

A2 | PLACEMAKING & RESILIENCY

Introduction

Numerous cities in the Metroplex and across the country that are facing a similar dilemma: continuing to grow and attract reinvestment as it ages and begins to require additional revenue to maintain municipal services and infrastructure. A city that was once an attractive suburb in the path of growth, with raw land and high levels of investment, is passed by over time as development moves further out. The suburb and its neighborhoods and commercial areas begin to show the signs of aging due to decreasing levels of reinvestment just as the infrastructure starts to require maintenance and replacement. In the early years, these cities tend to focus more on growth as a means of expanding the tax base, paying little attention to Placemaking (aesthetic) principles that could help distinguish them from other cities in the surrounding area. As a result, as new growth moves further out, these cities begin to decline and become less competitive, leading to higher taxes and lower levels of investment.

Trends – Past and Present

After World War II, most residential subdivisions were mass produced and generally indistinguishable from one another. Placemaking principles, including the need to mix uses and to preserve a site's natural features and provide amenities, were left off the drawing board in the rush to meet the growing demand for housing.

One of the most basic economic principles, often described in terms of the production of widgets, says that the cost per unit decreases as more widgets are produced, and this leads to a corresponding increase in profits. Subdivisions became the widgets of the development industry.

Three key elements to a successful city:

- *A good school district;*
- *An array of services such as retail, entertainment, recreation, jobs, excellent public safety and infrastructure;*
- *Aesthetics that bring a strong sense of identity and place.*

These elements are critical to a city's ability to continue to grow and attract reinvestment as it ages and begins to require additional revenue to maintain municipal services and infrastructure.

They looked essentially the same, and when the newness wore off, people tended to move on to the next new neighborhood. Lower levels of reinvestment by subsequent owners led to decreasing property values, which had a negative effect on the city's ability to generate the revenue necessary to fund basic maintenance on the infrastructure and provide city services.

When people vacation in other cities, they are attracted to places that are exciting, places that have character. They do not seek out the sterile, everyday city.

Richard Florida, an American economist and social scientist, has written several books on the "Creative Class."²⁹ The Creative Class includes the "knowledge workers" who have become the drivers of economic development. These workers are employed in the fields of science, engineering, education, computer programming, the arts, healthcare, business, finance and law.

Creative Class workers are not tied to a location by their jobs. They have multiple options about where to live, and more are choosing to live in places that offer the best quality of life. Both

29 Richard Florida

Millennials and Baby Boomers are seeking places that offer a more interesting and engaging lifestyle, (see also Chapter 3, Place Making & Resiliency and Chapter 4, Land Use).

A developing trend in the employment sector is that jobs are starting to follow the labor force.

No longer is the decision to locate a business simply a factor of where the CEO wants to live. It is more a function of where the workforce wants to live. This is especially true of the Creative Class. These highly-skilled individuals are seeking places that offer a certain quality of life.

The Urban Land Institute’s *Emerging Trends in Real Estate 2015* notes the resurgence of cities, but also cautions against giving up on the suburbs. The ULI report describes “the good,” “the bad” and the “ugly” of suburban cities:

- **The good**

Many of the “edge city” locations that combine office, retail and residential areas effectively—especially those that have two characteristics. Those attributes are sufficient density to support live/work/play interactions and a combination of transit and walkability.

- **The bad**

Anything “garden variety.” Over the short haul, anyway, there is not much demand from either users or investors for plain-vanilla, highway-dependent office parks or other real estate that falls into the “commodity” bucket. They are cheap, but you get what you pay for.

- **The ugly**

Anything that smacks of “sprawl” or of “yesterday’s hot concept.” If a property is dependent upon an inflated parking ratio, take a pass. If a property is operationally tied to demand that presumes the growth of tract housing at the perimeter of a metro area, run the other way. If you find a property without a cogent appeal to either Millennials or Baby Boomers, time is not on your side.

Placemaking is about putting people first.

When people have a choice about where to live, they seek out the places that offer community, connection and a higher quality of life. Three elements crucial to a successful city—good schools, a variety of services, and strong aesthetics—combine to create strong and resilient places that attract people, shore up property values and help maintain a healthy revenue stream for the city.

