

Mixed-Use Development in Central Texas

A Case Study Approach: Midtown Commons and Cedar Park Town Center

A joint research endeavor between Envision Central Texas
and The University of Texas at Austin

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A special acknowledgement is due to Dr. Kent Butler, to whom this case study report is dedicated. Kent was the driving force behind making this collaborative endeavor possible. Kent was passionate about capturing those learning points which might be obtained through reflection and the analysis of these case studies in order to facilitate holistic and successful mixed-use development in the future. Kent understood the significance and complexity of the variety of aspects that emerge in a public-private, mixed-use development project, and how there is something to be gained by eliciting insights specific to Central Texas. Kent was, at heart, largely an environmentalist and believed that, executed properly, mixed-use development can further goals of sustainable planning, as well as be economically viable for public and private entities. Without Kent, the collaboration between Envision Central Texas and the University of Texas at Austin would not have been possible. Kent unexpectedly passed away in May of 2011 in a hiking accident.

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The purpose of this case study report is to summarize the findings of a cooperative research effort seeking to better understand and document the mixed-use development processes in Central Texas. The Envision Central Texas Community Design Committee partnered with four Master of Science students, under direct guidance of senior faculty, in the Community and Regional Planning program at the University of Texas at Austin. The shared goal is to illuminate challenges and opportunities associated with the planning and development process, from conceptualization to final manifestation.

Two cases of mixed-use developments in Central Texas were selected: Midtown Commons and Cedar Park Town Center. Envision Central Texas and the contributing students were compelled to understand the projects through an exploration of the visions as compared to the outcomes associated with the projects. We also sought to draw conclusions in regards to the expectations and perceived success of the projects on behalf of the stakeholders involved, and on behalf of the public. The hope is that this report will serve as an excellent resource for those embarking on the mixed-use development process in Central Texas in the future.

The first case, Midtown Commons, is a 75-acre urban infill site located at the intersection of Lamar Boulevard and Airport Boulevard in Austin, Texas. The project is considered by both the city of Austin and its designers to be a transit oriented development (TOD), as the project is immediately adjacent to a Capital Metro commuter rail stop, bus stops, and two major roadways. The project is also on a proposed bike lane.

The second case, Cedar Park Town Center, emerged in an effort to integrate a downtown or town center into a primarily residential suburb just north of Austin. Cedar Park Town Center is immediately accessible from a major highway that connects to central Austin. One of the goals of this project was to introduce a model traditional neighborhood development (TND), in hopes of promoting a pedestrian-oriented environment that would flow with the new central area of activity.

Because both projects are pioneer developments for Central Texas, the insights that can be drawn from the projects' successes and challenges are invaluable.

As research regarding these projects came to a close, several common themes became apparent. Firstly, Austin is in a transition period. The entire urban framework is in flux, and, as this happens, new barriers to developing mixed-use projects are encountered. This includes, but is not limited to: unproven markets; changing, untested, and/or possibly confusing regulatory requirements; difficulty in attracting commercial lessees; and connectivity issues for residents and consumers. While these issues were particularly concerning for Midtown Commons and Cedar Park Town Center, it is highly likely that as time goes on (and new mixed-use developments continue to be built and adopted) that these barriers will be less significant.

Secondly, the ability for all parties to exhibit flexibility is key to achieving many of the desired project outcomes. Exercising even minimal flexibility in regards to aspects that are often times presented as concrete, may greatly benefit all parties at the end of the day. Allowing for some elasticity in regards to a new regulation or even a pro forma can be holistically advantageous in the long-run.

Thirdly, holding stakeholders responsible for following through on commitments significantly shapes project results. Maintaining a stake in the project from inception to outcome, and the accountability therein, is crucial in ensuring a project's successful maturation and in capturing the added value that mixed-use developments bring.

Finally, communication between stakeholders has proven to be especially important. Stakeholders come to the table with different perspectives, expectations and agendas. Consistent exchanges and updates in information can foster awareness among stakeholders, preventing surprises or misunderstandings.

What follows is a deeper exploration of these themes, and recommendations and resources intended to aid successful mixed-use development processes in Central Texas in the future.

Chapter One

**Project Histories: Midtown Commons
& Cedar Park Town Center**

Project History

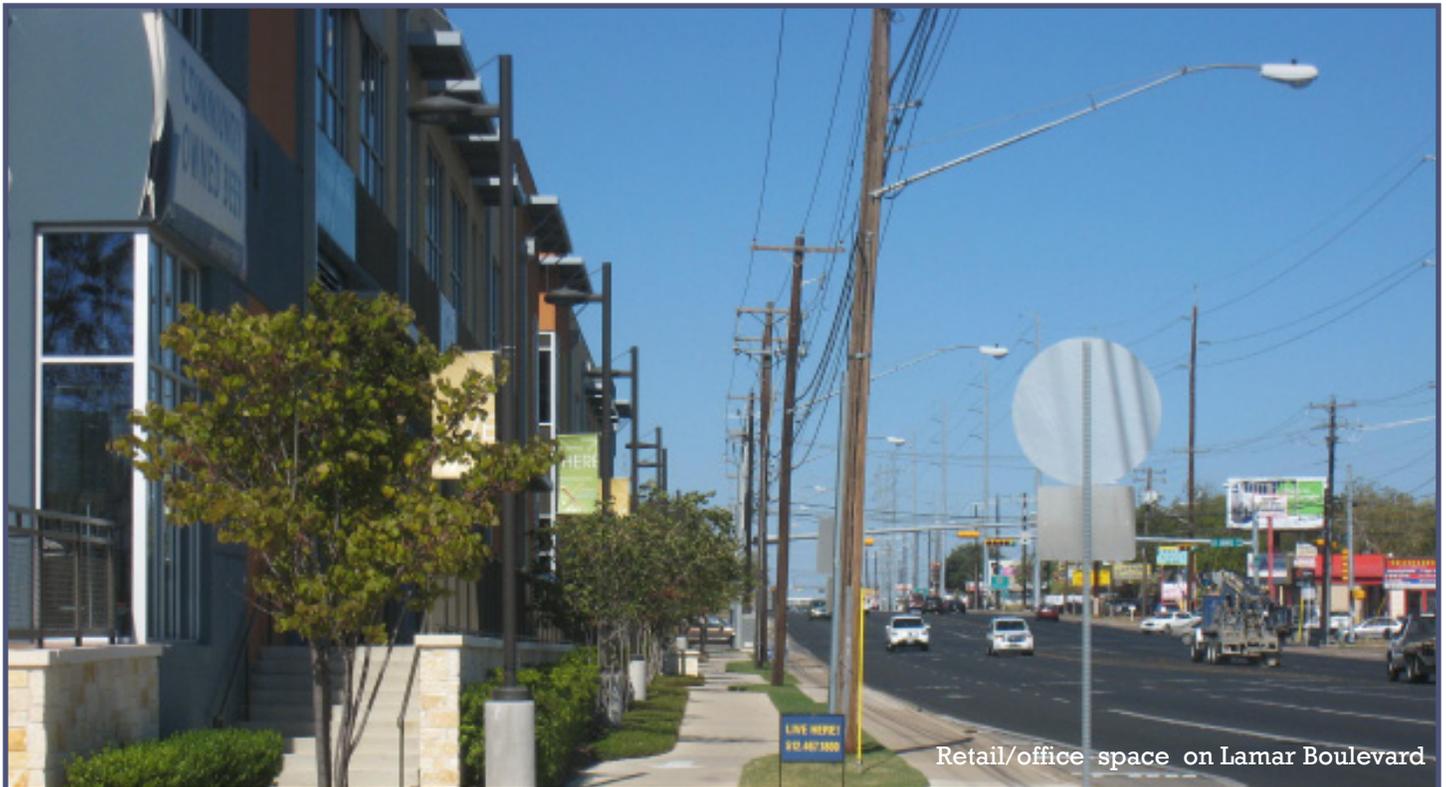
Midtown Commons

The Midtown Commons project was initiated in 2004, just before the City of Austin adopted its TOD Ordinance. The site, formerly a petrochemical research facility, was purchased in a joint venture between two development firms, Stratus Properties and Trammell Crow. Stratus Properties specializes in single-family development, while Trammell Crow has a special division focused on high-density urban reuse. It was expected that Trammell Crow would be responsible for the multi-family and commercial development, and Stratus Properties would be responsible for the single-family development.

At the time of purchase the site was largely vacant with some industrial buildings and recreational fields at the north end of the property. Because the site had operated as a petrochemical research facility for fifty years, it was considered a brownfield and required environmental remediation. However, the previous owner was unaware as to the extent of the contamination. Because the previous owner was unwilling to allow any investigation prior to purchase, any prospective developer was subject to a high level of risk. In order to address this risk, Trammell Crow/ Stratus Properties contracted with

environmental firm, Weston Solutions, to conduct the contamination investigation and site remediation. Weston became responsible for all demolition and remediation, and assumed all environmental liability. This reduction in liability came at a high price, substantially increasing the basic land cost for Trammell Crow/ Stratus Properties. Investigation, demolition, and remediation took roughly two years to complete. A private sector representative noted, "It probably took about a year to do the work, and then about a year to do the paperwork. [...] All of this was [part of] TCEQ's voluntary cleanup program. We were going through all that, and it really gave us time to massage the design."

While Trammell Crow/ Stratus was designing their project, the City of Austin was writing design guidelines, known as Subchapter E, to implement the TOD Ordinance. During this time, the City entered a joint development agreement with the developer. This agreement resulted in extensive collaboration and compromise in regards to building and designing the necessary infrastructure between the developers, Capital Metro, and the City of Austin's Planning and Development Review and Public Works Departments.



Retail/office space on Lamar Boulevard

Because of the changing regulatory environment at the time of the project's conceptualization, an effective public-private partnership was necessary to help expedite the approval process. Midtown Commons was one of the first major urban infill projects to be developed since the inauguration of the TOD ordinance and the Subchapter E guidelines; therefore, neither party was familiar with how to effectively work within the regulatory boundaries imposed by the new ordinances. Implementing the Midtown Commons project was an experimental process for both the City of Austin and the developers. This process helped identify conflicts and issues between the parties, which encouraged changes to the TOD ordinance in hopes that future TOD development would be easier. At the December 2010 focus group session for Midtown Commons, a public sector representative noted that "[there were] a number of different regulatory changes in [the Midtown Commons] area over the last five years, and this development initially started before any of [them]. [...] We've already had some lessons learned from those regulations that have been adjusted for future developments."

