Urban Houston Framework
SAC Web Meeting
March 27th | Houston, Texas
Introduction

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

Pilot Projects Discussion

- Westchase
- Montrose-Westheimer
- OST/Griggs

Moving Towards Conclusions

- Process
- Criteria
- Tools/Expectations

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?

Next Steps
Introduction
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
Introduction: Project Timeline

February/March

- SAC Meeting
  - Feb. 13th, 9-11am
- SAC Meeting
  - Feb. 13th, 14th
- SAC Meeting
  - March 27th, 9-11
- Online Poll 2 Begins
  - April 8th

April/May

- Interim Report to City/H-GAC
  - April 4th
- SAC Meeting
  - April 11th, 9-11
- SAC Meeting
  - May 1st, 9-11
- Final Report to City/H-GAC
  - May 1st
- Final Report Published
  - May 20th
Blog:
UrbanHoustonFramework.com
1,746 blog viewers, 254 participants

Online Poll:
UrbanHouston.MetroQuest.com
New Poll Launches Monday, April 8th

Email:
UrbanHoustonFramework@Houstontx.gov
62 comments submitted to date
Review of Vision Workshop
Keypad Polling: Top Ranked *Tools* by Center Size

- Assistance/fee waivers for mixed use housing
- Utility infrastructure tax abatements
- City coordinated stormwater facilities
- Stormwater treatment credit
- City published urban center infrastructure plan
- Low impact development (LID)
- Street abandonment
- Parkland dedication
- Build to property line allowance
- Onsite parking
- Special parking area/benefit district
- Urban center vision plan
- Promoting sustainable design
- Pedestrian realm improvement tax abatement
- Traffic impact analysis waiver
- Downtown setbacks
- Urban center traffic impact study
- Urban trail networks

LARGE CENTERS  MEDIUM CENTERS  SMALL CENTERS  NONE

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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.
Keypad Polling: Top Ranked **Process** by Center Size

**Top Ranked Process by Center Size**

- **City Initiated**
- **Community Initiated**
- **Applicant Initiated**

- **LARGE URBAN CENTERS**
- **MEDIUM URBAN CENTERS**
- **SMALL URBAN CENTERS**
- None

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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
Pilot Project Discussion
Overview

Urban Houston Framework
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Westchase *Existing Conditions*
Westchase Existing Conditions

Urban Houston Framework
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March 27th | Houston, Texas
Westchase *Existing Conditions*

Urban Houston Framework
SAC Web Meeting
March 27th | Houston, Texas
# Westchase Base Case

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

Program Building Parking Annual Gross Revenue @85% Efficiency
## Westchase Toolbox Scenario

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

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

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Montrose-Westheimer Existing Conditions

Urban Houston Framework
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## Montrose-Westheimer Base Case

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<th>Building</th>
<th>Parking</th>
<th>Annual Gross Revenue @85% Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Commercial</td>
<td>48,170 sq.ft.</td>
<td>62,621 sq.ft.</td>
<td>$2,278,441</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>193 spaces</td>
<td></td>
</tr>
<tr>
<td><strong>Total Building Program</strong></td>
<td>48,170</td>
<td>62,621</td>
<td>$2,278,441</td>
</tr>
</tbody>
</table>

![Montrose-Westheimer Base Case Diagram](image-url)
### Montrose-Westheimer Toolbox Scenario

<table>
<thead>
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<th>Program</th>
<th>Building</th>
<th>Parking</th>
<th>Annual Gross Revenue @85% Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Apartments</td>
<td>583,000 sq.ft.</td>
<td>236,844 sq.ft.</td>
<td>729 spaces</td>
</tr>
<tr>
<td>Commercial Retail</td>
<td>36,370 sq.ft.</td>
<td>30,142 sq.ft.</td>
<td>93 spaces</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>619,370 sq.ft.</strong></td>
<td><strong>266,986 sq.ft.</strong></td>
<td><strong>822 spaces</strong></td>
</tr>
</tbody>
</table>
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

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

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OST-Griggs Existing Conditions

