



# Urban Houston Framework

SAC Web Meeting

March 27th | Houston, Texas





**DESIGNWORKSHOP**



**petersgroup consulting**

## Urban Houston Framework

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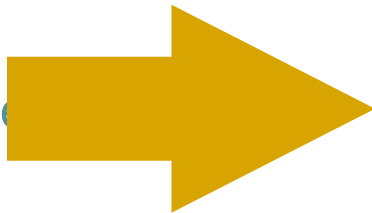
# Agenda

## Introduction

- Overall Urban Houston Framework process (schedule, scope)
- Review of Vision Workshop

## Pilot Projects Discussion

- Westchase
- Montrose-Westchase
- OST/Griggs



### For each Pilot Project we will discuss...

1. What could be developed today?
  - Assumptions
2. What would result from proposed plan?
  - Scenario
  - Evaluation of achievement of goals
3. What would you change about this scenario?

## Moving Towards Conclusions

- Process
- Criteria
- Tools/Expectations

## Next Steps

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# Introduction



**urban houston framework**

# Introduction: Purpose and Outcomes

## Purpose?

- To encourage urban areas that encompass regional sustainability principles of **live, work and play**

## Ultimate results expected from this study?

- **Develop a framework of policy tools and development incentives** to encourage and incentivize Urban Centers
- **Use Urban Houston Framework** to promote consistent, sustainable development strategies throughout the City
- Use the process to heighten knowledge of and commitment to a **better urban form**

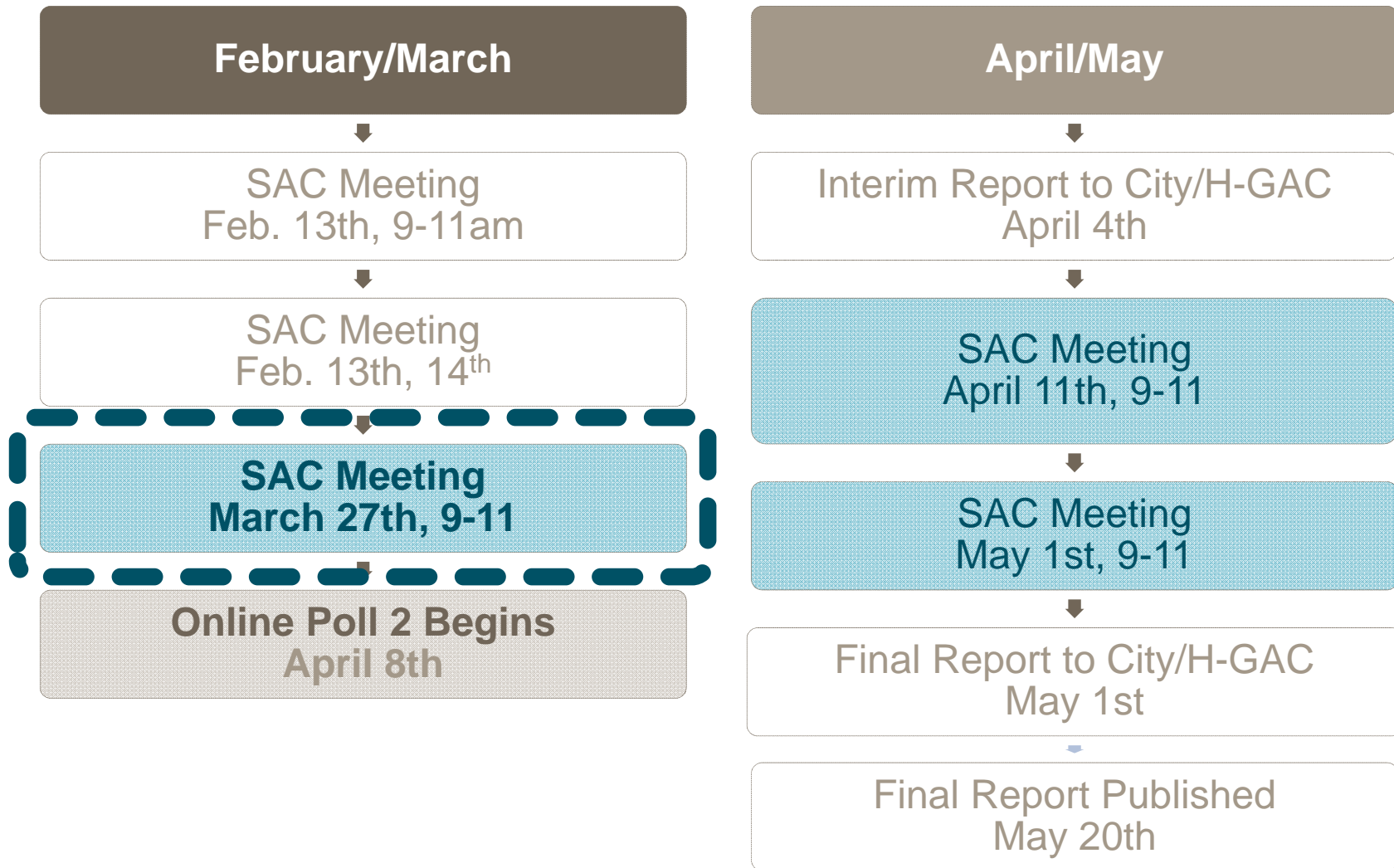
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# Introduction: Project Timeline



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## Blog:

UrbanHoustonFramework.com

1,746 blog viewers, 254 participants



## Online Poll:

UrbanHouston.MetroQuest.com

New Poll Launches Monday, April 8<sup>th</sup>



## Email:

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62 comments submitted to date