As an example of the type of conflicts that arose during the design and construction process, Subchapter E requires that commercial buildings be built to the sidewalk, with no allowance for parking in the front of the building. A private sector representative described the purpose of these guidelines as "[constraining] the whole pedestrian and bicycle experience between the buildings and the road. What the code required was that [developers] pull those buildings all the way up to the property line; the intent being to pull the traffic inside the development." The exact language found in the Subchapter E Commercial Design Standards is as follows:

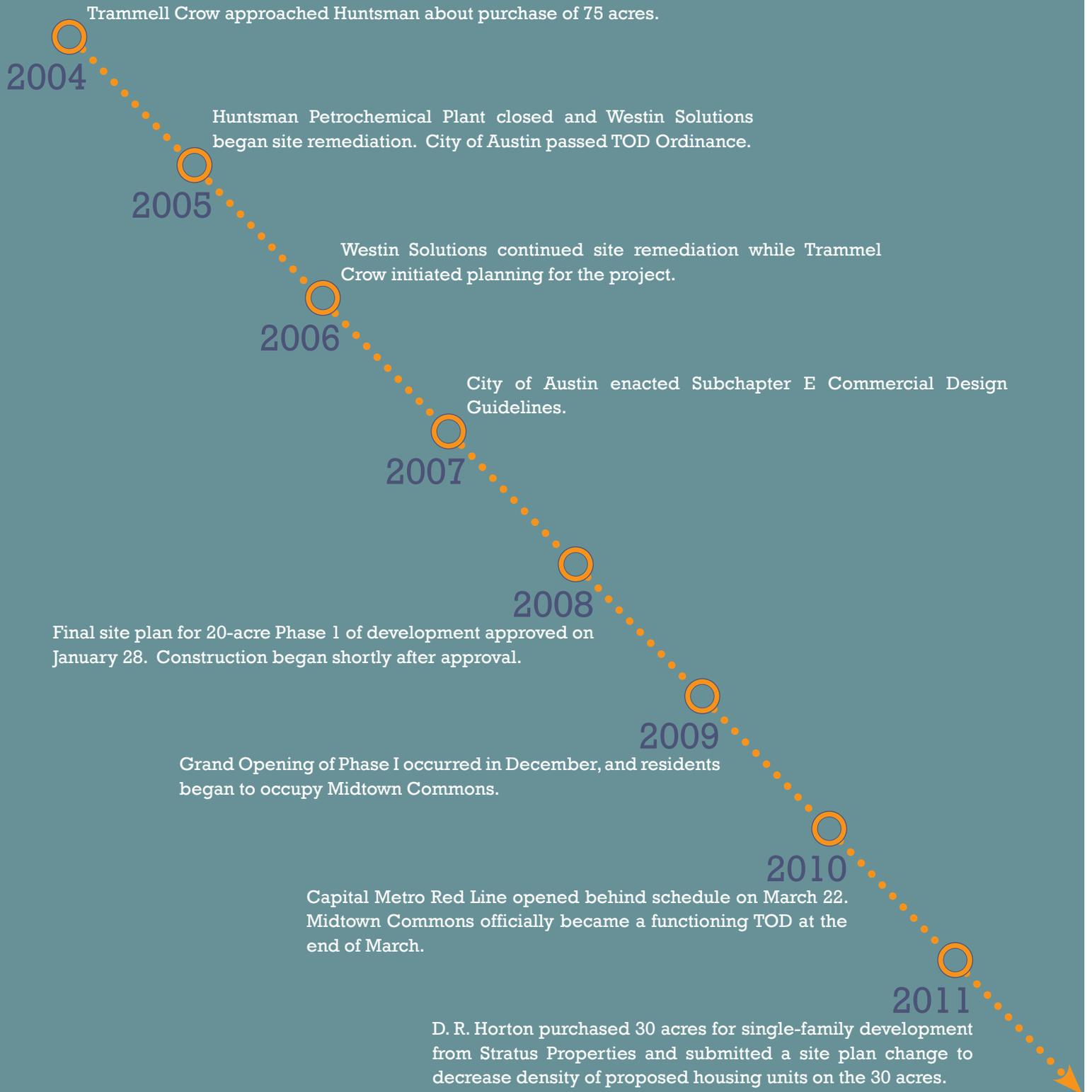
Notwithstanding the minimum setback requirements of the base zoning districts, at least 75 percent of the net frontage length of the property along the Core Transit Corridor must consist of continuous building façade built up to the clear zone, or the supplemental zone if one is provided.

Because the timing of Subchapter E's adoption and the planning and designing of the project coincided, the developers were unaware of this requirement. According to a March 2011 interview with a private sector representative, the initial site plan submitted to the City of Austin (finalized near the end of 2005/ beginning of



Aerial photos of the Midtown Commons project (top to bottom): Huntsman Petrochemical site; site development; construction; completed first phase (retail/office/multifamily).

Development timeline: Midtown Commons



2006) included a bay of “teaser” parking in front of the commercial buildings along Lamar. The interviewee noted, “[the] original site plan had the buildings you see there today, but they were moved fifty feet back from the street.” The adoption of Subchapter E, which took place during the two years that the developers were awaiting the completion of the site remediation, required that the developers alter the design of the project. The interviewee stated, “Well that hit us hard, but it was a short battle, and I think it was easy from [the City of Austin’s] standpoint because [we didn’t] comply with Subchapter E.” To be clear, it was a short battle and easy for the City from this stakeholder’s perspective because the opportunity for negotiation did not exist; the regulation had been adopted and there was nothing that could be done but adhere.

Similar compromises were required and took place throughout the design and implementation process, including compromises between different City of Austin programs and departments. Specifically, public sector representatives in attendance at the focus groups for this research discussed the conflict between existing right-of-way requirements designed to accommodate potential

future roadway expansion, the on-going Bicycle Master Plan, and the impact these regulations would have on the project design. As stated by a focus group attendee, regulations need to be adjusted “on a site plan by site plan basis, [to] see where the City’s priorities are at the time.” Flexibility, collaboration, and compromise were necessary to develop a solution that met the needs of all parties.

As another example, it was discovered near the end of the construction process that a previously unnoticed traffic light pole was located in the center of the proposed entrance way to the development. At that stage in the construction process, there were eight months remaining before the development was intended to open. Accommodations and compromises were necessary by both the City of Austin and the developer to find a timely solution, resulting in a slight alteration of the entrance way and the movement of the traffic light pole.

Aside from these situations, however, many of the intended design characteristics were realized.



Live-work Units (ground floor) and apartments (above) at Midtown Commons

Project History

Cedar Park Town Center

The Cedar Park Town Center project began when the City of Cedar Park held a competition for the development of a “Town Center.” V-S Cedar Park Limited, owners of a site referred to as the Windsor Crossing Tract, won the competition in 1998 and the two entities began planning for the site. Cedar Park hired Land Design Studio to help create a master plan, and began plans to create a Tax Increment Reinvestment Zone (TIRZ) to partially reimburse the future developer’s infrastructure costs. Homebuilder, D. R. Horton (previously Milburn Homes), became interested in the project in 2000, and assumed financial responsibility for a portion of the improvements that were to happen under the TIRZ.

The Cedar Park Town Center project was largely shaped by the City of Cedar Park Comprehensive Plan. The plan was created in response to community growth and a need to create a guide to aid the future direction of the city. The plan outlined the need to make Cedar Park a “hub” city, taking advantage of its location near Lake Travis, Round Rock, Austin, and other Central Texas communities. The need for a town center was outlined in the Downtown Plan

section calling for the creation of a town center either north or south of FM 1431.

The Downtown Plan represented the desire of city leaders to create an economically vibrant downtown area that would promote a pedestrian-friendly environment with the benefits of “higher density, a higher tax base and creation of a sense of place.” The City saw the Windsor Crossing site as prime for development because it was an undeveloped greenfield located near an existing transportation network (holding potential for a light rail stop to the west of the site), compatible zoning of neighboring properties, and landowners that were “willing participants.”

Stemming from the Comprehensive Plan and subsequent Downtown Plan, was the Cedar Park Town Center Urban Code and Regulating Plan. Adopted in 2001, the Regulating Plan established codes to put into motion the ideas brought about in the comprehensive plan. Policies were put into place to create a downtown district that would move away from the conventional “strip center” model that had become widespread throughout the area.



Clock Tower on Discovery Boulevard, the main entrance to Cedar Park Town Center

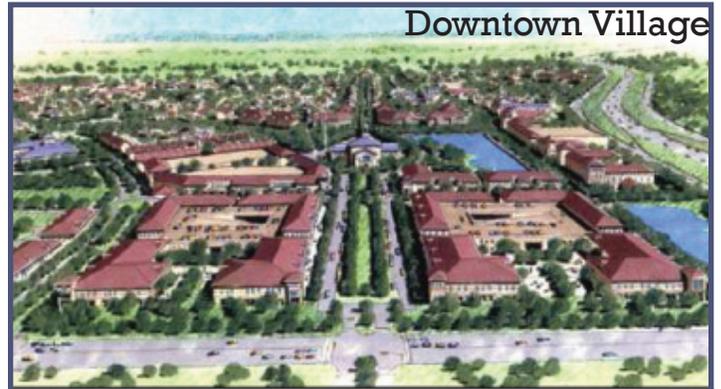
The Regulating Plan applied to the 371.70 acres located at 1431 east of 183, the site of the current development.

Traditional Neighborhood Development (TND) was proposed as the ideal development model to support a downtown. TND took into account the need for pedestrian-friendly residential areas that are walkable and that maintain a well-connected transportation network. The code would serve as the policy framework for a future town center providing guidance and requirements for such things as a town square, townhouse streets, residential streets, frontage types, easements and building restrictions, etc. The code is essentially form-based and is written to create standards focused on the physical design and the relationship between uses, as opposed to traditional zoning practices. This New Urbanist style of design code was a first for Cedar Park and, to a large degree, was incorporated due to the influence of the major landowners and their consultant, who worked on the Cedar Park Town Center project in the early stages.

