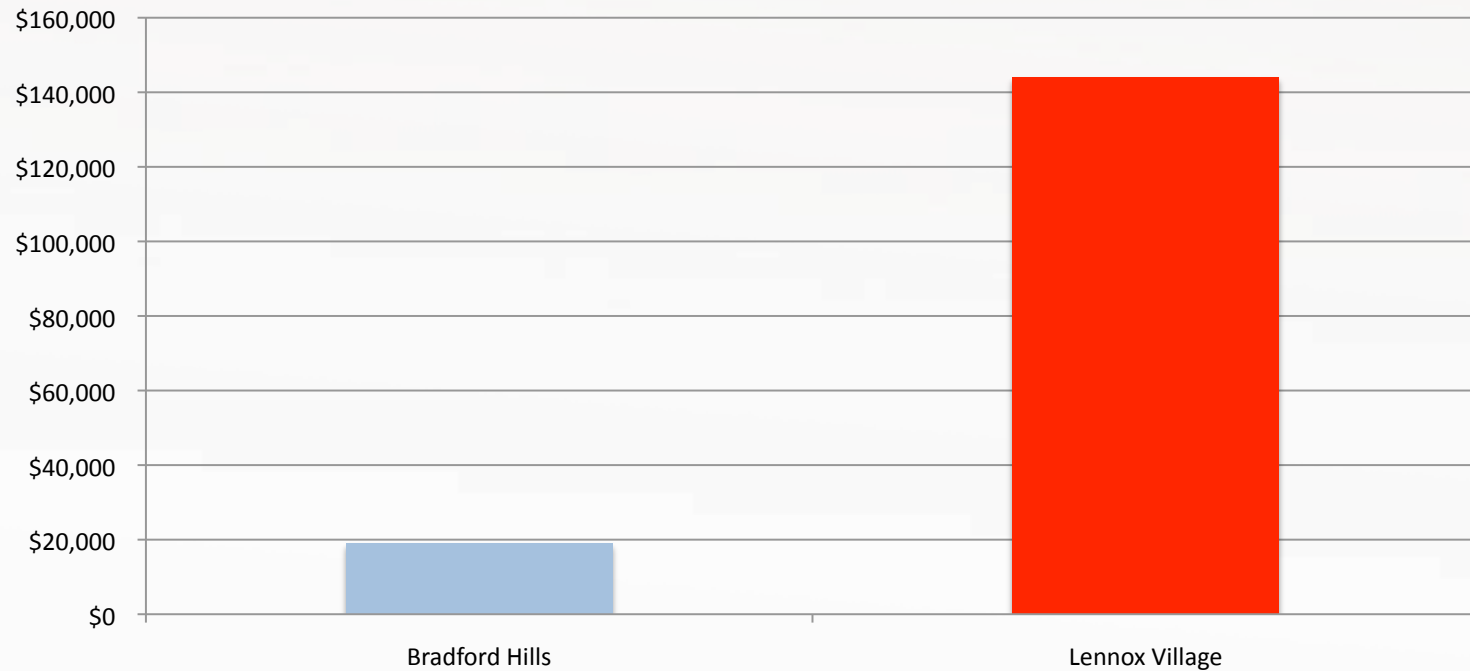
Revenue and Cost



Net Revenue



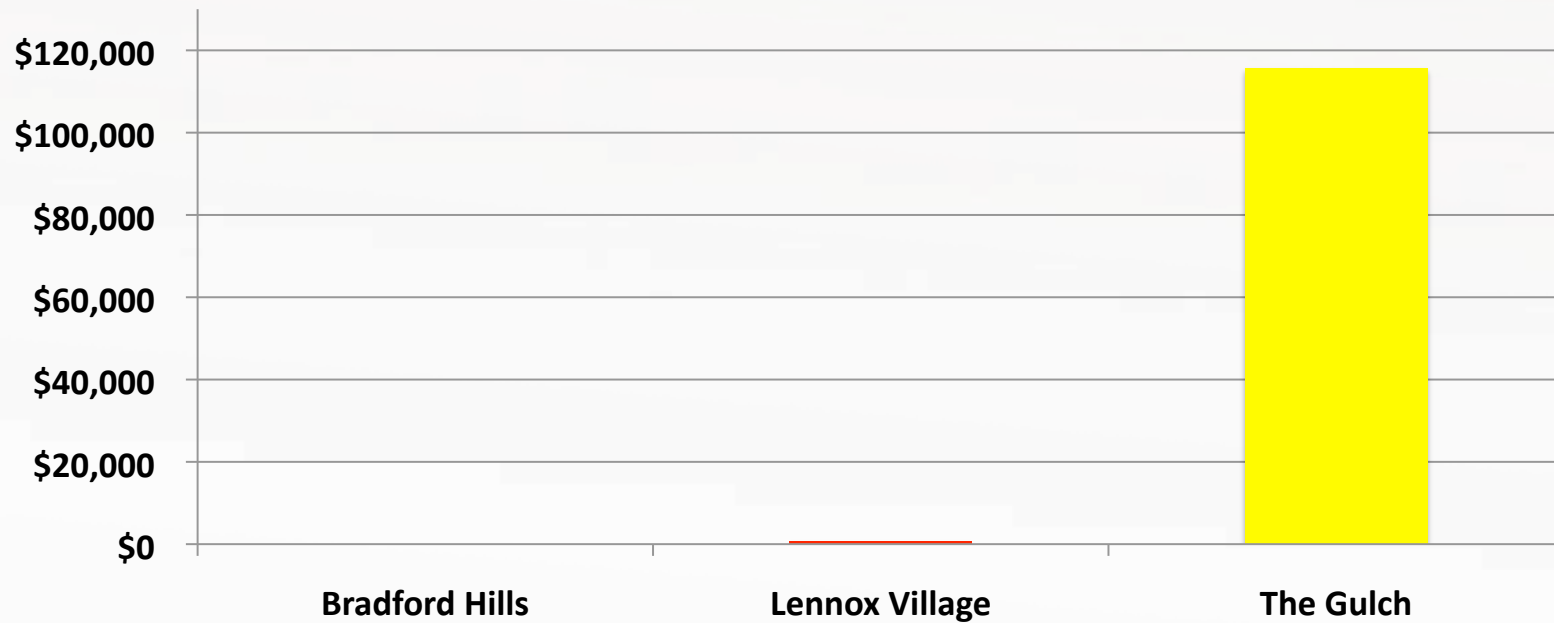
Net Revenue Without The Gulch



Net Revenue Per Housing Unit



Net Revenue Per Acre



Bottom Line

- Downtown and close-in neighborhoods will yield a much higher return
- Village-style suburban development will yield a higher return
- These surpluses can be used to offset costs of existing neighborhoods
- When infrastructure is added to the mix, these trends probably become stronger