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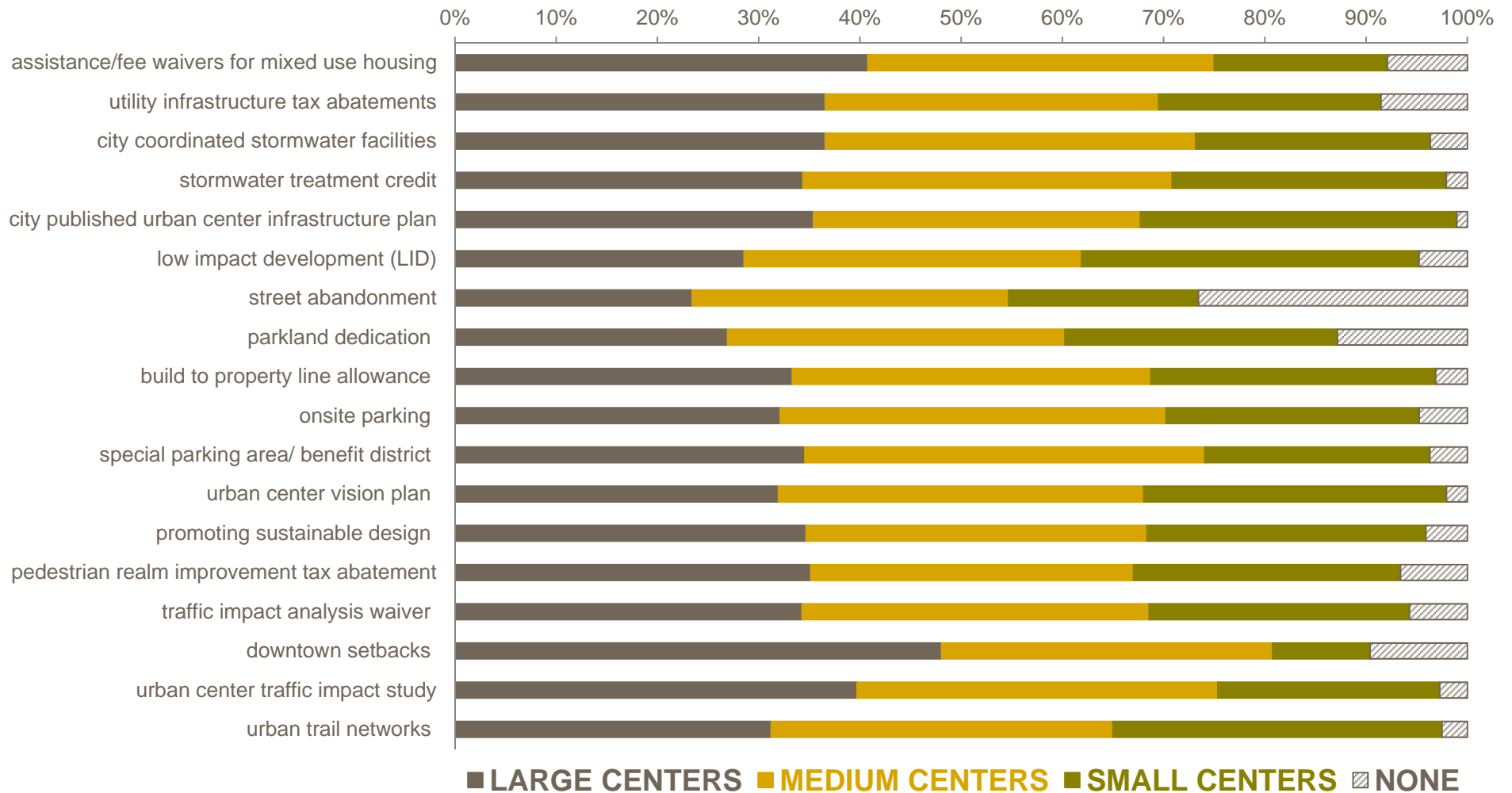


# Review of Vision Workshop





# Keypad Polling: Top Ranked Tools by Center Size



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# Keypad Polling: Additional Tools Commentary

Vision Workshop participants...

- Stressed that **affordable housing** tools/expectations need further refinement.
- Cited **tax abatements as ineffective** tools for meeting the infrastructure goals of Urban Centers (rebates were preferred, 380 agreements ideal).
- Supported **low impact development (LID)** inclusive tools, however emphasized financial impacts of LID could be exclusionary.
- Desired **more creative, alternatives to parkland dedication** and aggregating open spaces or increasing connectivity to parks.
- Recommended the following tool additions:
  - Comprehensive **housing policy**,
  - **Stormwater treatment** credits that could be traded or sold,
  - **Special Purpose Urban Districts (SPUDs)**, and
  - **Cultural/heritage amenity** funding.

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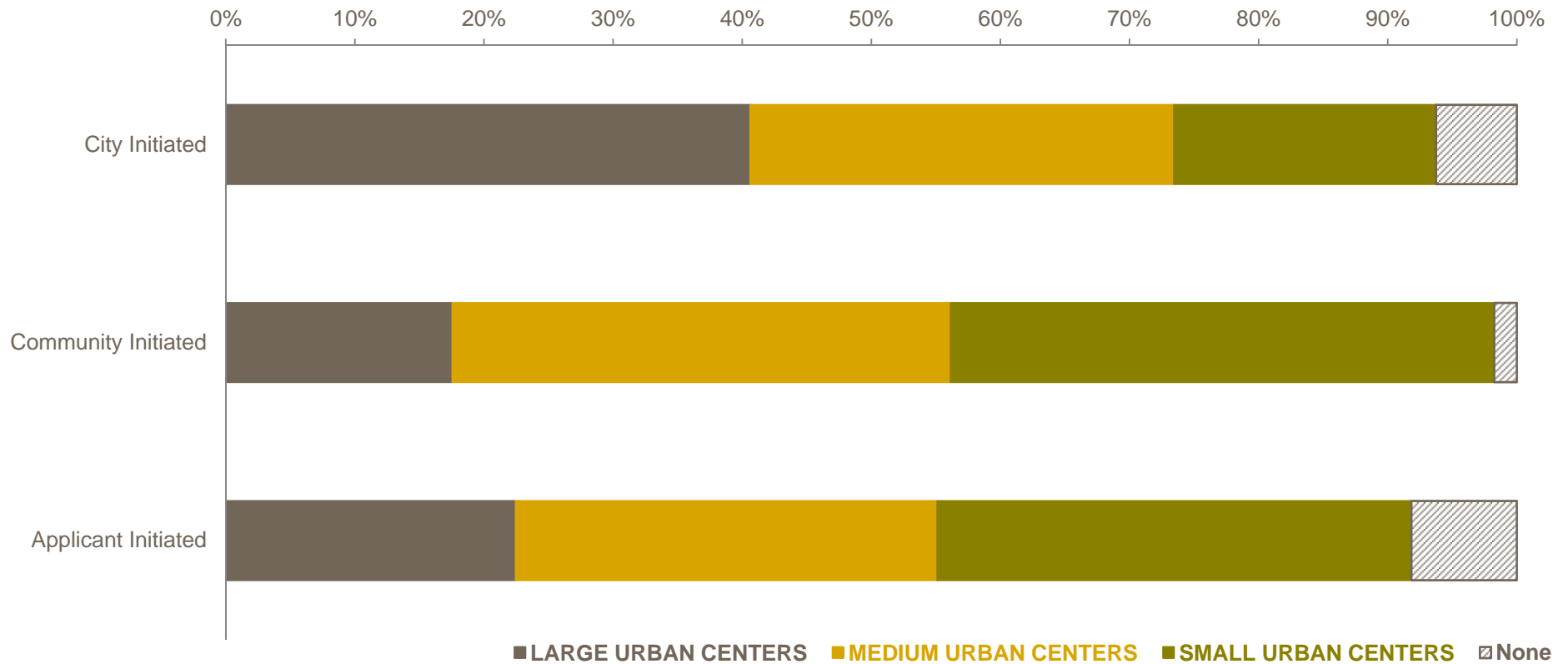
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# Keypad Polling: Top Ranked Process by Center Size

## Top Ranked Process by Center Size



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# Application of Key Findings to Pilot Projects

The consultant team...