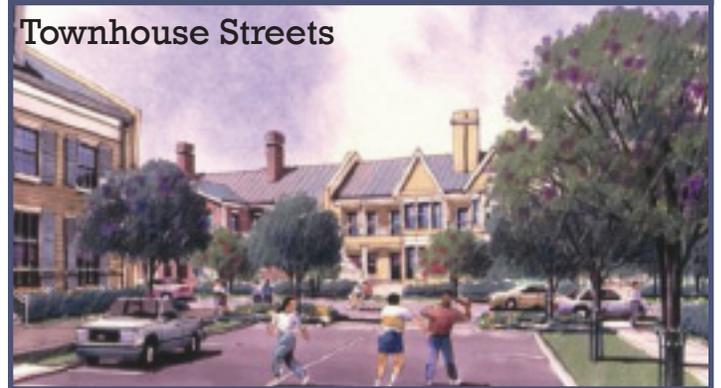
In 2001, two things simultaneously happened: 1) the Cedar Park City Council established the boundaries of a TIRZ District, encompassing the site of the proposed development, and 2) Milburn (D. R. Horton) put 240 acres of land under contract for single family development. The initial Regulating Plan was adopted in 2001 and included a 107.8-acre downtown area containing: 525,000 sq. ft. of retail space, 572,000 SF of office space, 212,000 SF of civic space, 187 multi-family residential units, 500 hotel rooms, and 6,100 parking spaces.

Construction of TIRZ improvements were approved and executed in 2003, utilizing tax increment financing to fund Discovery Boulevard, an entry bridge and pond. By 2004, infrastructure-related TIRZ improvements were completed as well.

Plans were revised when the City explored locating an event center in the town center, and changes were made in to the commercial zoning. An RFP was issued for the development of the commercial site. In 2007, V-S Cedar Park decided to sell the 107.8 acres zoned for the downtown area to Ainbinder, a development firm based in Houston, bought the property. A series of amendments to the development agreement followed, relating to the boundaries of the TIRZ, accommodating a new hospital, and to the downtown code (as determined by



Downtown Village



Townhouse Streets



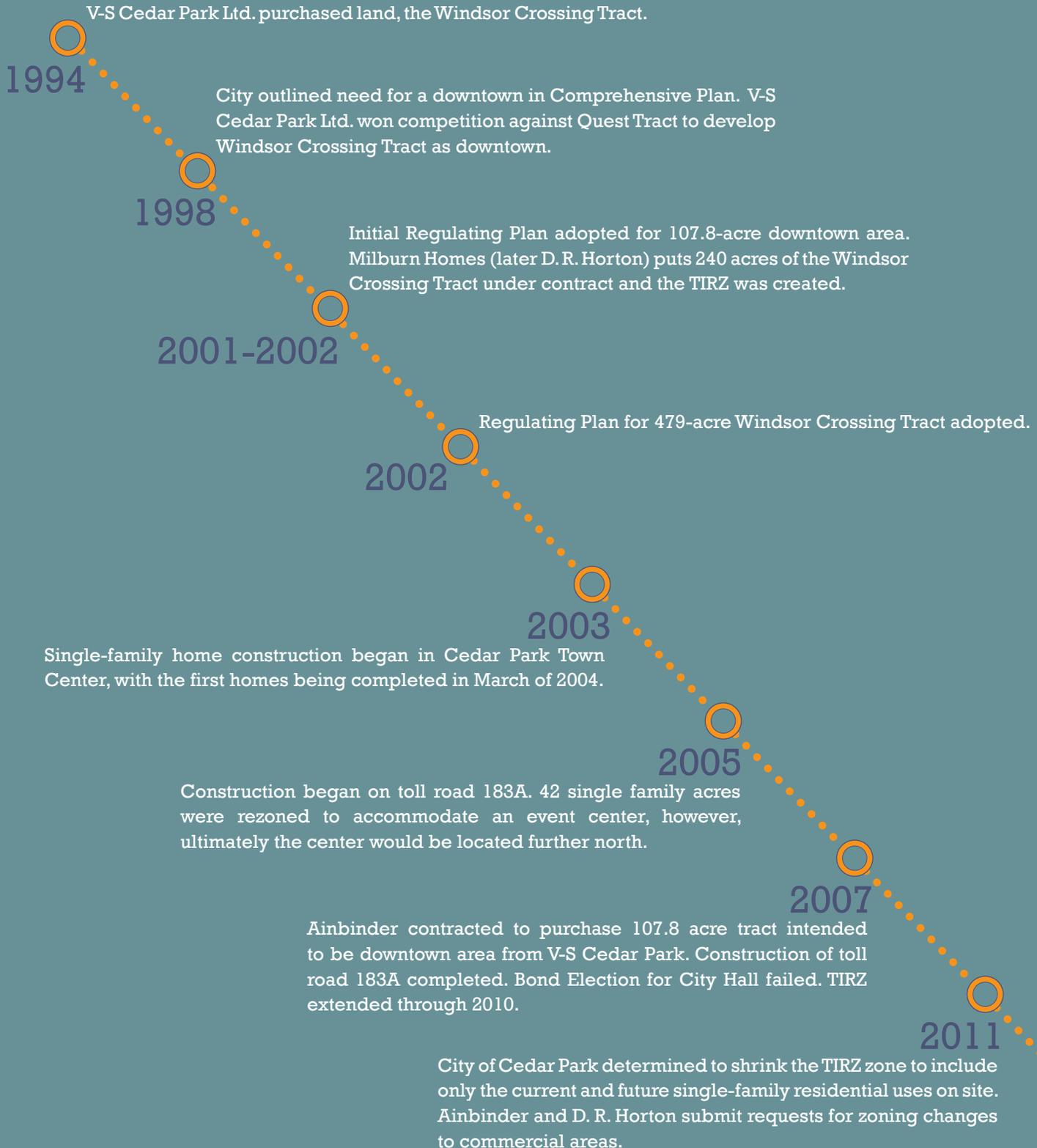
Main Street



Town Square

Renderings by Land Design Studio for the 2002 Regulating Plan

Development timeline: Cedar Park Town Center



the Regulating Plan), until a TIRZ Board was appointed by Cedar Park City Council in 2009.

The expectation of the TIRZ was that the City would help offset infrastructure costs by reimbursing the cost for certain public amenities (such as major infrastructure, an amphitheater, trails, and open space). The City also built a public recreation center in the residential part of the development, which opened soon after homebuilding began. Balancing infrastructure costs with development costs proved to be challenging. Elements such as enhanced architectural design and improvements to off-street infrastructure (such as lakes, open space, or parks) became financially burdensome. For example, due to the design standards of TND, the urban landscape was required to host the development of both alleys and roads. This created two issues that were new to developers and to the City: 1) alleys as part of the initial infrastructure costs were significant compared to conventional front-garage home costs, and 2) road width requirements for both were a concern to public works, and kept getting pushed larger due to fire and emergency concerns.

TND design, and particular alley-loaded parking was new in Cedar Park and it has been more challenging to

persuade prospective buyers of its value than Milburn/D. R. Horton had hoped when the project was planned. At the December 2010 focus group, one representative of the builder explained that the expectation to market residential development at a premium, due to added benefit of facilities and amenities, was not met. The houses had to be discounted. In the words of the representative, "People came over here and said, 'Gosh, well I can go over to XYZ subdivision a mile away and I can get a 65 x 135 foot lot and 2000 square foot house for \$180k, and you want \$190k here for a smaller lot with no backyard?' Well the reason we want \$190k is it costs a lot more to develop this." Sales improved as more homes were built and buyers could see more of the neighborhood as a whole, but prices have not reflected the design premium that the developer originally hoped for.

Retail in the commercial district is lagging. Workers at the envisioned City Hall and offices could have helped to generate demand, but in 2007 the bond election to finance the proposed City Hall failed, calling the centerpiece of the "Town Center" into question.

The City agreed to extend the TIRZ from 2007 to the end of 2010 to give D.R. Horton more time to meet its performance



A street of alley-loaded single-family homes by D. R. Horton in Cedar Park Town Center

standards and recoup its infrastructure investment. Throughout 2010, the City and developers negotiated the status of the TIRZ and implications of terminating it. In early 2011, the City announced its intention to shrink the TIRZ to include only the single family portion of the development. This decision was made when the \$50 million of expected commercial uses was not completed by January 2011 as required by the TIRZ agreement.

Also in 2010, the City was presented with the opportunity to purchase a foreclosed office campus elsewhere that was large enough for a city hall and offices, for about 40% of the cost of building new in the mixed-use district. The City determined that this option was a more responsible use of its resources, and decided to abandon plans for locating its offices in the Town Center as originally envisioned.

Most recently, Ainbinder proposed a change in zoning from the “Downtown District” zoning, currently in place, to a Planned Development zoning. Ainbinder has amended its 2007 Concept Plan for the downtown area, in large part, due to the city’s determination to place such things as the city hall and event center at other locations. The City’s determination on alternate locations for buildings, as well as the creation of 1890 Ranch (a “big box” retail development) across 183A, has influenced Ainbinder’s decision to make major changes to the planned development. New concept plans show less density than the 2007 version, along with an influx of larger retail stores and increased surface parking spaces. At Ainbinder and D. R. Horton’s request, the number of thoroughfares have also been reduced, creating less connectivity within the development. Overall, Ainbinder’s new plan promotes a more traditional suburban retail center with only hints of New Urbanist design patterns. Commercial lease spaces lines the property along the highway, and parking lots take the place of what previously was to include civic buildings, mixed-use retail, and multi-family housing.

Ainbinder’s decision to change the zoning and concept plan likely stem from the influx of retail in the general area (within a mile), and the need to create a more suburban-like development with commodities historically proven to promote leasing. With the City vacating the plan for a downtown, including civic buildings and uses, the push for a town center, or downtown area, in Cedar Park Town Center as a unique TND development has arguably lost steam.

Update: In December 2011 Ainbinder applied to rezone parts of the commercial area from Downtown Development (DD) to General Retail (GR) and Planned Development (PD) in order to accommodate a Costco warehouse store, conventional commercial strip and pad sites, and a parcel for up to 160 townhome and condo units.