- As Nashville-Davidson County runs low on developable land, these considerations become vastly more important.

Land Use and Transportation



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Traditional approach

- Transportation systems prioritize high speed mobility
- Auto oriented development follows
- All other modes at disadvantage

From Integrating Land Use and Transportation Planning Through
Placemaking by Gary Toth



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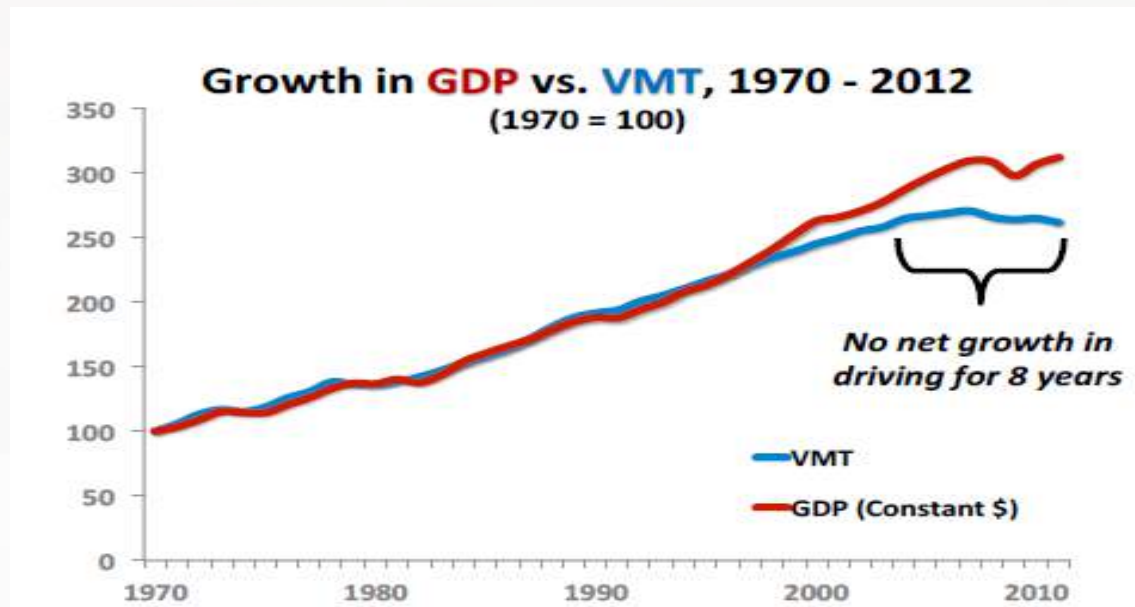
Traditional approach