- **applied potential tools** to three real life pilot projects
- analyzed which were **most applicable to large, medium or small centers**
- tested whether tools **produced desired outcomes** identified by stakeholders
- gained insight as to the **validity of various center criteria**—such as walking distance, roadway proximity and density per **acre**—**for achieving long-range and short-range goals** of the framework

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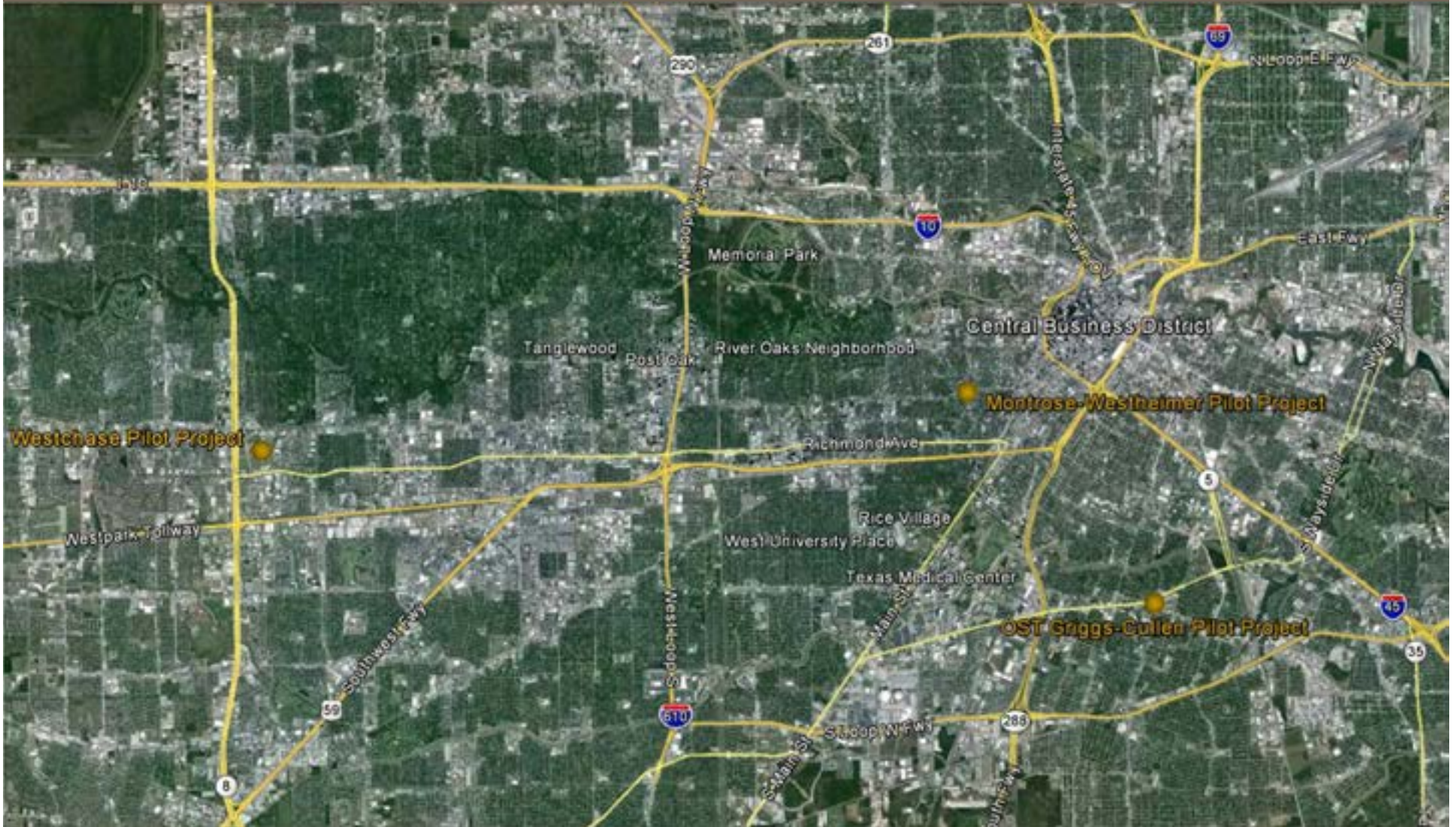
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# Pilot Project Discussion