In January 2012 D. R. Horton requested rezoning of its 42-acre mixed-use parcel along the 183-A frontage road to allow a more conventionally-arranged mix of office, apartments and retail that did not require retail on the ground floor. Residents of the single-family area of Cedar Park Town Center came out against the proposal, and it was voted down. D. R. Horton has no plans to reapply at this time.

Chapter Two

Current Project Statuses: June, 2011

Current Project Status: Midtown Commons

What has worked?

As of 2011, Midtown Commons has experienced steady growth with a majority of its success revolving around high occupancy rates of the 316 residential units. Occupancy was reported at 98% in April of 2011. The live-work and office spaces are filling more slowly, but the retail space has lagged, with a quarter of the space occupied by one tenant, a brew-pub. Several office tenants do frequent business downtown and cited transit access as an important reason they chose Midtown Commons.

D. R. Horton has contracted to purchase 32 acres of the remaining undeveloped acreage for single-family housing. This indicates a growing confidence in the demand for transit-oriented development and in Midtown's ability to grow into a true live-work-play development despite the delay in reaching full occupancy of its commercial components. With a strong core of rooftops surrounding Midtown Commons, and now within the development (more on the way), it appears Midtown Commons is on the verge of harnessing demand and becoming a thriving mixed-use development.

What hasn't?

While residential growth has created optimism for the future success of Midtown Commons, retail and office growth has lagged behind. High vacancy rates remain in the retail portion of Midtown Commons. This can be attributed somewhat to the downtrodden economy, beginning in 2007. With decreases in jobs and spending, the demand for high-rent, compact retail spaces have declined. An argument could also be made that certain design features have had a negative effect on the retail occupancy. The City's requirement that buildings be brought up to the street, instead of having parking between the buildings and street, has led some to believe that the retail spaces are less visible to those passing by in various forms of transport. Instead of seeing bays of parking in front of the retail stores, those driving past Midtown Commons on Lamar, for example, see buildings without visible parking, or signage, for that matter. One person involved in the Midtown Commons project claimed that this requirement, alone, was responsible for potentially millions of dollars in lost revenue.

Facts & Figures

Total Property Size

75 acres

Commercial	7.4 acres
Multifamily	13.1 acres
Single-family	34.9 acres
Ballfields	16.8 acres

Number of Residential Units

316 units

Residential Occupancy

98%

Available Commercial Square Footage

31,000 square feet

Commercial Occupancy

4,000 square feet

Current Project Status: Cedar Park Town Center

What has worked?

Residential development continues at a steady pace in Cedar Park Town Center, despite the setbacks of the 2008 economic crisis. Despite challenges regarding the retail development and office use, Cedar Park Town Center has experienced success in introducing a new land planning design - in the form of traditional neighborhood development - to a suburban area. Houses within the development have remained affordable and are currently selling well despite a slow start. The acreage designated for the future town center remains in limbo, as it has passed on to Ainbinder. Both the residential and commercial developers within Cedar Park Town Center are currently in talks with city officials, in an attempt to make changes to the existing form-based code.

What hasn't?

The town center, or downtown portion, of Cedar Park Town Center has yet to be realized. The economic recession that began in 2007, as well as the emergence of a competing 900,000 square foot shopping center (1890 Ranch) across Highway 183A, have hindered commercial development in Cedar Park Town Center. The decision to build the event center on a different tract of land north of the development also directed traffic patterns to the north, away from the proposed town center.

Today, Ainbinder continues to work with the City to create a town center that can provide Cedar Park with a true "downtown" identity. Hurdles, including the rigidity of the form-based code, the presence of 1890 Ranch, and a still struggling economy, have slowed the development process and have significantly delayed the creation of a downtown.

(Update: in 2011 the City approved a proposal to rezone Ainbinder's parcel to accommodate a conventional commercial strip and a small townhome parcel; in 2012 D. R. Horton requested rezoning for its 42-acre mixed-use parcel to allow development of more conventionally-designed office, apartment and retail, but the request was denied.)

Facts & Figures

Total Property Size

470 acres

Number of Residential Units

850 residential lots

Residential Occupancy

580 lots sold

Available Commercial Square Footage

2,000,000 square feet in progress

Commercial Occupancy

None at this time

Tax Increment Reinvestment Zone

The nonperformance clause of the TIRZ required that \$50M of added taxable value be added by 2007 (later extended to February 2011), otherwise the city has the option to reduce the size of the TIRZ or dissolve it entirely. Since commercial development adds more taxable value than residential development, D. R. Horton bore the risk of V-S Cedar Park's (later Ainbinder's) nonperformance.

Total estimated costs	\$23M
Total reimbursable costs	\$20M
Total costs incurred as of Dec. 2010	\$8M
Total collections as of Dec. 2010	\$1.5M

Chapter Three

Major Themes/Lessons Learned

Major Themes/Lessons Learned

Theme #1: Evolving Urban Framework

Planners face a unique challenge in that many of today's cities and suburbs are ill-equipped to readily adapt to changes, preferring to adhere to proven practices. This is in regards to infrastructure, policy, and public opinion. Much of the built environment is auto-dominated. Streets, buildings, intersections, and architecture are most commonly designed around the automobile. A shift to a built environment that accommodates bicycling, and walking as well as the automobile is a long and often difficult process. Planners must be aware that transformation cannot, and will not, happen overnight. A high speed, multi-lane boulevard with deep building setbacks cannot be transformed into a walkable, pedestrian-oriented streetscape by one development project. A sprawling, residential suburb cannot cultivate a bustling town center in just a few years.

There are many reasons for this, but simply stated, it is because of risk - both perceived and actual. Why should developers and users deviate from the tried and true? If there is a development model that meets both sets of needs, there is little financial incentive to change course despite the prospect of an improved, more economical, environmentally friendly, and equitable environment.

Both Midtown Commons and Cedar Park Town Center can be considered pioneer developments. Midtown Commons was the first development to be built under both the City of Austin's new TOD Ordinance and new Subchapter E design guidelines. Cedar Park Town Center attempted to build a New Urbanist town center in an almost entirely suburban residential community. In both cases, and in any similar case, some trial and error is to be expected. Such is the nature of being the first of a kind: it is to be expected that there will be unforeseen hurdles, for which to plan accordingly. It is to be expected that there will be uncertainty.

How, then, do planners work in the meantime? How do planners build to the street, plan mixed-use projects, or emphasize alternative modes in the face of unsure legislators, risk-averse developers, and users? The following four barriers are the most common in regard to mixed-use development taking place during a shift in the urban framework:

1. Unproven Market

Master planned, mixed-use development is an unproven model and faces an unsure market, particularly in the Austin area. Because of their prospective users' unfamiliarity with this type of product, developers are hesitant to enter the market, prospective commercial occupants are hesitant to lease, and, in some cases, visitors are hesitant to explore (i.e. drivers along Lamar are left unaware in terms of where to park at Midtown Commons, so do not stop).

This is a barrier that will likely correct itself over time. As demand for this type of development/product increases, existing mixed-use developments reach maturity, and future projects reinforce the new pattern, there is likely to be less confusion and hesitation about mixed-use development. It is imperative, however, that existing mixed-use developments continue to grow and encourage commercial development. If these developments fail to achieve commercial success in the long-run, it could be expected that future developers will shy away from mixed-use projects.

2. Regulatory Environment

Working within unfamiliar regulatory confines can create confusion. This can delay review and approval processes, which comes at a cost to the developer. Aside from unfamiliarity, the new regulations may conflict with that which is most profitable or intuitive for a developer. While the purpose of a new regulation may seem clear, there may be uncertainty as to whether it is appropriate for certain locations. For instance, there is a great disconnect between what currently exists along North Lamar Boulevard in the vicinity of Midtown Commons and what the City of Austin wants to encourage the area to become over the next 30 years. It is not an environment conducive to pedestrian activity, though Subchapter E requires new commercial development be built to the street in order to foster a better pedestrian experience. These types of requirements have the potential to deter developers who wish to place teaser parking spaces in front of the buildings to attract potential customers driving along Lamar. Such requirements may also deter prospective commercial occupants who fear that without obvious parking, customers will not come.

A stringent regulatory environment exists in order to guide development over time, and any new regulations require a period of adjustment. Like the barrier of an unproven market, the issue of a strict regulatory environment may correct itself over time as it becomes commonplace. Projects subject to unfamiliar or untried regulatory requirements are necessarily subject to the trials associated with them, which are resolved for future developments. It is imperative that cities take constant care to fine-tune and adjust regulations to ensure that the development community can effectively accommodate them.

3. Commercial Leasing

Well-occupied commercial space is an extremely important aspect of a mixed-use development. It is crucial for creating a destination, encouraging the reduction of auto-dependency, increasing accessibility to daily needs, adding to a sense of vibrancy, activity, and safety. A successful commercial segment will contribute significantly to the location efficiency and value recapture capabilities of a development, rewarding the developer for its financial risk-taking.

While mixed-use projects are often more costly to the developer, it is important that the developer try and limit passing increased costs through to commercial lessees, at least initially. Developers could provide incentives such as reduced rent to attract commercial occupants, and should certainly seek occupants prior to opening. If cities are serious about promoting transit-oriented developments, they might consider reducing permitting fees or subsidizing commercial rents at TODs for the first few months subsequent to a development's opening, and especially if the transit system does not commence operations on the announced time schedule. Additionally, a developer could offer incentives to commercial occupants in place of offering other residential amenities.

Conventional wisdom holds that commercial leasing tends to be more successful when the development is positioned near a "power center" retail development, such as a large grocery store or department store. Retail space located within the same development as a "power center" is appealing to prospective commercial occupants, because customers are already drawn to the area. Independent businesses usually have more discretion about locating in

other types of locations than franchises do, but they also generally cannot afford as much rent.

4. Location and Connectivity

Mixed-use development is particularly sensitive to location. Midtown Commons has excellent accessibility because it is located in central Austin in close proximity to public transit and major automobile routes, but neighboring properties do not offer any complementary attractions. In other words, Midtown Commons itself is the only reason for visitors to go near Midtown Commons. Better connections to nearby neighborhoods will help, which would be possible when the bus barn to the south is relocated.

New developments that locate in proximity to other significant developments tend to be more attractive to prospective commercial occupants. This is based on the rationale that shoppers will stop at smaller retail stores following their shopping trip at a "power center" in the same development.