- Spread out development increases transportation demand
- Cycle repeats

From Integrating Land Use and Transportation Planning Through Placemaking by Gary Toth



Something happened



Actually, everyone's driving less . . .



Placemaking

- Access rather than mobility
- Urban streets as places of social and economic exchange
- Non-motorized transportation is key to urban cores
- Neighborhood streets safe for play
- Commercial streets safe for walking and cycling while moving through and local traffic
- Plan for people and places, not cars and traffic



From Integrating Land Use and Transportation Planning Through
Placemaking by Gary Toth



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Best Development Practices

- Keep vehicle miles of travel (VMT) below the area average.
- Contribute to the area's jobs-housing balance.
- Mix land uses at the finest grain the market will bear and include civic uses in the mix.
- Develop in clusters and keep the clusters small.
- Place higher density housing near commercial centers, transit lines, and parks.
- Phase convenience shopping and recreational opportunities to keep pace with housing.
- Make subdivisions into neighborhoods with well-defined centers and edges.
- Reserve school sites and donate them if necessary to attract new schools.
- Concentrate commercial development in compact centers or districts.
- Make shopping centers and business parks into all-purpose activity centers.
- Tame auto-oriented land uses, or at least separate them from pedestrian-oriented uses.



From Best Development Practices: A Primer for Smart Growth by Reid Ewing with Robert Hodder

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Why Complete Streets?



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Not complete.



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Not complete.



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Not complete.



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The National Complete Streets Coalition

- AARP
- Alliance for Biking & Walking
- America Walks
- American Planning Association
- APTA
- American Society of Landscape Architects
- Association of Pedestrian and Bicycle Professionals
- Institute of Transportation Engineers
- National Association of City Transportation Officials
- National Association of Realtors
- Nelson\Nygaard
- Smart Growth America
- SRAM
- Stantec
- SvR Design Company
- AECOM



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Promote policies & practices that:

- Ensure safety
- Encourage “balance”
- Are aware of the larger context
- Consider networks
- Respect people