# Overview



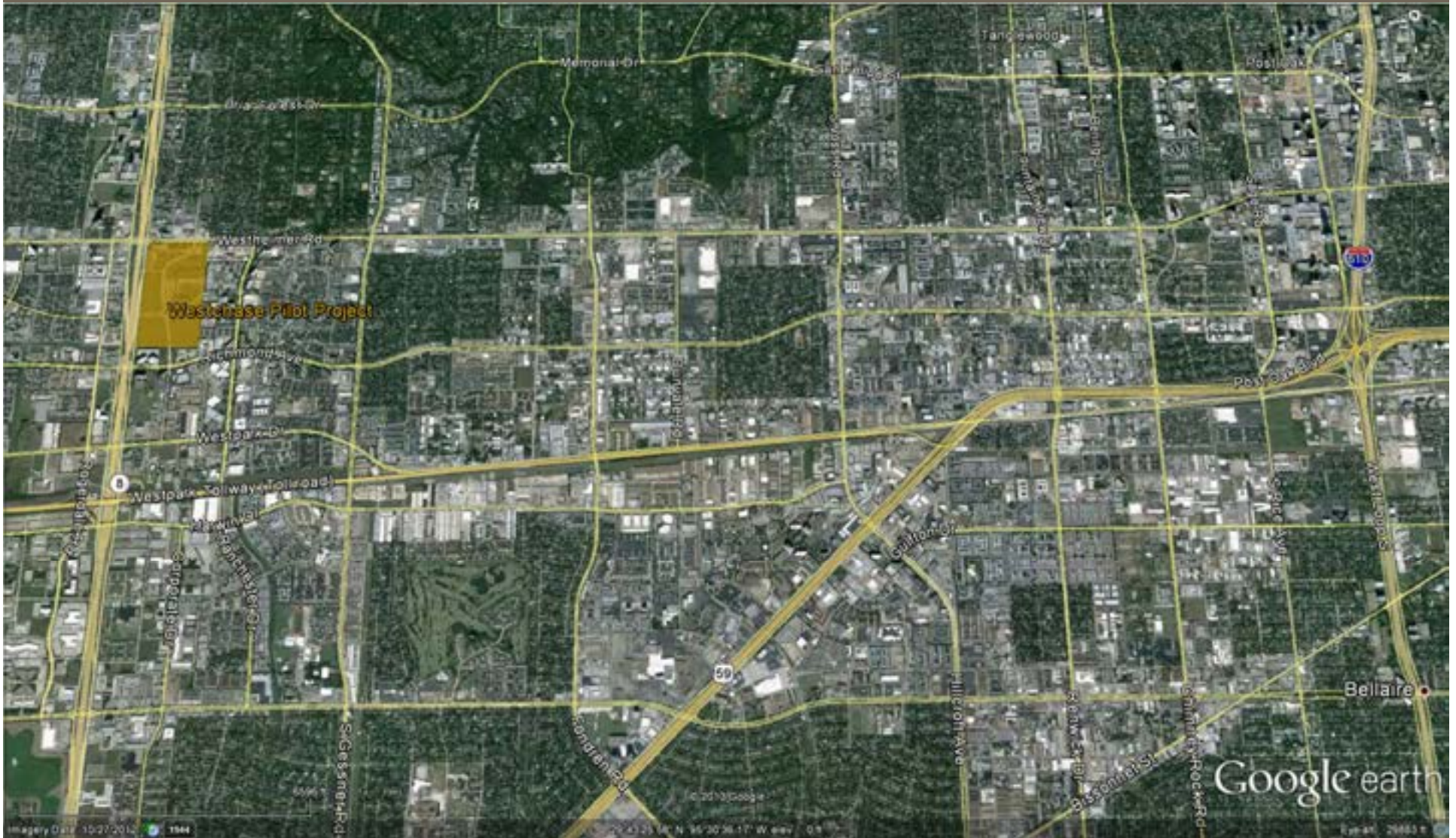
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# Westchase *Existing Conditions*



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# Westchase *Existing Conditions*



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# Westchase *Existing Conditions*



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# Westchase *Base Case*

Program	Building	Parking	Annual Gross Revenue @85% Efficiency
Residential Multi-family Apartments	2,080,147 sq.ft. (1,206 units)	840,938 sq.ft. (2,588 spaces)	\$26,521,875
Commercial	3,246,683 sq.ft.	2,706,620 sq.ft. (8,328 spaces)	\$123,710,340
Retail	138,228 sq.ft.	179,696 sq.ft. (553 spaces)	\$4,845,583
Office	3,050,060 sq.ft.	2,478,174 (7,625 spaces)	\$114,758,508
Hotel	58,395 sq.ft.	48,750 (150 spaces)	\$4,106,250
<b>Total</b>	<b>5,326,830 sq.ft.</b>	<b>3,547,558 sq.ft. (10,916 spaces)</b>	<b>\$ 150,232,215</b>



# Westchase *Toolbox Scenario*

Program	Building	Parking	Annual Gross Revenue @85% Efficiency
Residential Multi-Family Apartments	2,863,000 sq.ft. (2,863 units)	1,163,094 sq.ft. (3,579 spaces)	\$38,328,413
Commercial	2,884,040 sq.ft.	2,036,237 sq.ft. (6,625 spaces)	\$113,069,268
Retail	321,785 sq.ft.	266,679 (821 spaces)	\$11,844,182
Office	2,562,255 sq.ft.	1,769,557 (5,445 spaces)	\$101,225,087
Hotel	-	-	-
<b>Total Program</b>	<b>5,747,040 sq.ft.</b>	<b>3,199,330 sq.ft. (10,204 spaces)</b>	<b>\$151,397,682</b>



# Westchase *Results*

## Return on Cost

- Base Case 9.87%
- Toolbox Scenario 9.73%

## Project Valuation (Income Approach)

- Base Case \$1,375.0M
- Toolbox Scenario \$1,384.9M

## Projected Property Tax at Buildout

- Base Case \$6,147,969
- Toolbox Scenario \$6,192,234

## Projected Sales Tax at Buildout

- Base Case \$264,362
- Toolbox Scenario \$615,413

## Tools Explored

- Building Setback Reduction
- Parking Reduction
- Pedestrian Improvements

Budget Item	Base Scenario	Toolbox Scenario
Net Operating Income	\$98,487,470	\$100,009,379
Net Cash Flow before Debt Service	\$95,404,998	\$96,937,104
Land, Site, Parking Costs	-\$236,640,124	-\$279,481,062
Building Hard Costs	-\$611,442,192	-\$573,826,756
Soft Indirect Costs	-\$163,712,866	-\$159,488,071
<b>Total Development Budget</b>	<b>-\$1,011,795,182</b>	<b>\$1,012,795,889</b>