It is possible, then, that Midtown Commons will attract other development nearby, especially within the City of Austin's defined TOD zone. Developments tend to play off one another, so, in time, it is likely that Midtown Commons, and the surrounding area, will become a destination point and therefore realize greater commercial success.

It is also important that mixed-use developments position themselves near major highways or automobile corridors. This is especially true for more suburban developments that are not located near a rail or bus route, and are not able to rely on bicycle transportation. Visibility is important, along with access for ease of commuting to and from the development, especially if the development is, or is aspiring to be, a major source of employment for the area.

Theme #2: Flexibility

Flexibility is another crucial component of a successful development process. Stakeholders from both the public and private sectors come to the table with visions that almost always differ in some form or another. In the planning and implementation process, both the private and public sides being willing to adapt and make sacrifices, may significantly impact the success of the development. Flexibility allows both the private and public sector to maintain their vision, while knowing what they are willing to concede in order to keep the process running smoothly. Since time is money, the willingness to make sacrifices to maintain a time schedule is extremely important to the financial success of a project.

Flexibility can come in different shapes and sizes, whether it is the willingness of the public sector to incentivize development through TIFs or TIRZs, or through the developer's willingness to provide some community amenities as a show of good will. Regardless of the reason, it is important for both sides to come into a project with an understanding what they are willing to sacrifice and what they are not. Stakeholders being flexible in how they go about things can be the difference between a project becoming financially unfeasible and a project being completed in the time allotted.

Building a certain degree of flexibility into a development plan also provides room to adapt to unforeseen events or take advantage of new opportunities. Circumstances change over the years it takes for a large-scale project to reach completion - a competing development may suddenly be announced, bond elections for public facilities may fail, and financing markets may change radically. Ainbinder found themselves redesigning a Town Center when Cedar Park was not able to build its city hall there. All parties benefit when appropriate flexibility is built into the development plan and the developer's pro forma.

Another source of uncertainty is the vastly different time frames that the public and private sectors operate in. A developer needs to begin generating income as soon as a project is completed in order to pay back investors. If the appeal of a project depends on a particular project or facility provided by a government entity, that project may not be completed at the precise time that is most profitable for the developer. D. R. Horton would have preferred that

Cedar Park had completed the recreation center earlier in order to help market its houses. The developers of Midtown Commons would have preferred that the commuter train was operating when they first began leasing. A sizeable public project will likely involve a bond election or be competing with other projects for funding. Projects that receive taxpayers' money are also subjected to vetting and public scrutiny.

In assessing the development process for Cedar Park Town Center, several examples of flexibility were revealed over the course of the project. The City demonstrated flexibility in creating the TIRZ to aid in the creation of the needed infrastructure to develop the tract. The City understood that the project would not become financially feasible unless they provided an incentive for development through a reimbursement district. While flexibility was shown here, there were also instances in which more flexibility could have potentially been a benefit for the project. The 42 acres of land that was originally single-family, but was rezoned for commercial use is a prime example. When the City decided not to build its event center on the tract they could have possibly allowed for the 42 acres to be rezoned back to residential use in order to benefit D. R. Horton and return the Regulating Plan to its original form. These negotiations are still underway, and so it is possible that the City will exercise some regulatory flexibility and allow for the rezoning of the property to allow its successful and more timely development.

Flexibility was shown a little differently in the case of the Midtown Commons project. Trammell Crow's ability to continue with the project shows the developer's adaptability. Even after not being able to create teaser parking for retail, Trammell Crow still departed from the norm, or what is "in the pro forma," in order to keep the project on schedule and avoid hurting the relationship with the City. Rather than seek a variance or urge an overhaul to the ordinance, Trammell Crow chose to proceed in adherence with the regulations that applied to the development.

The presence of Subchapter E bound the City to the mixed-use regulations it had created prior to the development of Midtown Commons. The City created these new regulations as a means of improving the core transit

Theme #3: Commitment

areas of the city and making a more pedestrian-friendly environment throughout central Austin. Had Subchapter E been written to include a less restrictive protocol, it may have been possible that teaser parking be included. If, instead of Subchapter E, the City had proposed to create a Planned Unit Development, regulations may have been more flexible and teaser parking may have also been possible. Regardless of what could have been, the City of Austin created the regulations in place to guide future development and promote pedestrian-friendly, mixed-use development.

Stakeholders from both the private and public sectors considering the potential value of being flexible could greatly advantage the project outcome for all. Flexibility in its various forms- such as the willingness to incentivize development- might make a project more feasible. Flexibility can also be exercised by allowing for some level of departure from the pro forma in order to keep a project flowing smoothly. In any case, outcomes beneficial to all stakeholders may be best achieved by weighing sacrifice with flexibility. If invested parties determine what they are willing to sacrifice at the beginning, share that with each other, and attempt to strike a balance by allowing for some flexibility, the most successful outcome for all may occur.

One of the more challenging aspects of mixed-use development is accommodating various market cycles and the financing needs of residential, office and commercial builders and occupants. Conventional suburban development patterns have evolved to expedite the development of individual properties with minimum interference from - or interaction with - neighboring properties. The added value of mixed-use development comes from the interaction of the parts, and until all the parts are there to interact, that value may not be realized. The challenge, then, is for the development plan to be flexible enough to adapt to the demands of multiple real estate markets, yet consistent enough to produce a coherent district whose parts reinforce each other, capturing that added value.

Commercial, office, multi-family and single-family developers are required to respond to global financial forces as well as local markets and competition, which are rarely in the same condition at the same time. For example, there may be a local need for medical offices, but not for apartments, at the particular time a project opportunity presents itself. Some uses are dependent on surrounding development. For example, retailers are hesitant to develop in areas where there are few residents; they fear “getting ahead of the rooftops.” Government facilities are on independent time schedules based on the availability of agency funding, state and federal assistance, and bond elections - not to mention the general priorities of the electorate. As an added challenge, there is a risk in committing to a different development pattern than the familiar development model that surrounds it.

It may not be feasible for all sectors involved in a mixed-use development to build at the same time, and the infrastructure and common facilities must be in place at the start. The additional value of the development - beyond the sum of the parts - is not realized until all the parts are in place and relationships between them have had time to develop. This may not be realized by a builder who is not prepared to hold a property that long. It also requires a considerable degree of trust between parties that each will adhere to the agreed vision, even in a less-than-optimal market condition. These two case studies present different ways in which to align developer interests in order to produce a coherent mixed-use development.

Midtown Commons has had the advantage of a single master developer, the Stratus and Trammel Crow Venture. The master developer will manage the property at least through the completion of the mixed-use and multi-family phases of development – long enough for the relationship between uses to develop and produce that added value. The final, single-family phase is to be constructed by D. R. Horton, who, in this case, has the assurance of following, rather than leading, the other development sectors.

The apartments at Midtown Commons were leased quickly, and although the rail line was delayed, the office and live-work units are doing well. All but one of the retail spaces on Lamar Boulevard, however, remain unoccupied. This might be attributed to the fact that the pedestrian linkages, transit ridership and Lamar streetscape are not yet well-enough established to function as a pedestrian-oriented district. Trammel Crow anticipated this, and is holding out for tenants that will contribute to that activity and feel for the district. Many developers of mixed-use condominium buildings have adopted the same strategy, and consider the ground-level retail as an amenity for the residences above. For example, even at a reduced rent, it is more cost-effective to lease space to a yoga studio than to outfit and maintain an on-site fitness room for tenants.

It is apparent from these examples that retail/commercial space is the most sensitive to the vagaries of the local property market. National chains are best able to afford rents associated with new construction, partly through access to corporate and REIT (Real Estate Investment Trust) financing. These backers have highly-specific location criteria in order to ensure a particular level of return. These criteria typically include: proximity to an anchor store, minimum parking ratios, traffic volume, and number and income of households within a certain radius. These criteria, however, rarely take into account the qualities that distinguish it from every other property, i.e. the degree to which it becomes a differentiated product rather than a commodity. These qualities pertain to the physical design and relationships with neighboring properties (e.g. complementary businesses), all of which give the property its sense of place.

An effective strategy might be to seek out restaurants, retail and services whose business models rely on a differentiated product model and benefit from the unique character of a mixed-use setting. Restaurants, specialty

stores and services grow by reputation and can draw customers to discover a new development, building a base for additional tenants. This strategy relies on a strong local independent business community.

Some groups of independent business chains have found they complement each other, and have sought to intentionally locate as a group. They do this in order to take advantage of location, leasing and promotional efficiencies. For example, several small furniture and décor stores have grouped together to lease entire small retail centers as Furniture Row, operating centers with franchises of the same retailers in several cities. Local chain, Amy's Ice Cream, worked with a group of other local restaurants and businesses to renovate a property on South Congress Avenue. They are exploring the replication of "Austinville" in other locations.

While the level of architectural character must be sophisticated enough to create a distinctive sense of place in the development, commercial space must also be affordable for independent businesses, which generally cannot afford the rent level that franchises can. The fact that mixed-use development is usually more expensive to construct requires careful consideration of design, density, and tenant selection. Additionally, commercial spaces must be adaptable to different uses over time, similar to the live-work units at Midtown Commons.

The added value associated with mixed-use development is sufficient to justify the support of developers and municipalities, but it takes time to culture. The intention is that it will remain for the long-term. Districts that are now considered traditional once took time to develop. A more compact and interrelated development makes more efficient use of a site. For instance, transit and pedestrian access require less acreage be taken up with parking. A network of related parts creates a distinct and lasting identity that retains its value; it is more sustainable. This counters the unsustainable occurrence of the generic "strip mall" or big-box development that slide into disrepair in ten years when the next generic "strip mall" or big-box development is built down the road.

Theme #4: Communication

In research associated with the planning and development process, communication is often cited as a crucial aspect connected to the outcome of any given project. Stakeholders come from different backgrounds, education, and training, giving them different perspectives. These different perspectives frame stakeholders' interpretations of events and subsequent communication.

A “frame,” as coined by Erving Goffman in 1974, can be thought of as a perceptual window through which one organizes and makes sense of the world. Communication among different stakeholders can express frames that are in competition or in agreement. Stakeholders come to collaboration with perspectives expressed through different frames that potentially limit or improve communication and, in turn, shape action.