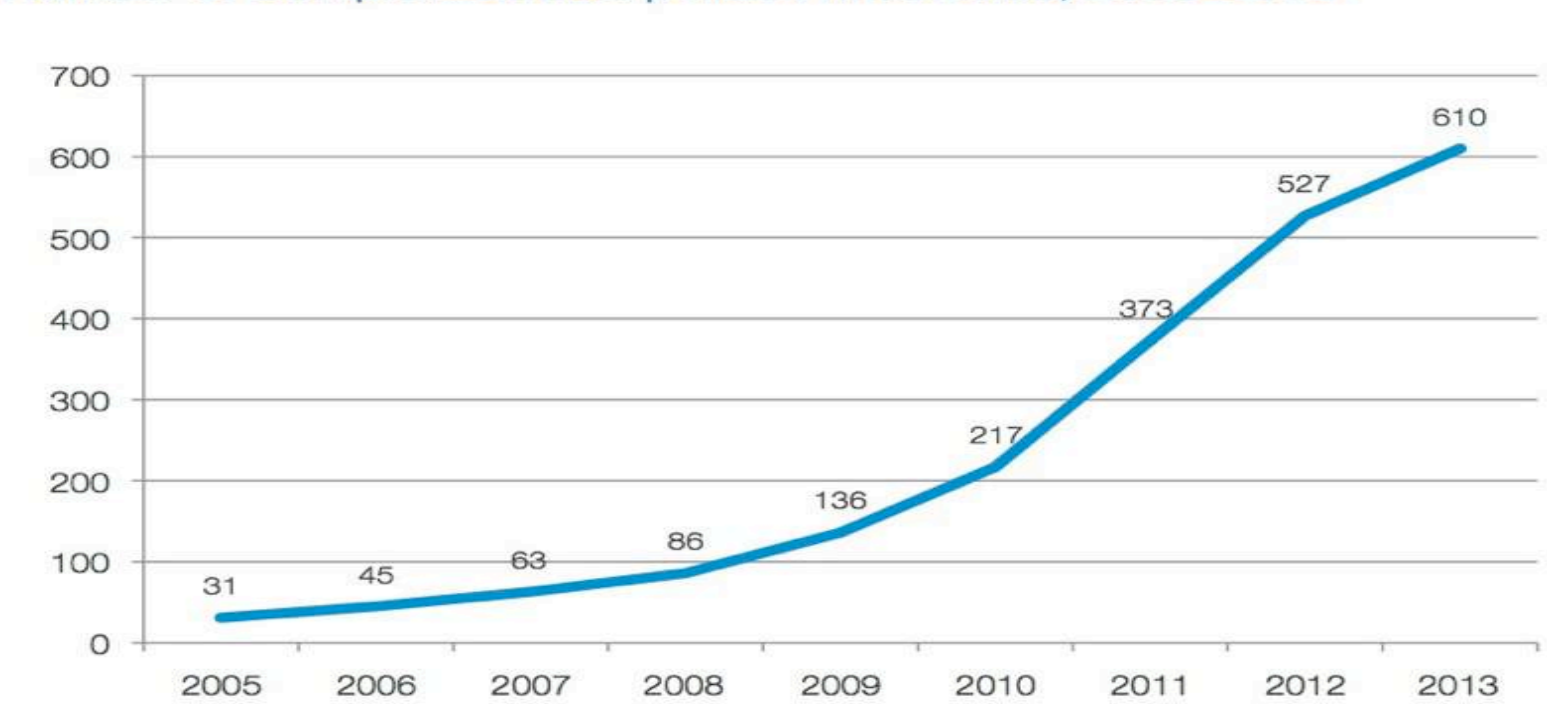
Our work

- Establish “standard” practice
- Provide training & direct assistance
- Develop leadership



Policy adoption & issue awareness

Number of Complete Streets policies nationwide, 2005–2013



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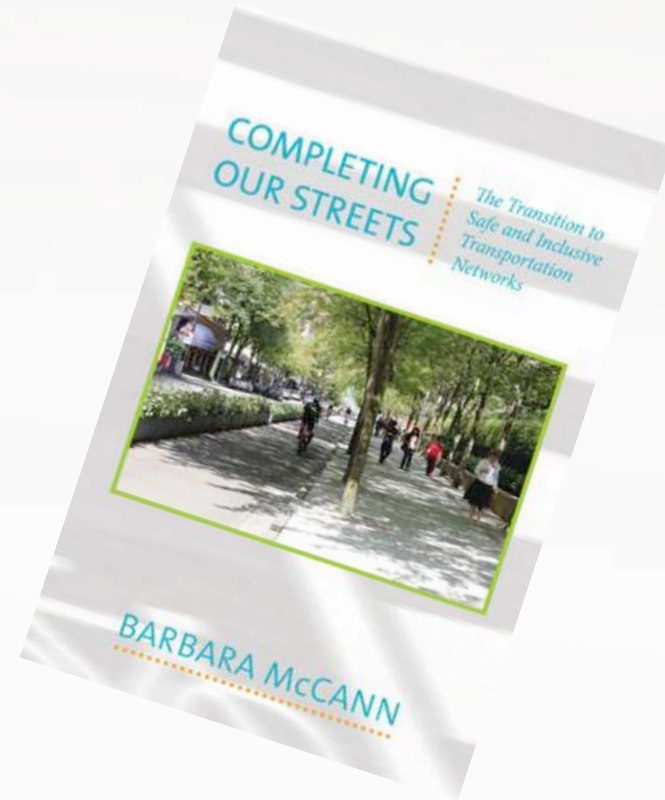
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“Change requires intent and effort.”



Complete Streets success

1. Political will
2. Clear path forward
3. Ownership within agency



Activities:

- Plan & be accountable
- Change the way you make decisions
- Allow (encourage!) critical thinking in design choices
- Share Complete Streets knowledge
- Measure your efforts



Proliferation of tools & guidance



How we develop is connected to our health, our household costs, our transportation choices and our ability to move up the economic ladder.



Some development costs more,
for taxpayers and consumers.

Some costs less.



We have the freedom to make informed, humane, and intelligent choices about the kind of world we want to leave for our children and grandchildren. We also have the freedom to make uninformed, selfish, and stupid choices. Which will it be? - Greg Pahl



Thank you!

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