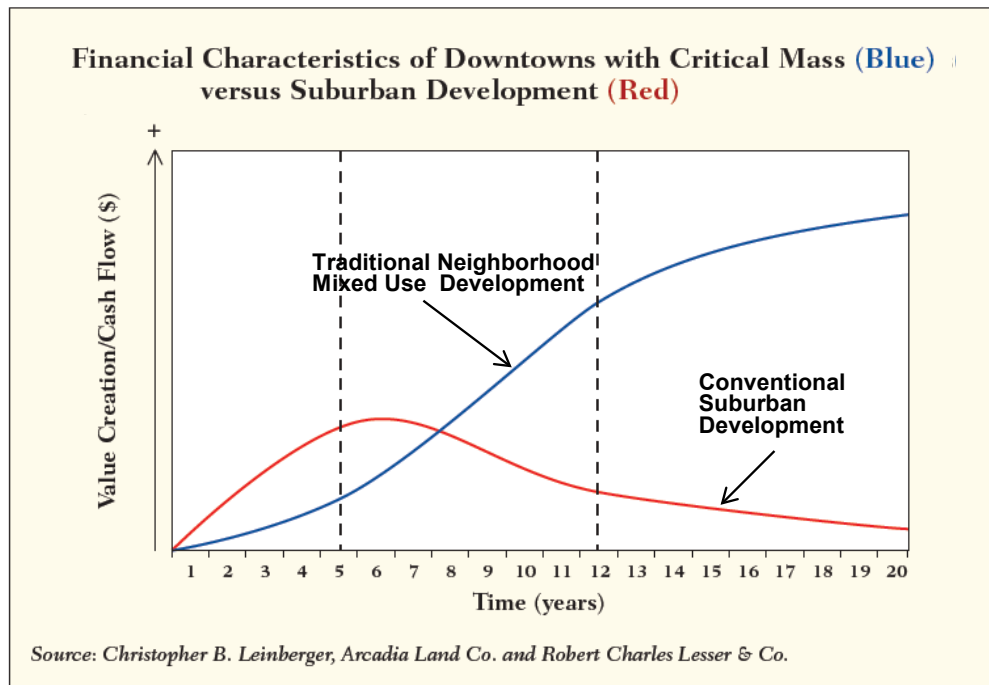


Figure A2-1: Financial Characteristics of Different Types of Developments

The Importance of Creating Long-Term Value

Maturing suburban cities begin facing the challenge of aging properties, sagging property values and declining sales tax revenues at about the same time as the need for major maintenance occurs on crumbling infrastructure.

Placemaking techniques can help create and maintain higher property values and attract reinvestment. The application of placemaking principles, however, will not occur without City leadership.

Value of Well-Designed Streets

Street rights-of-way are one of the most overlooked opportunities for shaping a community's image, (see also Appendix A8, *Transportation/Mobility*). Everyone who lives, visits or travels through a city develops a perception of the community and decides what kind of place it is and how desirable it would be to live or work there based on the impression they get as they travel on city streets. This effect is comparable to the experience of buying a house. Realtors say that the decision to purchase a home is often due in large part to the curb appeal the buyer perceives within a few moments of seeing the house.

Street rights-of-way are generally the single largest land use within a city. This land use has served one primary purpose for the last 70 years—to move vehicles. Often, a token sidewalk will be provided should someone have to walk. Over time, rights-of-way have evolved into a sterile environment, inhospitable to forms of transportation other than the automobile, especially to walking. The aesthetics of the roadway and the area surrounding it, intentionally or unintentionally, convey a message about the community to residents, workers and visitors.

Urbanist Jane Jacobs summarized the potential of a well-designed roadway, stating that

“...Streets and their sidewalks, the main public places of a city, are its most vital organs. If a city's streets and sidewalks look interesting, the city looks interesting; if they look dull, the city looks dull.”

Creating Value and Attracting Reinvestment Over Time

There are two types of value—**initial value** and **long-term value**. Initial value benefits from meeting an immediate market demand and converting vacant land into a new use by improving it with buildings and utilities. Over time, however, the value of the investment often tends to decline, (see the *Leinberger graphic, Figure A2-1*), and this can be challenging for communities.

The graph shows that the value of the pedestrian-oriented mixed-use development rises more slowly in the early years but continues on an upward trajectory, while the value of single-lot strip development tends to peak at about seven years and then begins to decline. This is because in a mixed-use development, each building contributes to the attractiveness of the entire district, adding people and new uses and extending the pedestrian environment. As a result, the district as a whole becomes more attractive than the individual buildings.

People are drawn to areas that reflect timeless Placemaking principles. Cities know what will work but need to implement the measures that will ensure that a quality environment is achieved. The challenge is that the development community may have different objectives. Many, though not all, developers subscribe to a particular business plan: acquire land in an area that has a good marketing image; build a simple (low-risk) product as fast as possible and at minimal cost; sell it quickly; then move on to the next project. This is somewhat understandable as a business model, but it does not support a city's revenue-generating capacity.