Mixed-use development projects tend to be public-private collaborations. Stakeholders from the public and private realms enter collaboration with perspectives expressed through different frames. For example, how a developer interprets the particular aspects of a project might be different than how a planner does. Naturally, these different types of stakeholders see the situation according to the active role in which they are playing, i.e. as planner or developer. In addition, the experience and knowledge stakeholders have previously gained from different projects shapes their frames as well. For example, a planner who has a background in architecture might interpret things differently than a planner who has a background in public policy. This is significant because it is representative of the fact that stakeholders who come together to discuss projects may not be aware that they may not share a common understanding of what they think are the same things. This might apply in the case of the definition of a word or even for a system of thought.

Dually, stakeholder frames are dynamic. That is to say, in some instances a stakeholder may speak from a point of view that is more representative of his/her particular role in the project (i.e. planner or developer), and in other instances he/she may speak from a point of view of another influence. Examples of other influences might be based on stakeholder background, education, or personal investment. A personal investment could have something to do with a stakeholder's beliefs or convictions in regards to New Urbanism or sustainability, for instance.

Another way in which stakeholder frames are dynamic, as revealed in these case studies, has to do with a stakeholder interpreting a situation as an individual, in some instances, and as part of an agency, in others. For example, a city planner might speak from his/her personal point of view in some cases, yet speak in a way that represents “the city” in others.

Herein, some of these points have been highlighted in an attempt to reveal some of the most useful discoveries in analyzing communication among stakeholders involved in mixed-use projects. First, an example of how a specific component of a project may be interpreted differently by various stakeholders is outlined. Secondly, an analysis of some of the dialogue among stakeholders is addressed in the form of the identification of barriers to and opportunities for successful communication.

A Matter of Semantics?

Throughout the planning and development process of Cedar Park Town Center, multiple stakeholders held varying interpretations of what defines a “town center.” Stakeholders differed in their opinion as to what should generally characterize the built form of the development. Points of disagreement emerged in regards to the difference between a “town center” and a “downtown.”

One stakeholder in the public realm described his/her intention for advocating for what he/she calls a “downtown district.” This stakeholder was explicit in explaining that what he/she had envisioned from the inception of the project was a downtown district. This stakeholder differentiates a downtown from a town center. From his/her point of view, the City of Cedar Park needed a downtown akin to those of older, larger cities and not a “town center.”

Another stakeholder, in the private realm, recognized the City's push to create a downtown area, yet uses the words “downtown” and “town center” interchangeably. This stakeholder discusses the planning process by placing the most emphasis on the development of a “downtown” or “town center” in relation to the overall landscape design. This stakeholder focuses on either in the context of traditional neighborhood development planning.

A third stakeholder, from the public realm, does not so much differentiate between a “town center” and a “downtown” but focuses on the concept of some form of a central space in relation to the overall urban pattern. This stakeholder uses multiple words to describe the desired form, from his/her perspective, yet when speaking of the official competition, he/she refers to it as a “town center.”

Employing this example associated with the various interpretations of a “town center” is not to imply that it is a seminal issue effecting the outcome or success of the project. It is to demonstrate that various interpretations of one aspect or element exist. Overall, in these case studies, it was revealed that stakeholders define other terms differently, as well, such as sustainability, mixed-use development, and TOD and TND themselves.

Barriers and Opportunities

In analyzing communication among stakeholders, points of conflict and points of agreement were revealed in both projects. These points can be understood as barriers to and opportunities for successful communication and as specific insights to the development process. These points have been succinctly outlined in tables and can be viewed by referring to Appendix 3. The barriers and opportunities identified in the tables represent explicit communication that took place among stakeholders in the planning and development process in these case studies. The tables highlight some of the nuances of communication in regards to mixed-use development and, collectively, might serve as a helpful tool for stakeholders embarking on projects in the future.

Facilitating Increased Communication

Increased communication throughout the mixed-use planning and development process may encourage efficiency and successful results. Stakeholders may want to consider planning for regular and consistent points of communication for increased understanding and awareness. One way in which to accomplish this is through a sustained dialogue pertinent to the process. This is discussed more thoroughly as a recommendation, found in the following section.

Chapter Four

Recommendations & Guidelines for Future Projects

Recommendations & Guidelines for Future Projects

Consider the potential value for allowing for flexibility

Outcomes beneficial to all stakeholders may be best achieved by all parties weighing sacrifices with flexibility. If invested parties determine what they are willing to sacrifice at the front-end of the process, share that with each other, and attempt to strike a balance, the most successful outcome for all may occur. Incentivizing development and deviating from the original pro forma are two examples.

Consider the added value of mixed-use in the long-term

By considering the added value that mixed-use brings over time, as opposed to viewing it as a sum of its parts, planners and developers might strategize most efficiently. Particularly if a new project is not to be located near a vibrant existing use, such as a grocery store or retail anchor, planning ahead and establishing commitment from the right blend of retailers may make a significant economic difference.

Incorporate a sustained dialogue throughout the course of the project

A sustained dialogue is a series of planned and intentional conversations. A project can benefit from consistent, specific communication at all stages, including before, during and after (where applicable) the development process. Communication at the front-end of the process can prove to be particularly important. Stakeholders can discuss components of the project in detail and on a regular basis in order to avoid misunderstandings and reach the best solutions in a dynamic process.

A Sample Dialogue Guide, informed by these case studies, has been created and is attached as Appendix #1.

Allow for adjustments in regulations

Cities taking constant care to fine-tune and adjust regulations might ensure that the development community can most effectively accommodate them. Allowing for some adjustment, particularly when new ordinances are introduced in the midst of a project, might lead to the most successful development outcomes, as well as strengthen trust in private-public relationships.

Conduct round table discussions

A city-wide or regional dialogue, or “round table” discussion, could provide an opportunity for diverse stakeholders to regularly come together and discuss ongoing issues and new solutions as they evolve. It was revealed in the course of these case studies, that, not only is there much to discuss, but stakeholders are hungry for meaningful opportunities to share experiences.

Mixed-use development is a new and emerging form in Central Texas. There is much to be learned and shared along the way as experience is gained in the dynamic arena of planning and development.

Locate new developments near existing developments

By locating new projects near existing developments, activity and connectivity is increased and the project has been positioned in the midst of a built-in consumer and traffic base. Locating near a “power center” or existing anchor appear to be part of a proven recipe. Issues of infrastructure are also alleviated.

Incentivize commercial leasing

Having commercial lessees or space pre-sales lined up prior to a development’s grand opening is a way to ensure immediate cash flows. Offering incentives to prospective lessees, such as discounted rent or flexible contracts, may prevent commercial spaces from sitting vacant when the residential portion of the development has opened.

Ensure adequate signage

Wayfinding is imperative in attracting visitors to a new development. Ensuring convenient access from the road translates into commercial success. This is especially important for developments that feature parking in the rear.

Appendices

Supplemental Information
& Documentation

Appendix #1: Sample Dialogue Guide

Introduction

This brief reference is intended to provide some basic information and a sample dialogue that can be used for the consideration of incorporating a sustained dialogue into the planning and development process. This reference has been created to support the following recommendation:

Sustained Dialogue Throughout the Course of the Project

A sustained dialogue is a series of planned and intentional conversations. A project can benefit from consistent, specific communication at all stages, including before, during and after (where applicable) the development process. Communication at the front-end of the process can prove to be particularly important. Stakeholders can discuss components of the project in detail and on a regular basis in order to avoid misunderstandings and reach the best solutions in a dynamic process.

Basic Guidelines for a Successful Dialogue

The nature of a successful dialogue is flexible and dynamic. The number of stakeholders involved depends on the nature of the project. A dialogue would be tailored to the specific context and stakeholders of the project. A sustained dialogue could help better facilitate any process of development, and, specifically, one of mixed use development. The dialogue should be comprised of stakeholders from all collaborating entities. A sustained dialogue is most successful when the same stakeholders consistently participate. Utilizing a practiced facilitator who is not a direct stakeholder or beneficiary to the project is imperative.

Technically, many dialogue practitioners understand a dialogue as a process with a focus on listening and personal learning which, in turn, lead to greater understanding. Typically, there is emphasis placed on individual viewpoints, as opposed to viewpoints of “representatives of groups or special interests.” The nature of a dialogue concerning planning and development might be thought of as a series of structured conversations. It is important that a professional skilled in dialogue formation and implementation, who is sensitive of the context, be employed to design and facilitate the dialogue process. A list of potential resources has been included at the end of this document.

What follows is an example of a dialogue format that might be used as a facilitation aid for the planning and development process. This “sample dialogue” demonstrates what structured conversations might look like at different stages of development. Five questions comprise a “session,” representing the occurrence of a session at different stages of development. While three sample sessions have been provided, a structured dialogue pertaining to a development process could occur much more frequently. For example, a session could take place once a week, bimonthly, etc.

The key is to create the appropriate time and space in which a variety of aspects can be discussed pertaining to the project. The objectives are to increase understanding among stakeholders, increase the avoidance of potential miscommunication, and nurture a successful and more efficient outcome, as defined by stakeholders invested in the project.

The following sample sessions are envisioned to take place in “go-round” formation, each stakeholder having the chance to speak, one at a time. The role of the facilitator is to manage the process to ensure equal sharing on behalf of the stakeholders. It is also the role of the facilitator to see to the laying of ground rules, among other things, which can be understood in more detail by referring to the resources at the end of this document.

Sample Dialogue: Session 1

Previous to project inception or at inception

Question #1

What is your background or experience as it pertains to this project?

Question #2

What is your professional and/or personal investment in this project?

Question #3

What are your expectations of the project? How do you expect to measure the success of the project?

Question #4

How is this project similar or different to other projects of which you have been a part?

Question #5

What lessons have you learned from previous projects that you think may be applied to this one?

Sample Dialogue: Session 2

During the project's planning or development phase(s)

Question #1

What is your interpretation of the current status of the project?

Question #2

What do you think is going well or as expected?

Question #3

What do you think is a current challenge of the project?

Question #4

Are there any changes to the project you have perceived or that you foresee?

Question #5

What is your biggest concern or point of interest as the project moves forward?

Sample Dialogue: Session 3

Upon completion of the project

Question #1

What is your interpretation of the project outcome?