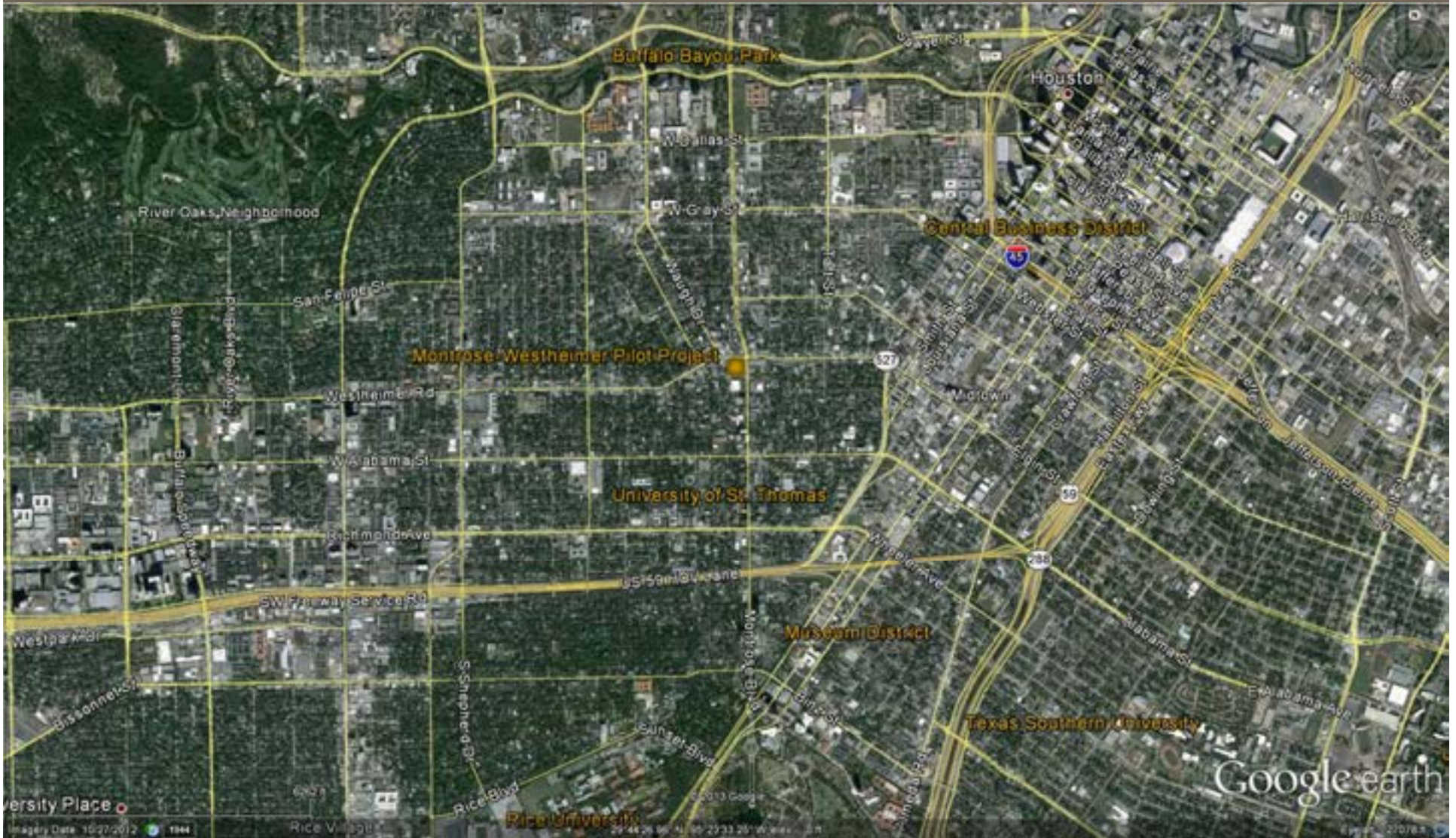
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# Montrose-Westheimer *Existing Conditions*



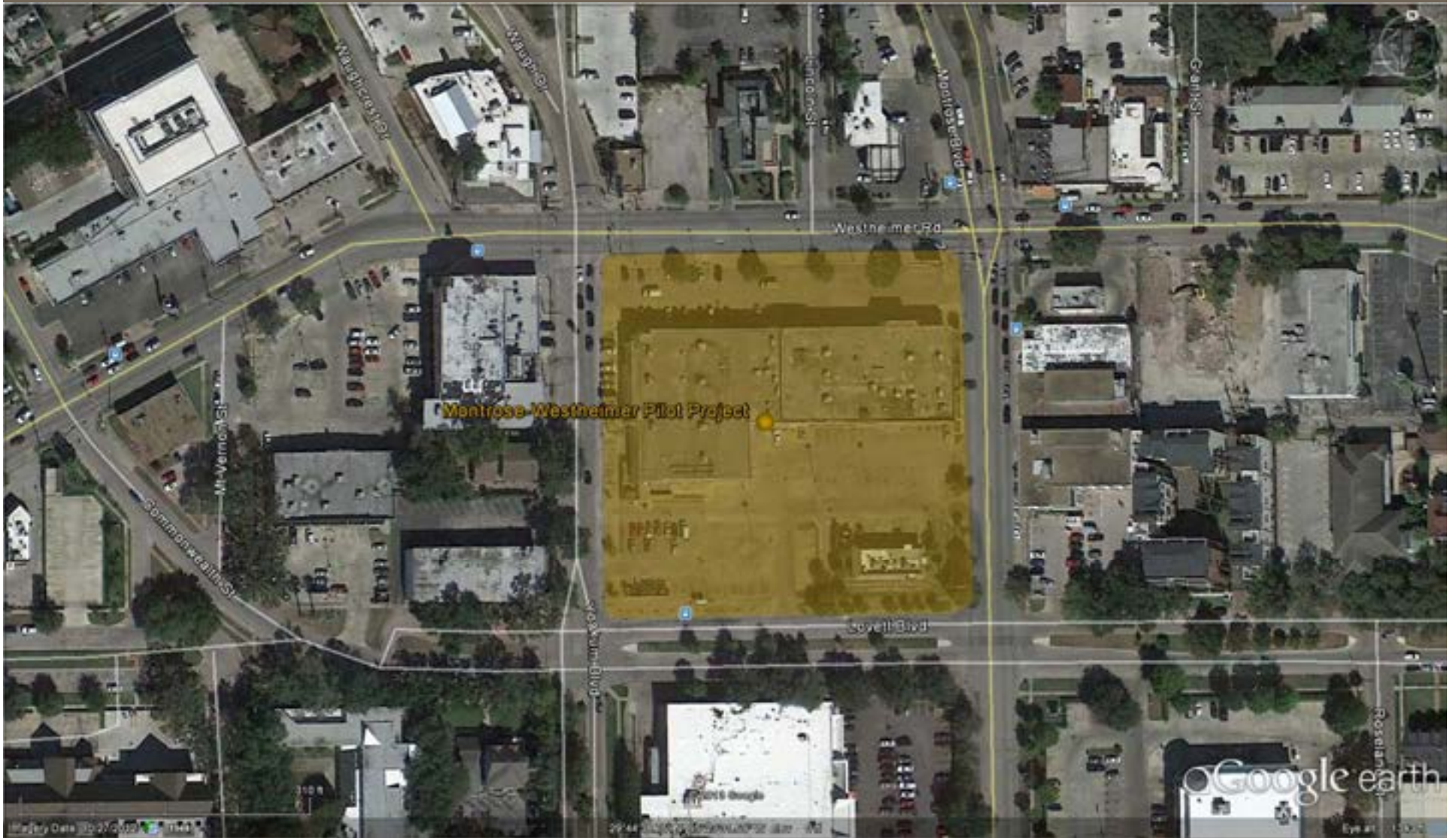
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# Montrose-Westheimer *Existing Conditions*



