Redevelopment -- *Communities Charting New Courses*

By Paris Rutherford – As Published in ULI’s Urban Land Magazine

Real estate delivery in first-tier cities has been quite simple over the years. It has met enormous demand while blanketing large areas with single-uses focused more on product delivery than community experience. There is widespread recognition that this development process has been the most effective real estate delivery system ever known and changed the way we have lived, worked, played and communed.

But the marketplace has begun to react negatively to the physical patterns and lifestyle inherent to this development approach. It is now identified as formulaic, repetitive, even predictable. It has been credited with creating the *Suburbs* and is now being blamed for Sprawl; with its congestion, homogeneity, anonymity and overall non-sustainability. In short, and as national psychographic surveys indicate, there is a market correction in process. We are expecting more meaningful experiences through authentic places, with an identity tied to individuality and proper development scale.

In most large markets today, smart growth legislation has either passed or is being hotly debated as an antidote to the ills created by the sprawling development of the past half-century. But such legislation realistically affects only new development on the edge. And as such, the physical environment offered by these markets is well defined and set; infill redevelopment is a slow and painful process most communities avoid. Thus, the identity and lifestyle these cities offer is often at odds with the new development patterns we now seek.

**The Opportunity**

In an interesting twist, many second and third-tier markets are capitalizing on this disconnect. Realizing that sustainable growth is not exclusive to the top markets, and that their physical form may offer an alternative to the anonymity associated with their larger brethren, many communities have undergone planning and redevelopment initiatives aimed at grabbing market share in the next development cycle while ensuring their long-term viability. They are performing complex physical planning and public relations exercises to attract new residents by emphasizing lifestyle more than just a convenient place to live: It is an effort to provide engaging community interaction, visually diverse and interesting community form, and delivery on the residents’ expectation of what a “real” community ought to be. The implementation of these plans often displays the enhancement (or even manufacturing) of the very “small town” experience from which most modern communities embarked.

We have seen these efforts occurring in downtowns, suburbs, and even in emerging communities on the edge. Quite often, they are navigating the very community concerns, entrenched development methods, and procedural obstacles that development in larger markets face, and are succeeding due to political will behind their efforts. The result offers informative lessons from which we all may benefit.

*A. The Downtown*
The “return to downtown” is a well-reported phenomenon. It capitalizes on the national desire for the authenticity and excitement offered by the urban street-scenes of our active downtowns. While downtowns like Los Angeles, Dallas and Denver are in their second and third-generation of urban infill development product, cities like Colorado Springs, Oklahoma City, and Lincoln are experiencing the first wave of such redevelopment. As such, they have the opportunity to learn from the difficulties redevelopment in these larger communities encountered, including neglect, fragmented ownership, over-prioritized traffic planning, perception/reality of crime, and an overall lack of market creativity.

These second-tier cities still represent the primary commercial hub for their regions and lack the competing economic centers that larger communities must balance politically. And although much of the larger markets’ redevelopment was spearheaded by uncoordinated private efforts, these smaller cities can provide more focused and proactive public leadership, albeit spurred by a smaller economic engine. The following outlines these communities’ efforts to offer a compelling alternative to the suburban edge and indeed, other regional downtown centers.

1. Colorado Springs, Colorado – Development in its planning stage

The Background. Founded in 1871, Colorado Springs and its natural amenities attract 6 million travelers each year. Although the City has been successful in balancing its regional draw with the preservation of an appealing small-town atmosphere, its downtown could benefit from greater critical mass and a vibrant urban housing base to enliven street life activity. Realizing this, the City issued a request for proposals to the development community for approximately 70 acres of downtown known as the Southwest Downtown Urban Renewal Area. Over the past year and a half, a master development team consisting of the Classic Companies and Norwood Development Group has been preparing a physical and financial plan for the district’s redevelopment.

The Plan. Reinforced by market analysis, the redevelopment plan contemplates an urban mixed-use district that integrates residential development at varying densities with office, retail, entertainment, lodging, and transit uses. These uses attach to a central plaza that spans an existing rail corridor to form a critical east-west link from the redevelopment area to Confluence Park, a major downtown park under construction to the west. The plan also explores the possibility of a minor league baseball stadium, convention center, and future commuter rail station as opportunities to speed absorption. These planning and programming concepts are intended to create programmatic synergies and vibrancy for Colorado Spring’s downtown, elevate its regional identity, and add significant architectural form to its skyline. A detailed phasing plan, public/private implementation strategy, and district-wide design guidelines provide the procedural framework that will guide the plan's ultimate implementation.