Question #2

What do you think has been the biggest accomplishment of this project?

Question #3

What do you think has been the biggest challenge of this project?

Question #4

If you could go back and do it again, what would you have done differently?

Question #5

How might the experience you have gained from this project be applied to future projects?

Resources

Websites/ Organizations:

Design Workshop

<http://www.designworkshop.com>

The National Coalition for Dialogue & Deliberation (NCDD)

<http://ncdd.org>

The International Institute for Sustained Dialogue

<http://www.sustaineddialogue.org>

National Charrette Institute

<http://www.charretteinstitute.org>

Viewpoint Learning

<http://www.viewpointlearning.com>

Books/ Guides:

Barbara Faga, *Designing Public Consensus: The Civic Theatre of Community Participation for Architects, Landscape Architects, Planners and Urban Designers* (New Jersey: John Wiley, 2006).

James L. Creighton, *The Public Participation Handbook: Making Better Decisions through Public Involvement* (San Francisco: Jossey-Bass, 2005).

David Campt and Lisa Schirch, *The Little Book of Dialogue for Difficult Subjects: A Practical Hands-On Guide* (Intercourse: Good Books, 2006).

Appendix #2: Evaluating and Benchmarking Mixed-Use Developments

Introduction

This reference will explain six different performance areas upon which a mixed-use project can be evaluated. Within each group are a number of outcomes that, if present, indicate that a development has achieved success in that performance group. It will also explain the proper method for evaluation and scoring, how to interpret scores, and a sample scoring sheet is included.

Please see Appendix 2A and 2B for the scoring sheets, and evaluation summaries for Midtown Commons and Cedar Park Town Center, respectively.

Performance Groups

To evaluate mixed-use developments, there are six performance groups to be considered, as described by Dana Belzer¹. These performance groups are location efficiency, value recapture, financial return, choice, livability, and efficient regional land use patterns.

It is important to note that despite overlap between the six groups, it would be very unlikely for any development to be proficient in all six performance areas. Typically, success in one performance group might come at the expense of success in another group. Additionally, the different criteria in each performance group may not be relevant to a particular project. It's important for the evaluator to be conscious of this, and consider the relevancy of each criterion when scoring a project.

Location efficiency

A transit-oriented development can be considered location efficient if it is able to transform auto usage from a necessity into a choice. Belzer, using supporting evidence from other studies, argues that auto-dependency can be reduced by an “effective blending of convenient and efficient transportation link (node functions) with enhancements of the ability to carry out most everyday tasks close to home (place functions).” A truly location efficient transit-oriented development will encourage a reduction in auto-dependency by being accessible to transit, offering a mix of uses, residential density, and a design that supports walking. According to Belzer, the following is a list of outcomes that can be expected from a location efficient transit-oriented development:

- Increased mobility choices (walking and bicycling as well as transit).
- Increased transit ridership.
- Good transit connections to the rest of the city and region.
- Reduced auto use and reduced auto ownership.
- Reduced transportation costs to individuals and households.
- Sufficient retail development (quantity, quality, and diversity) in the TOD to satisfy the basic daily needs of residents and employees working in the area.
- Ability to live, work, and shop within the same neighborhood.

Value Recapture

Value recapture refers to the ability of residents and users of transit-oriented developments to save money on transportation costs. According to Belzer, recapturing value is a direct outcome of a location efficient development. This point can be effectively demonstrated through what is known as the location efficient mortgage—which allows homebuyers that choose to live in a location-efficient development to “borrow more money than they would qualify for

¹ Belzer, Dena, and Gerald Autler. “Transit Oriented Development: Moving from Rhetoric to Reality.” The Brookings Institution Center on Urban and Metropolitan Policy (2002): 1-38.

under conventional mortgage lending practice”, under the assumption that will a reduction in transportation costs will translate into more available money for housing. A development that is effective at recapturing value will demonstrate the following:

- Increased homeownership rates or more adequate housing, especially among borderline income groups.
- Increased use of location efficient mortgages.
- Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers.
- Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending.
- Utilization of existing infrastructure.

Livability

Livability is undoubtedly difficult to explicitly define. Similar to the concept of sense of place or community, a definition of livability could vary greatly from person to person. Belzer claims that “at its core, transit-oriented development strives to make places work well for people.” While this could imply a multitude of things, Belzer identifies a number of livability measures that could apply “directly or indirectly to transit-oriented development:

- Improved air quality and gasoline consumption.
- Increased mobility choices (pedestrian friendliness, access to public transportation).
- Decreased congestion/commute burden.
- Improved access to retail, services, recreational, and cultural opportunities.
- Improved access to public spaces, including parks and plazas.
- Better health and public safety (pollution-related illnesses, traffic accidents).
- Better economic health (income, employment).

Financial Return

As most transit-oriented development projects consist of both public and private developments and investments, it is important to analyze the return to both the public and the private sector when evaluating financial return. Like value recapture, a high financial return to both sectors is a direct outcome of location efficiency. However, to realize this potential, many TOD projects “require more complex financing strategies”, and patience on the side of public sector. Belzer notes, however, “these actors should not necessarily define return in the narrow financial sense. Although all public investments should be justifiable, that justification can be based as much on notions of social return (greater equity, better affordable housing, better quality of life) as on financial return.” Regardless, in terms of financial return, players should expect the following from a successful transit-oriented development:

- For local governments: higher tax revenues from increased retail sales and property values.
- For the transit agency: increased fare box revenues and potential ground lease and other joint development revenues.
- For the developer: higher return on investment.
- For employers: shorter and more predictable commute times, easier employee access.
- A balance between financial return and other goals of TOD so that projects are not judged purely on their monetary return.

Choice

Belzer argues that a reliable proxy measure of a “good place includes the notion of choice.” She defies claims that transit-oriented developments “‘force’ people to live in high-density apartments and take transit.” Belzer’s theory is that a transit-oriented development should be defined and measured by function and not by form, implying that “no particular housing type needs to dominate TOD projects.” A successful transit-oriented development will offer choice in housing, transportation, and shopping options to supplement the existing market. A development effective at providing choice might demonstrate the following outcomes:

- A diversity of housing types that reflects the regional mix of incomes and family structures.
- A greater range of affordable housing options.
- A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents.
- A balance of transportation choices.

Efficient Regional Land Use Patterns

Efficient regional land control can be accomplished partially through transit-oriented development “when a significant number of origins and destinations in the region are well-linked to a station.” Belzer argues “the more growth that can be accommodated in station areas, the less sprawl will be the automatic result of growth.” This performance group is closely related the ideology behind Smart Growth and New Urbanism. A region that is effectively coordinating growth planning and encouraging the development of nodes connected by transit might demonstrate the following:

- Less loss of farmland and open space.
- More suitable regional and subregional balance between jobs and housing.
- Shorter commutes.

How to Evaluate and Score a Project

In an effort to provide some assessment for each criterion, a “score” was applied. The “score” ranged from 0 to 3.

0 meant that the criterion could never be met or was not applicable.

1 meant that the criterion could possibly be met in the future, but was not met right now.

2 meant that criterion was somewhat met.

3 meant that the criterion was fully met.

This scoring system was not meant to provide a definitive grade for each of the development, but instead *is designed to provide a measurement that can be reevaluated in the future, to track progress of the development.*

Sample Scoring Sheet

Performance Group	Performance Criteria	Score (0-3)
Location Efficiency	Increased mobility choices (walking and bicycling as well as transit).	
	Increased transit ridership.	
	Good transit connections to the rest of the city and region.	
	Reduced auto use and reduced auto ownership.	
	Reduced transportation costs to individuals and households.	
	Sufficient retail development (quantity, quality, and diversity) to satisfy the basic daily needs of residents and employees working in the area.	
	Ability to live, work, and shop within the same neighborhood.	
Value Encapture	Increased homeownership rates or more adequate housing, especially among lower-income income groups.	
	Increased use of location efficient mortgages.	
	Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers.	
	Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending.	
	Utilization of existing infrastructure.	
Financial Return	For local governments: higher tax revenues from increased retail sales and property values.	
	For the transit agency: increased fare box revenues and potential ground lease and other joint development revenues.	
	For the developer: higher return on investment.	
	For employers: shorter and more predictable commute times, easier employee access.	
	A balance between financial return and other goals of TOD so that projects are not judged purely on their monetary return.	
Choice	A diversity of housing types that reflects the regional mix of incomes and family structures.	
	A greater range of affordable housing options.	
	A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents.	
	A balance of transportation choices.	
Livability	Improved air quality and reduced gasoline consumption.	
	Increased mobility choices (pedestrian friendliness, access to public transportation).	
	Decreased congestion/commute burden.	
	Improved access to retail, services, recreational, and cultural opportunities.	
	Improved access to public spaces, including parks and plazas.	
	Better health and public safety (pollution-related illnesses, traffic accidents).	
Better economic health (income, employment).		
Effects of Regional Land Use Patterns	Less loss of farmland and open space.	
	More suitable regional and subregional balance between jobs and housing.	
	Shorter commutes.	
	Less traffic and air pollution.	
	Station areas as that can serve as destinations as well as origins.	