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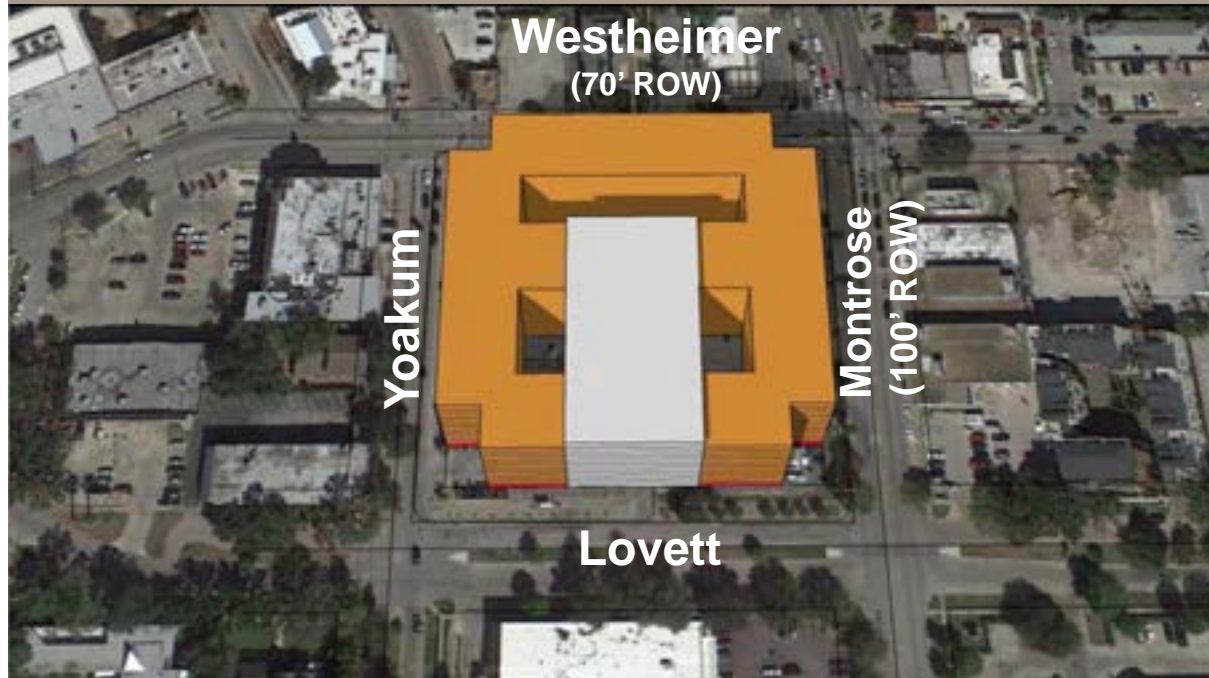
# Montrose-Westheimer *Base Case*

Program	Building	Parking	Annual Gross Revenue <i>@85% Efficiency</i>
Residential	n/a	n/a	n/a
Commercial	48,170 sq.ft.	62,621 sq.ft.	\$2,278,441
<i>Retail</i>		<i>193 spaces</i>	
<b>Total Building Program</b>	<b>48,170</b>	<b>62,621</b> <i>193 spaces</i>	<b>\$2,278,441</b>



# Montrose-Westheimer *Toolbox Scenario*

Program	Building	Parking	Annual Gross Revenue <i>@85% Efficiency</i>
Residential <i>Apartments</i>	583,000 sq.ft.	236,844 sq.ft. <i>729 spaces</i>	\$12,651,392
Commercial <i>Retail</i>	36,370 sq.ft.	30,142 sq.ft. <i>93 spaces</i>	\$1,978,346
<b>Total</b>	<b>619,370 sq.ft.</b>	<b>266,986 sq.ft.</b> <i>822 spaces</i>	<b>\$14,629,738</b>



# Montrose-Westheimer *Results*

## Return on Cost

- Base Case 8.03%
- Toolbox Scenario 7.88%

## Project Valuation (Income Approach)

- Base Case \$19.2M
- Toolbox Scenario \$137.2M

## Estimated Property Tax at Final Buildout

- Base Case \$85,848
- Toolbox Scenario \$613,456

## Projected Sales Tax at Buildout

- Base Case \$92,126
- Toolbox Scenario \$69,559

## Tools Explored

- Building Setback Reduction
- Parking Reduction
- Pedestrian Improvements

Budget Item	Base Scenario	Toolbox Scenario
Net Operating Income	\$1,247,111	\$7,731,331
Net Cash Flow before Debt Service	\$1,209,698	\$7,434,192
Land, Site, Parking Costs	-\$9,099,900	-\$21,468,656
Building Hard Costs	-\$4,595,371	-\$61,218,263
Soft Indirect Costs	-\$1,832,095	-\$15,472,065
<b>Total Development Budget</b>	<b>-\$15,527,366</b>	<b>-\$98,158,984</b>