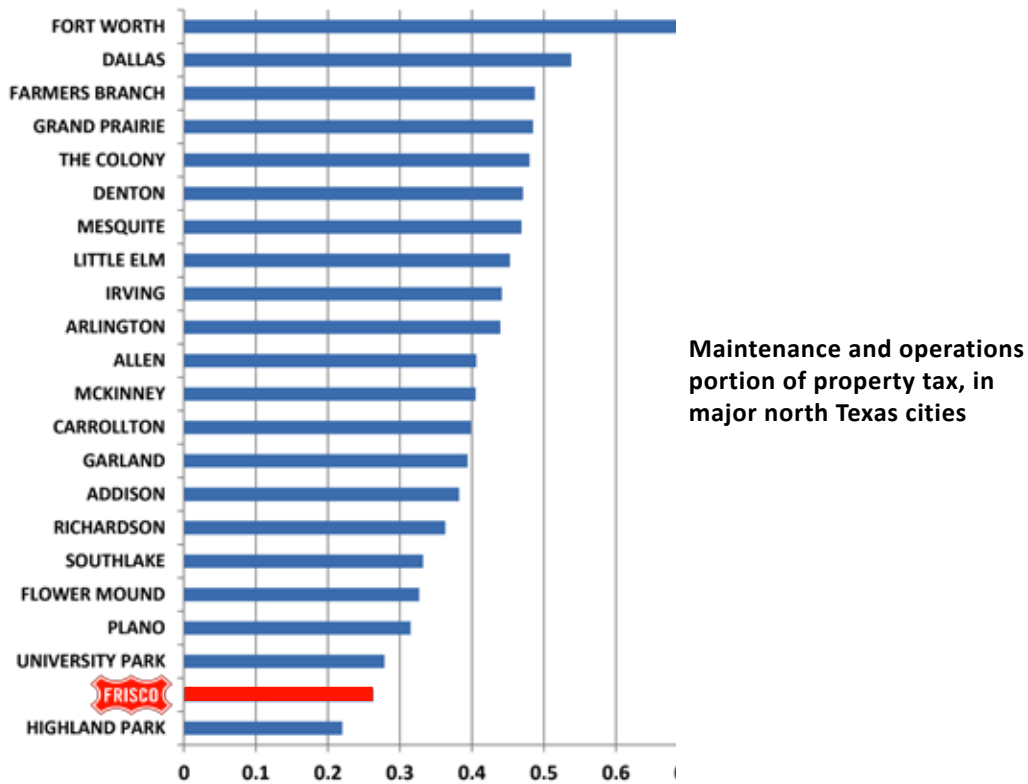
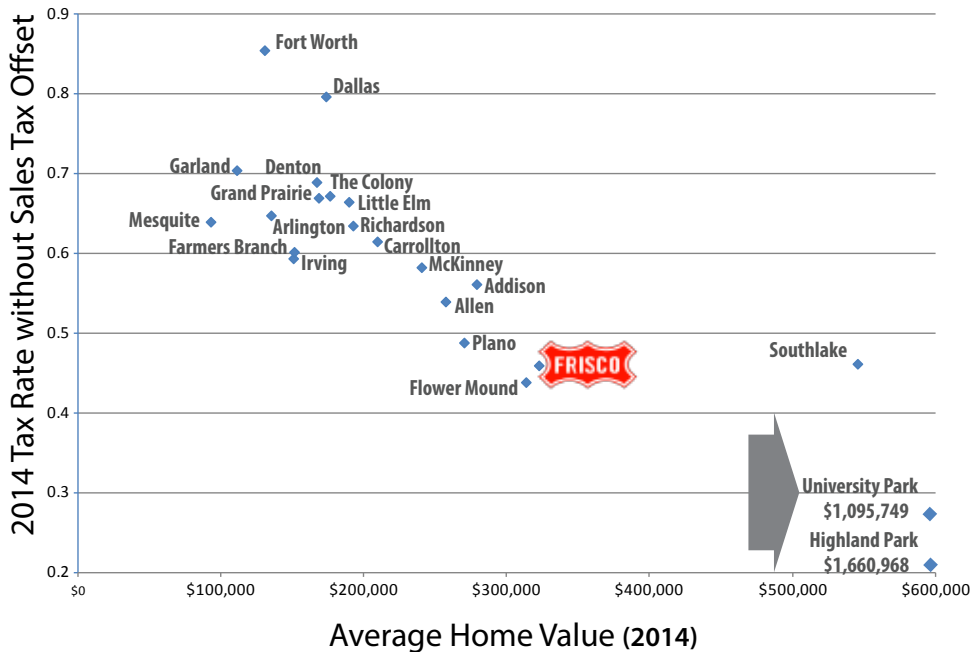


Figure A2-2: Maintenance & Operations (2014)



Over time, if a high level of reinvestment does not occur, tax rates will have to rise to meet the city's obligation to provide the minimum basic services.