The Implementation Strategy. Several redevelopment challenges must be addressed for the development to move forward. TIF financing is being created to meet the costs of infrastructure improvements, which are necessary to provide appropriate service for the planned infill developments as well as create an exciting pedestrian-friendly streetscape and open space system that includes the plaza connection to Confluence Park. The plan also incorporates a proposed bus transfer and future commuter rail facility in order to access significant Federal Transportation Administration funding that will result in a larger and more impressive first phase. This is
particularly important, as the size, scale, land value, and contents of the redevelopment district itself would prove difficult to overcome for the modest first phase this market would generate alone. As a result, a public-private partnership is being navigated between the developers, landowners, transit authority, and city.

2. Lincoln, Nebraska — Development in its partnering stage

The Background. A community of 250,000 people, with a downtown that didn’t experience much growth in two previous development cycles, Lincoln has maintained the ambiance of a pleasant small city, while becoming one of the fastest growing non-Sun Belt cities in the U.S. Home to both the state capitol and the University of Nebraska, it offers efficient transportation, a stable business environment, nationally recognized sporting and special events, a strong education system, and advanced health care technology. However, downtown Lincoln lacks a vibrant urban residential base with exciting linkages and neighborhood form.

The Plan. In 1999, the City of Lincoln, University of Nebraska at Lincoln, and Lower Platte South Natural Resources District announced a collective effort to redevelop the eastern downtown area with a flood control system and improved transportation framework in a manner that enhanced community revitalization.

The community is now preparing a market-based master plan that leverages these improvements to provide clear service centers for neighborhood residents, incorporate new development typologies, create livable streets, and most importantly, create a fresh identity for an under-realized area of downtown. The program combines diverse residential densities (single-family to mid-rise loft living units) with research and development office space, restaurants, retail, civic and university-related uses. It also anticipates the possibility of a new downtown arena, conference facility, and full service hotel as tools to speed absorption and create programmatic synergies.

The Implementation Strategy. After over a thousand public meetings, the $175 million initial infrastructure construction is slated to begin in the second quarter of 2003. A host of additional improvements are necessary to meet the goals for the community revitalization process. As with Colorado Springs, a TIF and other redevelopment funding mechanisms are being explored to help address these large costs. There are six catalyst projects the City intends to coordinate with the initial creek and transportation improvements to change the market’s perception of this inner city area. Once these projects have been identified and their development process approved, changes will be made to existing regulations to create “packaged deals” that may be submitted to the development community for implementation.

3. Oklahoma City, Oklahoma – Development in its implementation stage

The Background. In the early 1990s, the City of Oklahoma City outlined a strategy to diversify the amenities of downtown in an effort to both improve its quality of life and induce private reinvestment. MAPS (Metropolitan Area Projects), was created for the purposes of constructing new and upgraded sports, recreation, entertainment, cultural and convention facilities in
accordance with the City’s redevelopment initiative. MAPS was funded by a voter-approved, temporary one-cent sales tax that collected over $309 million over the 66 months it was in effect. In addition, the deposited tax revenue earned about $47.5 million in interest, creating a total redevelopment budget of $356.5 million.

The Plan. Shortly after the voters approved MAPS, the Mayor appointed a 21-member citizen oversight board to lead a public input process and make related recommendations to the City Council. Following these recommendations, the City has completed the majority of the plan’s projects. These include the new SBC Bricktown Ballpark in the Bricktown retail/entertainment district, an urban canal running through this district, renovation of the Cox Convention Center, improvements at the state fairgrounds, a new Library/Learning Center, new trolleys, a renovation of the Civic Center Music Hall, improvements to the North Canadian River, and construction of the Ford Center multi-purpose arena adjacent to the convention center.