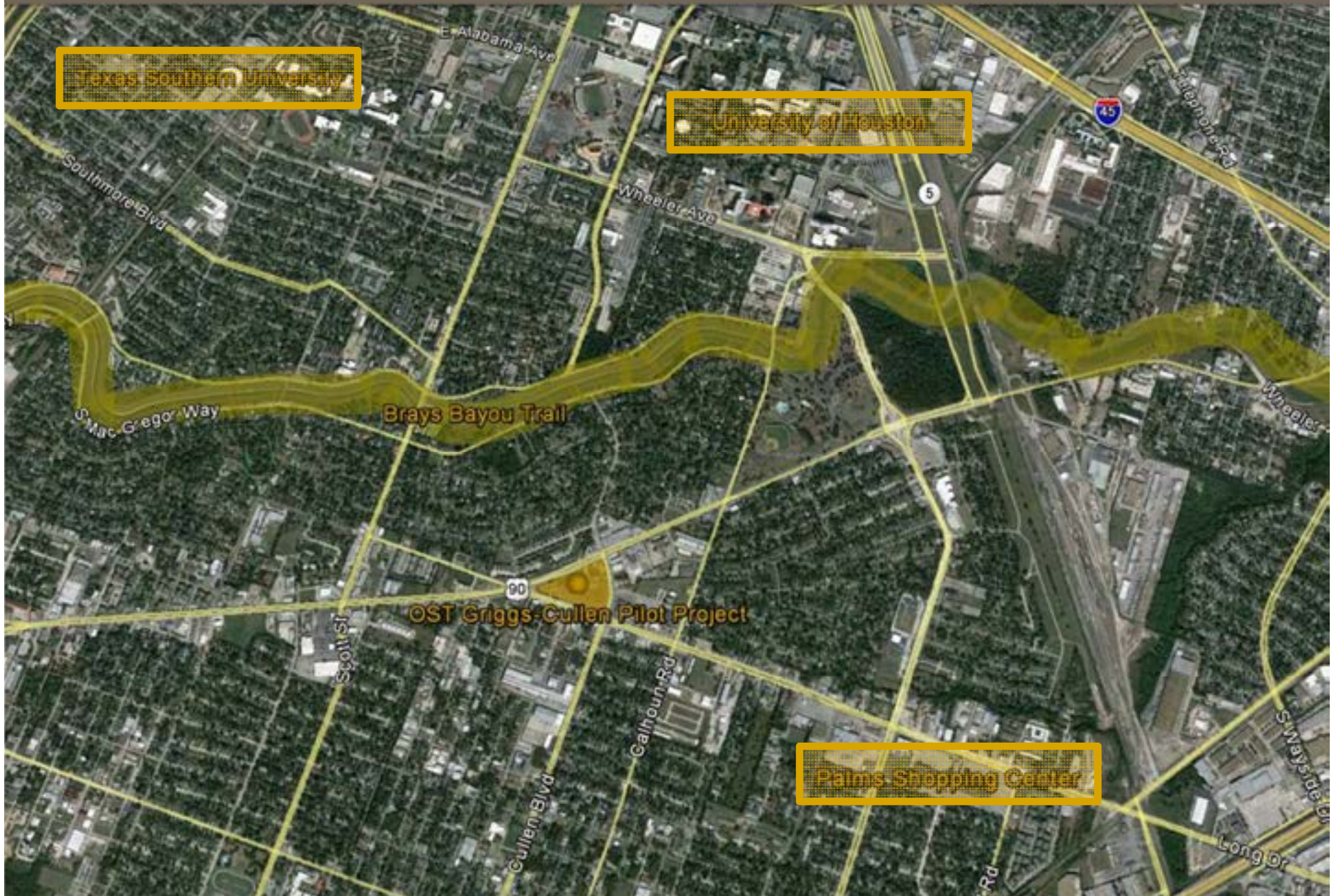
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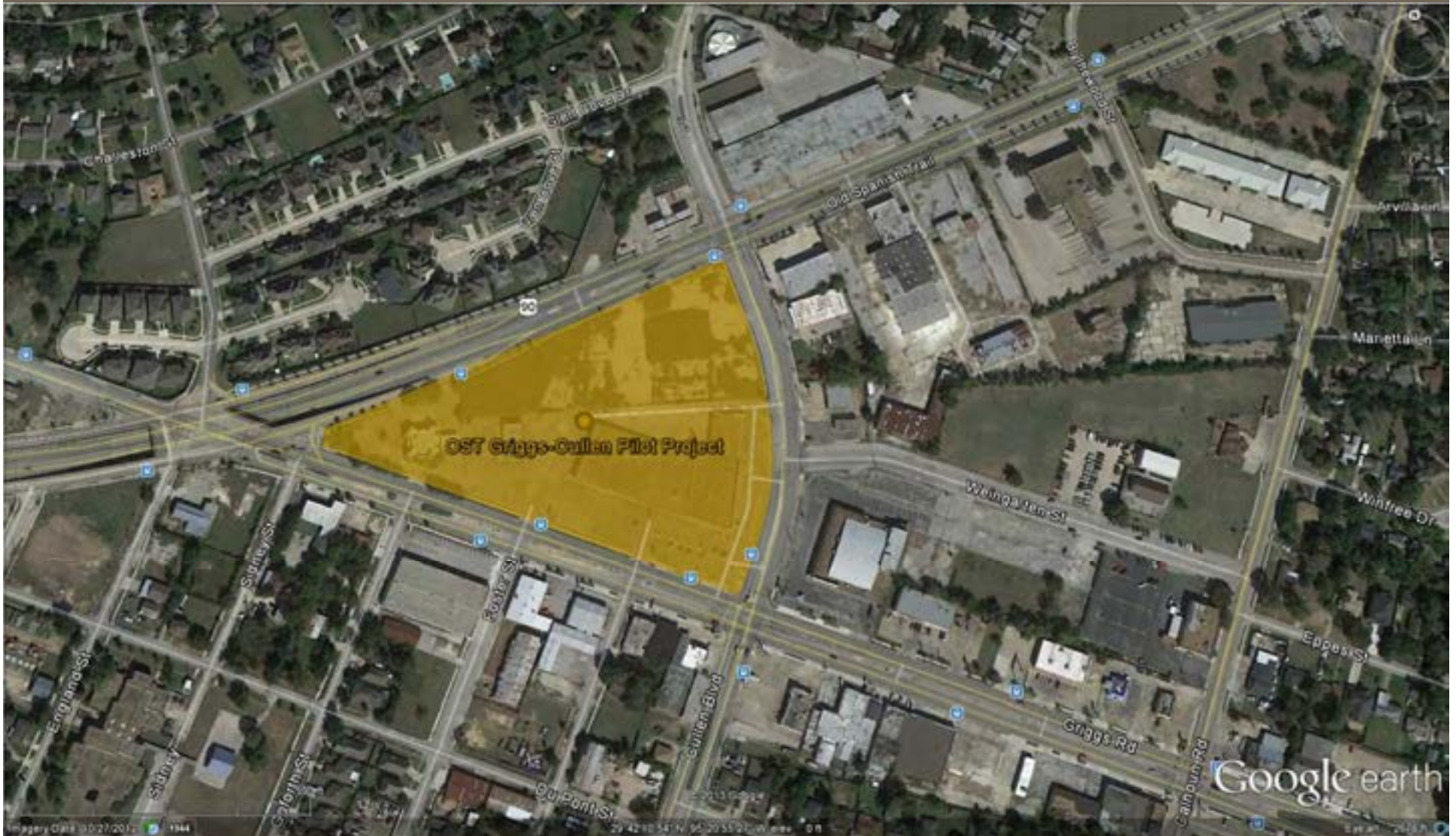
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# OST-Griggs *Existing Conditions*