Figure A2-3: City Tax Rate vs. Property Values

The city has a fiscal obligation to its citizens to ensure that there is a diversity of commercial and residential projects, firmly based on quality Placemaking principles, so that businesses and residents are committed to the city and their neighborhoods for the long term and will invest and reinvest in their properties.

The figures on the previous page show the difference between cities that have created “great communities” and attracted high levels of reinvestment and those that have not.

Value of Open Space

There are at least two proven techniques for enhancing property values and attracting reinvestment—the inclusion of open space and the planting of trees.

The provision and integration of open space, excluding active parks that are typically the responsibility of a city’s Parks Department, can significantly enhance property values.

For residential neighborhoods, properties within 100 feet of a publicly accessible open space have a 23% value premium compared to the adjacent property, and there is actually a measurable premium for properties up to a quarter-mile away. In order to achieve this value bonus, however,



Example Of Value-Creating Open Space: Adjacent Roadways, Easy Neighborhood Access And Homes Facing The Open Space

homes must face the open space, not back up to it. Value is created where there are views to the open space from homes, where streets abut the open space and where pedestrian access is easy. There are many examples of well-designed open spaces in the region, including Bosque Park in Addison Circle and Flippin Park in Highland Park.

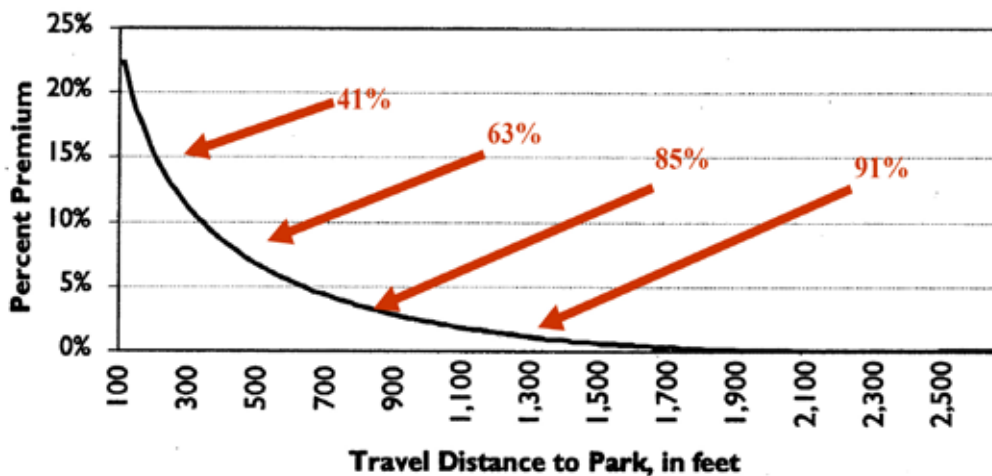


Figure A2-4: Impact of Proximity to Park

30

30 Valuing Open Space: Land Economics and Neighborhood Parks. Massachusetts Institute of Technology Center For Real Estate, and School Of Architecture. Based on MLS Data for 3,400 Home Re-sales

Near 15 Neighborhood Parks



Example Of Value-Creating Open Space In A Commercial Setting: Utilizing Retention And Detention As An Amenity And Creating Public Gathering Spaces (Fronting To And Activating The Space).

Natural Features

Expressing natural features like topography, vegetation, creeks and drainage can provide a community with personality and beauty, distinguishing it from neighboring cities and helping to define the community's unique DNA. Because natural features are generally limited, it is in the city's best interest to cherish these amenities in the development of property to maximize land values and create uniqueness in the surrounding neighborhoods. Preserving a natural area as part of a development is simpler than trying to retrofit such an area, but reconstituting a concrete-lined drainage channel as a stream corridor is an example of a technique that can be used to return an area to its natural state as redevelopment occurs over time.

The preservation of Turtle Creek in Dallas and Highland Park has created a major amenity, a sense of identity and extraordinary value for the area. Working with the topography of Westover Hills in Fort Worth provided one-of-a-kind lots and legacy-caliber development. Acknowledging the existing topography and drainage pattern helped create a unique mixed-use retail and urban residential community at Southlake Town Square.



The Value of Trees

Trees provide relief from the harshness of roads and buildings and have a significant effect on making both the indoor and outdoor environment more comfortable. For example, they can lower the ambient temperature by 7 to 11 degrees and reduce air conditioning needs by 25-30% and heating demand by 20-50%³¹. The impact of a single tree on the value of the surrounding property can range from \$1,000 to \$10,000³², and landscaping with trees can boost property value by up to 20%³³, (see also Appendix A7, Ecology & Natural Resources).



31 (U.S. Department of Agriculture Forest Service, www.arborday.org)

32 Council of Tree and Landscape Appraisers)

33 Management Information Services/ICMA, www.arborday.org)

This page was intentionally left blank.