The Implementation Strategy. The primary focus of the MAPS process has been the implementation of these projects. The MAPS program created strong points of identity and a renewed interest in the Downtown core, but it continues to lack the integrated urban identity desired by its stakeholders. To meet this challenge, the City is now focused on more effective utilization of MAPS projects as catalysts for private reinvestment necessary for such an identity. The outcome of this effort identified the need to create stronger community linkages, reinforce existing successful districts, and identify specific implementation projects to which all near-term redevelopment funding would be channeled.

The plan links the active quadrants of the immediate downtown area through a “four-square” infill development circuit connecting the Harrison/Flat Iron corridor to the Bricktown Ballpark, the Myriad Botanical Gardens, the Oklahoma City National Memorial, and back again. Ultimately, this approach intends to reposition the buildings in the Business District for market-based renovation and adaptive reuse by providing the community infrastructure necessary for the market to want to occupy these buildings in the first place. This is in stark contrast to the costly “building-by-building” revitalization program many downtowns initiate.

B. The Suburb and the Edge
Many suburbs are moving away from their original single-use “bedroom community” development model and attempting to diversify their land use mix to provide a more sustainable fiscal future. In doing so, many have become second-tier commercial centers in their own right. In sharp contrast to the typical suburban experience, these communities are employing a “New Urbanist” approach that challenges the need for wide streets, large lots, deep building setbacks, and separated land uses; and attempts to create pedestrian-scaled centers for community life that are active, exciting, and memorable. This approach has gained such popularity that some communities are requiring it to obtain development approvals regardless of the economic and market parameters behind the specific proposal. The following outlines three communities undertaking efforts to increase their market share while recasting their identities.

1. Sun Prairie, Wisconsin – Development in its planning stage
The Background. The City of Sun Prairie, population 22,000, is located immediately east of Madison, Wisconsin. In 2001, it was Wisconsin’s fastest growing community over 10,000 people and continues to experience rapid development. New residents, attracted to its small town character, are now opposed to patterns of conventional growth that threaten the rural lifestyle they desire. A planned highway interchange giving access to large undeveloped parcels on the western edge of the City has created a flash point of conflict between the land owners’ development rights and the community’s desire to regulate development and avoid patterns of sprawl. The development of these parcels also poses special challenges including its impact on the existing downtown, the management of traffic congestion and funding of transportation improvements, the fiscal impact of this new development, and the creation of a unique sense of place and high quality of life.

The Plan. To address these challenges, the City is preparing a market-based land use and transportation plan that balances the concerns of both development and smart-growth advocates. It contains a series of highly inter-connected neighborhoods with an appropriate mix of housing types, neighborhood-friendly commercial and retail uses, office space, civic and open space uses. This planning addresses issues of community identity, co-existence with the existing downtown core, and traffic management through an efficient circulation framework.

The Implementation Strategy. Much political rhetoric circulated over these issues and at the time the planning began, distinct positions had been formalized on both sides. To address and navigate this divide, a public input process was undertaken that presented the strengths and weaknesses of both positions in the context of the realities of the marketplace. A real estate market analysis was utilized to present the likely land use mix and absorption rates, and the uses identified were displayed in a range of development formats for public voting purposes. The community could view conventional, New Urbanist, and hybrid approaches, and then communicate an informed preference.

2. Castle Rock, Colorado – Development in its partnering stage
The Background. Since 1881, Castle Rock has maintained a classic small town identity, though it now encompasses 33 square miles with a population of 23,000 in town and 55,000 in the surrounding area. The Meadows masterplanned community began in the mid-Eighties under Charles Keating and stalled through the early Nineties. Its new owner, Castle Rock Development, prepared a development strategy that aimed to create a community core offering a complimentary mixed-use experience to that of Castle Rock’s downtown. After going through a lengthy re-entitlement process that included public input and many discussions with city staff, the owners are now pursuing partnerships with the region’s builders.