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# OST-Griggs *Existing Conditions*



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# OST-Griggs *Base Case*

Program	Building	Parking	Annual Gross Revenue <i>@85% Efficiency</i>
Residential	n/a	n/a	-
Commercial <i>Retail</i>	104,715 sq.ft.	115,710 sq.ft. <i>356 spaces</i>	\$2,476,510
Total Building Program	104,715 sq.ft.	115,710 sq.ft. <i>356 spaces</i>	\$2,476,510



# OST-Griggs *Toolbox Scenario*

Program	Building	Parking	Annual Gross Revenue <i>@85% Efficiency</i>
Residential	205,588 sq.ft.	75,725 sq.ft.	\$2,750,000
<i>Apartments</i>	<i>233 units</i>	<i>233 spaces</i>	
<i>Townhomes</i>	<i>11 units</i>	<i>11 spaces</i>	
Commercial	42,725 sq.ft.	35,408 sq.ft.	\$1,162,013
<i>Retail</i>		<i>109 spaces</i>	
<b>Total Building Program</b>	<b>248,313 sq.ft.</b> <i>244 units</i>	<b>111,133 sq.ft.</b> <i>353 spaces</i>	<b>\$3,912,013</b>





# OST-Griggs *Results*

## Return on Cost

- Base Case 7.71%
- Toolbox Scenario 4.06%

## Project Valuation (Income Approach)

- Base Case \$16.4M
- Toolbox Scenario \$20.7M

## Estimated Property Tax at Final Buildout

- Base Case \$73,329
- Toolbox Scenario \$92,555

## Projected Sales Tax at Buildout

- Base Case \$200,268
- Toolbox Scenario \$81,711

## Tools Explored

- Building Setback Reduction
- Parking Reduction
- Pedestrian Improvements

Budget Item	Base Scenario	Toolbox Scenario
Net Operating Income	\$1,352,969	\$1,484,887
Net Cash Flow before Debt Service	\$1,312,380	\$1,432,182
Land, Site, Parking Costs	-\$6,567,125	-\$6,846,171
Building Hard Costs	-\$8,078,463	-\$25,933,949
Soft Indirect Costs	-\$2,894,699	-\$6,338,599
<b>Total Development Budget</b>	<b>-\$17,540,286</b>	<b>-\$39,118,719</b>

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# Moving towards Conclusions



# Process: Alternatives

# 1

## City Initiated Process

- Planning & Development
- Housing & Community Development
- Public Works & Engineering
- Parks & Recreation

# 2

## Community Initiated Process

- residential property owners
- commercial property owners
- management district or redevelopment authority
- historic district
- non-profit organization
- community development corporation

# 3

## Applicant Initiated Process

- residential developer
- commercial developer
- property owner
- real estate corporation

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# Process: Key Comments from Workshop

## City Initiated Process

- Most applicable to Large Urban Centers
- Should include an option for applicant petition (for all centers)

## Community Initiated Process

- A “one-size-fits-all solution” for opting is not recommended and largely viewed as unfeasible for encouraging private sector buy-in to the program
- Desire for a flexible application process in which individual property owners unable to meet prerequisite criteria for Small, Medium or Large Centers have access to another avenue for opting in to the Framework

## Applicant Initiated Process

- Concern with 5-year eligibility period
- Changed eligibility period definition to include that applicants have 5 years from date of application to access the Toolbox (rather than 5 years total Toolbox eligibility)
- Peer Reviews indicated that most other cities implementing Urban Centers require eligibility renewal every 5 years

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# Criteria for Urban Centers

Criteria	Measurement Factors
<b>Jobs + Population Density</b>	Population Density Job Density
<b>TIRZ or Management District</b> funding mechanism	Management District TIRZ
<b>Street Connectivity</b>	Street Density <ul style="list-style-type: none"> <li>• Freeway</li> <li>• Thoroughfares</li> <li>• Local Streets</li> </ul> Intersection Density
<b>Bikeways/Pedestrian Accessibility</b>	Bikeway Density Trail Density
<b>Access to High Quality Transit</b>	Type of Transit Type of Transit Facilities Transit Frequency and Connectivity
<b>Accessibility to Amenities</b>	Amenity Density Amenity Diversity Local/Regional Amenities
<b>Housing Character &amp; Diversity</b>	Residential Density (Dwelling Units) Housing Type Housing Cost Housing Starts
<b>Infill Potential</b>	Percent of Vacant Land Improvement to Land Value Ratio below 1%
<b>Land Use Diversity</b>	Average Residential/Commercial/Office FAR Land Use Diversity Index Impervious/Pervious Cover Ratio Parks and Open Space

Criteria: Discuss!



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# Tools + Expectations: Alternatives

1. **Reduced Building Setback and Parking Reduction**
  - Developer provides pedestrian realm along adjoining street
2. **Parking Benefit Districts**
  - Off-site parking within 1/8 mile of main entrance
3. **Affordable Housing**
  - City is coordinating with consultant on these recommendations
4. **Utility and Infrastructure Upgrades**
  - Developer reimbursed for a portion of the cost of upgrading infrastructure
5. **Low Impact Development**
  - Developers must use LID techniques such as pervious paving, rainwater cisterns, bioswales, rain gardens, etc.
6. **Stormwater Facilities**
  - City will support privately created and maintained large stormwater detention facility that serves multiple developments.
7. **Stormwater Treatment Credit**
  - Developer may be allowed to treat stormwater within the public ROWs - provided the use does not interfere with pedestrians, bikes or travel ways - and receive credits that could then be traded or sold between adjacent properties within the watershed
9. **Access to High Quality and High Capacity Transit**
  - METRO & the City will coordinate to provide a high quality and high capacity transit services to Large and Medium Urban Centers
10. **Innovative/Sustainability Marketing Campaign**
  - Celebrate sustainability & innovative development initiatives through existing or new programs, recognitions, awards etc.

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# Tools + Expectations: Conclusions



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# Next Steps



## Upcoming events...

**Interim Report to City/H-GAC**

**April 4<sup>th</sup>**

**Online Poll 2 Begins**

**April 8<sup>th</sup>**

**SAC Meeting (Implementation Workshop) April 11th**

**SAC Meeting**

**May 1st**

**Final Report Published**

**May 20<sup>th</sup>**

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# Questions?



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