Urban Houston Framework
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March 27th | Houston, Texas
<table>
<thead>
<tr>
<th>Program</th>
<th>Building</th>
<th>Parking</th>
<th>Annual Gross Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
</tr>
<tr>
<td>Commercial</td>
<td>104,715 sq.ft.</td>
<td>115,710 sq.ft.</td>
<td>$2,476,510</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>356 spaces</td>
<td></td>
</tr>
<tr>
<td>Total Building Program</td>
<td>104,715 sq.ft.</td>
<td>115,710 sq.ft.</td>
<td>$2,476,510</td>
</tr>
<tr>
<td></td>
<td></td>
<td>356 spaces</td>
<td></td>
</tr>
</tbody>
</table>
# OST-Griggs ToolBox Scenario

<table>
<thead>
<tr>
<th>Program</th>
<th>Building</th>
<th>Parking</th>
<th>Annual Gross Revenue @85% Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>205,588 sq.ft.</td>
<td>75,725 sq.ft.</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Apartments</td>
<td>233 units</td>
<td>233 spaces</td>
<td></td>
</tr>
<tr>
<td>Townhomes</td>
<td>11 units</td>
<td>11 spaces</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>42,725 sq.ft.</td>
<td>35,408 sq.ft.</td>
<td>$1,162,013</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>109 spaces</td>
<td></td>
</tr>
<tr>
<td>Total Building Program</td>
<td>248,313 sq.ft.</td>
<td>111,133 sq.ft.</td>
<td>$3,912,013</td>
</tr>
<tr>
<td>244 units</td>
<td></td>
<td>353 spaces</td>
<td></td>
</tr>
</tbody>
</table>
## OST-Griggs **Results**

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

- **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
Moving towards Conclusions
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
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
## Criteria for Urban Centers

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Measurement Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs + Population Density</td>
<td>Population Density</td>
</tr>
<tr>
<td></td>
<td>Job Density</td>
</tr>
<tr>
<td><strong>TIRZ or Management District</strong> funding mechanism</td>
<td>Management District</td>
</tr>
<tr>
<td></td>
<td>TIRZ</td>
</tr>
<tr>
<td>Street Connectivity</td>
<td>Street Density</td>
</tr>
<tr>
<td></td>
<td>• Freeway</td>
</tr>
<tr>
<td></td>
<td>• Thoroughfares</td>
</tr>
<tr>
<td></td>
<td>• Local Streets</td>
</tr>
<tr>
<td></td>
<td>Intersection Density</td>
</tr>
<tr>
<td>Bikeways/Pedestrian Accessibility</td>
<td>Bikeway Density</td>
</tr>
<tr>
<td></td>
<td>Trail Density</td>
</tr>
<tr>
<td>Access to High Quality Transit</td>
<td>Type of Transit</td>
</tr>
<tr>
<td></td>
<td>Type of Transit Facilities</td>
</tr>
<tr>
<td></td>
<td>Transit Frequency and Connectivity</td>
</tr>
<tr>
<td>Accessibility to Amenities</td>
<td>Amenity Density</td>
</tr>
<tr>
<td></td>
<td>Amenity Diversity</td>
</tr>
<tr>
<td></td>
<td>Local/Regional Amenities</td>
</tr>
<tr>
<td>Housing Character &amp; Diversity</td>
<td>Residential Density ( Dwelling Units )</td>
</tr>
<tr>
<td></td>
<td>Housing Type</td>
</tr>
<tr>
<td></td>
<td>Housing Cost</td>
</tr>
<tr>
<td></td>
<td>Housing Starts</td>
</tr>
<tr>
<td>Infill Potential</td>
<td>Percent of Vacant Land</td>
</tr>
<tr>
<td></td>
<td>Improvement to Land Value Ratio below 1%</td>
</tr>
<tr>
<td>Land Use Diversity</td>
<td>Average Residential/Commercial/Office FAR</td>
</tr>
<tr>
<td></td>
<td>Land Use Diversity Index</td>
</tr>
<tr>
<td></td>
<td>Impervious/Pervious Cover Ratio</td>
</tr>
<tr>
<td></td>
<td>Parks and Open Space</td>
</tr>
</tbody>
</table>
Criteria: Discuss!
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

8. **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

9. **Innovative/Sustainability Marketing Campaign**
   - Celebrate sustainability & innovative development initiatives through existing or new programs, recognitions, awards etc.
Next Steps
Upcoming events…

- Interim Report to City/H-GAC
  - April 4th
- Online Poll 2 Begins
  - April 8th
- SAC Meeting (Implementation Workshop) April 11th
- SAC Meeting
  - May 1st
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  - May 20th
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Email: UrbanHoustonFramework@Houstontx.gov
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