The Plan. The town center creates a mixed-use environment combining retail, office, hotel, multi-family and attached single-family users. It will occupy approximately 200 acres and will be a service amenity for the Meadows community and Castle Rock community at large. It is planned around a strong and identifiable public environment intended to display a quality visual experience and active street level, and brings focus to its place along a “Main Street” defined by views to the Rockies.
The Implementation Strategy. This development approach was saddled with multiple challenges at the outset. It encountered community concern by proposing development on the pristine meadow that is the community’s namesake. As it combined, rather than dispersed, the existing denser entitlement, residents began reacting to it as a change in community concept. And as it proposed to create an urban mixed-use environment similar to that of downtown Castle Rock, city policymakers reacted to what appeared to be cannibalistic. To overcome these challenges and concerns, the developers prepared a carefully coordinated programming study of development that would be synergistic with the existing downtown and provide desired community amenities. It orchestrated a public input process designed to address these concerns and build excitement in the community through the use of selected renderings and photographs of planned features, discussion of the intensive private restrictions imposed on all development in the town center, and strong physical design concepts centered on the creation of interesting community form.

3. Addison, Texas – Development in its implementation stage

The Background. The Town of Addison has become the service center for the north Dallas area combining over 30,000 jobs with two regional shopping centers, a host of small commercial and retail establishments, and the region’s major restaurant destination. In its Vision 2020 process, the Town identified the need for a residential base and clear center of community. Resulting planning proposed the creation of a mixed-use community core combining residential, retail, office, and civic uses in a strong and identifiable urban environment centered on a large undeveloped tract of land in the heart of the Town. Having seen the urban Renaissance adjacent to downtown Dallas, the City Manager sought out the developer of this area to gauge his interest in developing such an urban node in Addison. The City subsequently entered into a developer’s agreement with Columbus Realty Trust and committed over $9 million towards infrastructure, with the developer agreeing to performance standards and delivery timeframe.

The Plan. The Addison Circle masterplan created a sustainable high-density mixed-use urban neighborhood within a classic "edge city" setting. A district-wide pedestrian-friendly street grid based on a hierarchy of experience and movement allows commercially dominant uses along the North Dallas Tollway and mid-rise urban residential buildings with ground level neighborhood uses in the core. The layering and mixing of uses encourages street life and build-to-lines promote a self-policing neighborhood, as residents overlook public streets and parks. Standards are set for landscaping, exterior materials, building scale and parking, with an open space system that includes parks, jogging trails, and a large public space for town sponsored special events. The plan incorporates a bus transfer facility and ultimately a commuter rail mass transit station.

The Implementation Strategy. Thus far, the Addison Circle development has four complete phases totaling over 1400 rental and for-sale units, 330,000 sf office, 110,000 sf of retail/home office space, and 40,000 sf of restaurant space.

The strategy behind the development’s public/private partnership has been to achieve a win-win situation for both the city and the developer. The developer’s investment hurdle rates are achievable, and the city reaps additions to its tax rolls, while generating revenues to cover the cost of upgraded public infrastructure and city services. Critical to the on-going success of this district
is the ability for the street framework and regulatory documents to allow the flexibility necessary to meet the needs of the marketplace. As such, zoning was created that specified physical form, but allowed a range of uses to occupy that form. The developer has taken advantage of such adaptability by constructing a range of varying development programs that meet the characteristics of the desired urban form.

C. Lessons Learned

Despite their diversity of location – from urban centers to edge cities – and project completion status ranging from initial concept development to built project, the successful planning efforts of the cities mentioned here are linked by a set of commonly held characteristics:

- They are strategically focused on creating centers of community action, interaction and identity.
- They permit market-based development flexibility in terms of land use, density and phasing, but are specific towards the desired physical form of the community.
- They are manageable in size and scope given the resources of each municipality involved, and employ an interactive, community-oriented, process-driven approach to create more livable communities.
- They rely on implementation programs that see the project through to fruition, rather than expending energy on the initial plan and none on its realization.
- They have focused on providing development incentives and special financing tools, and have streamlined the review process to ease implementation.

In short, understanding the under-leveraged position these communities have with respects to the first-tier markets, their policymakers are taking steps to proactively pursue the development marketplace in a manner that provides long-term sustainability and interesting identity. They are readying themselves to actively pursue smart growth as the real estate market reemerges and are laying the procedural groundwork to offer an appealing alternative to their first-tier competitors.

As more and more second- and even third-tier cities take a hard look at themselves and begin to understand what it takes to be a viable, livable and sustainable in the 21st century community, these cities that have already embarked on an urban planning-based approach to growth provide valuable case studies for their peers.

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