Appendix #2A: Midtown Commons Score and Evaluation

Performance Group	Performance Criteria	Score (0-3)
Location Efficiency	Increased mobility choices (walking and bicycling as well as transit).	3
	Increased transit ridership.	2
	Good transit connections to the rest of the city and region.	1
	Reduced auto use and reduced auto ownership.	1
	Reduced transportation costs to individuals and households.	1
	Sufficient retail development (quantity, quality, and diversity) to satisfy the basic daily needs of residents and employees working in the area.	1
	Ability to live, work, and shop within the same neighborhood.	1
Value Recapture	Increased homeownership rates or more adequate housing, especially among borderline income groups.	1
	Increased use of location efficient mortgages.	1
	Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers.	1
	Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending.	1
	Utilization of existing infrastructure.	2
Financial Return	For local governments: higher tax revenues from increased retail sales and property values.	1
	For the transit agency: increased fare box revenues and potential ground lease and other joint development revenues.	2
	For the developer: higher return on investment.	2
	For employers: shorter and more predictable commute times, easier employee access.	1
	A balance between financial return and other goals of TOD so that projects are not judged purely on their monetary return.	3
Choice	A diversity of housing types that reflects the regional mix of incomes and family structures.	1
	A greater range of affordable housing options.	0
	A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents.	1
	A balance of transportation choices.	3
Livability	Improved air quality and reduced gasoline consumption.	1
	Increased mobility choices (pedestrian friendliness, access to public transportation).	2
	Decreased congestion/commute burden.	1
	Improved access to retail, services, recreational, and cultural opportunities.	1
	Improved access to public spaces, including parks and plazas.	0
	Better health and public safety (pollution-related illnesses, traffic accidents).	0
	Better economic health (income, employment).	1
Effects of Regional Land Use Patterns	Less loss of farmland and open space.	3
	More suitable regional and subregional balance between jobs and housing.	1
	Shorter commutes.	1
	Less traffic and air pollution.	0
	Station areas as that can serve as destinations as well as origins.	1

- 1) Increased mobility choices (walking and bicycling as well as transit): Midtown Commons offers a multitude of transportation choices including a commuter rail stop, a bus stop along a primary bus corridor, a bike lane immediately adjacent to the site, and roadway connectivity to major arterials and two major highways: Mopac (Loop 1) and Interstate Highway 35. The property is equipped with sidewalks to ease with pedestrian mobility around the site. Connections from the residences to the rail stop are well marked and the pedestrian experience is not altered in any way at the property line separating Midtown Commons from the publicly owned rail stop. However, due to the lack of commercial uses on-site and in the immediately surrounding area, there is little for residents to walk to. For this reason, walking is generally speaking not a viable transportation option at Midtown Commons.
- 2) Increased transit ridership. According to the property manager at Midtown Commons, residents are using the rail line in some capacity. Due to the limited hours of daily commuter rail service, however, full ridership potential is likely not being realized. Residents wishing to use the rail to access downtown during the evening or on weekends for leisure activities are unable to do so, and must rely on alternate methods of transportation. It can be expected that should Capital Metro expand the rail's operating hours, transit ridership might become appealing to a broader spectrum of people.
- 3) Good transit connections to the rest of the city and region. Currently, Midtown Commons provides transit connections via rail from Leander, TX to downtown Austin. Intermediate stops are at this time not considered to be significant destination points, though as Austin continues to grow and infill development is encouraged, this might change. As of April 2011, the City of Austin was engaged in a comprehensive planning process, the results of which will guide and encourage future development around rail stops.
- 4) Reduced auto use and reduced auto ownership. In my opinion, Midtown Commons has yet to achieve a significant reduction in auto use or auto ownership. This is more likely due to a comprehensive lack of transit connectivity in Austin than it is of a flaw of Midtown Commons. As of April 2011, bike lane connectivity throughout the city was piece meal, the rail line connects areas that were still developing and not considered significant destination points (with the exception of downtown), and it was difficult to navigate by foot in large portions of the city. When the commercial spaces at Midtown Commons begin to lease and the neighborhoods surrounding the rail stops see increased development, it can be expected that residents of Midtown Commons will not need to rely as heavily on personal automobiles.
- 5) Reduced transportation costs to individuals and households. Because the preponderance of residents of Midtown Commons are, generally speaking, still relying on vehicles to meet most of their daily needs, it is presumed that transportation costs for individuals and households have not yet been substantially reduced. This performance criterion is difficult to measure, especially for a development project still in its infancy. A full evaluation of this performance criterion is outside the scope of this paper, however if it were to be done measurements should be taken over a long period of time.
- 6) Sufficient retail development (quantity, quality, and diversity) to satisfy the basic daily needs of residents and employees working in the area. As of April 2011, the most notable commercial use within Midtown Commons is the Blackstar Brewery, a cooperatively owned brewery/bar/restaurant. The brewery draws the attention of both outside visitors and residents of Midtown Commons. Employees of Blackstar have noted that the opening of rail line coincided with an uptick in sales at the brewery. Other commercial uses include only some small office uses housed in the designated office spaces and within some of the live/work units. Daily needs cannot be met within the confines of the development.

- 7) Ability to live, work, and shop within the same neighborhood: As of April 2011, residents of Midtown Commons were unable to live, work, and shop within the same neighborhood. This is due primarily to lack of commercial uses currently located at Midtown Commons. Nearby commercial developments are lacking as well. Ideally, Midtown Commons would be home a larger employer—specifically this employer should not be in the retail/sector. Wages for employees of the retail/service sector are typically not high enough for these employees to afford the housing available at Midtown Commons. A larger, well known employer would likely attract other commercial development as well.

VALUE RECAPTURE: 6/15 40%

- 1) Increased homeownership rates or more adequate housing, especially among borderline income groups: Because phase II of Midtown Commons has not yet been constructed, no units are yet available for purchase, though they are included in the plan. Rents for apartment and live/work units are comparable to similar quality housing in the area.
- 2) Increased use of location efficient mortgages: Because there were no homes for sale as of April 2011 in Midtown Commons, there has been no use of location efficient mortgages. When the second phase of the development is constructed, however, perhaps location efficient mortgages could be implemented.
- 3) Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers. Parking ratios were slightly reduced as part of the Subchapter E Commercial Design Standards.
- 4) Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending. Information of this kind should be tracked over a long period of time. The development has not been in operation long enough, nor has the MetroRail, for this criterion to be properly evaluated. Midtown Commons might consider collecting data on this subject, however.
- 5) Utilization of existing infrastructure. Because Midtown Commons is an urban infill site, it did not rely entirely on the installation of new infrastructure. It utilizes existing fire and police forces, and existing school systems. Roads were built within the site, but no new roads were necessary for access to Midtown Commons.

FINANCIAL RETURN: 9/15 60%

- 1) For local governments: higher tax revenues from increased retail sales and property values: Since the retail component of Midtown Commons is very new, and extremely limited in quantity and diversity, it is unlikely that the City of Austin is realizing any significant tax revenue from increased retail sales. However, because the site was underutilized prior to its purchase by Stratus Properties and Trammel Crow, the City of Austin is likely to realize increased tax revenues resulting from an economically productive property versus a vacant/underutilized one; and it is expected to increase with future retail development.
- 2) For the transit agency: increased fare box revenues and potential ground lease and other joint development revenues: As of April 2011, the Capital Metro Red Line had only been operating for roughly 14 months. This performance measure should be evaluated in the future, when Midtown Commons has reached full buildout,

and the rail line has been operating for a number of years. As the TOD zone surrounding Midtown Commons continues to develop, along with the two other TOD zones defined by the City of Austin, it can be expected that ridership will increase, and the rail line will become more profitable for Capital Metro. This issue is hinged on both the ability of the three TOD zones to evolve into significant destination points, and the willingness of Capital Metro to expand the rail line operating hours into the late evenings and weekends. Each of these factors are somewhat influenced by the other, so it is likely that any significant progress for either one will be accomplished over time and in piece meal.

- 3) For the developer: higher return on investment: Like the previous performance measure, this should be evaluated after Midtown Commons approaches full build out and has been in operation for a number of years. It is likely, however, that whether or not Midtown Commons results in a large return on investment for the developer, Stratus Properties and Trammell Crow can be considered a “pioneer” in mixed-use development projects in Austin. As of April 2011, it is the only master planned transit-oriented development underway in Austin. Because the both the developers and the City of Austin were operating in unfamiliar territory, it can be expected that future mixed-use/TOD projects implemented by the developers will realize greater returns simply because of an increased level of experience. Additionally, the close working relationship with the City of Austin established throughout this process will be of service to the developers in future projects. In sum, regardless of the eventual monetary success or failure of Midtown Commons, the experience and collaborative relationships the developers gained will not only make them more competitive but lead to better returns on future developments as well.
- 4) For employers: shorter and more predictable commute times, easier employee access: This performance measure cannot yet be accurately evaluated because Midtown Commons is neither large enough, nor been operating long enough for employers downtown to have collectively noticed a difference. Additionally, of the commercial uses present in Midtown Commons, Blackstar Brewery is a new commercial use. No comparison can be made, and the remaining commercial uses consist of self-employers or small local businesses. These companies have few employees, so it is unlikely that they have noticed a significant difference in commute times.
- 5) A balance between financial return and other goals of TOD so that projects are not judged purely on their monetary return: This has been accomplished. Public sector representatives of Midtown Commons have expressed great satisfaction with the installation of the bike line and the seamless transition between the privately owned development and the publicly owned rail stop. The enforcement of the Subchapter E Commercial Design Standards was used as a way to help ensure that the goals of this TOD project were met. While this may have had a negative impact on the developer financially, these accomplishments are the first steps in encouraging and fostering a more sustainable city. The City of Austin and the developers alike seem to recognize this accomplishment.

CHOICE: 5/12 42%

- 1) A diversity of housing types that reflects the regional mix of incomes and family structures: Currently Midtown Commons offers one and two bedroom apartment units, live/work units, and studio apartments/lofts. There is no single family detached housing available as of April 2011, though it is planned for future phases of development. I would argue that this mix of housing does not reflect the regional mix of incomes and family structures, though it seems to appeal to the younger demographic of Austin.

- 2) A greater range of affordable housing options: As previously mentioned, rental rates for apartments at Midtown Commons are comparable to apartments of similar quality in the area. There is no affordable housing component. As the population of Austin grows and the central city tends to densify, it is probable that the demand for higher end apartment units along the rail line such as Midtown Commons will increase, most likely resulting in an increase in rental rates. Property taxes for the second phase of development are also likely to be high, resulting in a reduction in affordability. To help combat this issue, Midtown Commons might offer a wider range of housing types in its second phase of development including condos, townhomes, alley flats, and small detached single-family homes. The developers might also consider adding an affordable housing component to help maintain a diversity of residents. Assuming commercial uses begin to occupy Midtown Commons and the remainder of the TOD zone, this change should have a direct impact in reducing transportation costs and may be able to offset housing affordability concerns.
- 3) A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents: As previously mentioned, retail and commercial uses are extremely limited at Midtown Commons at this time.
- 4) A balance of transportation choices: As previously mentioned, Midtown Commons offers a variety of alternatives to automobile transportation including commuter rail, busses, and bike lanes.

LIVABILITY: 6/21 29%

- 1) Improved air quality and gasoline consumption: As of April 2011, it is unlikely that any significant improvement in air quality or gasoline consumption has been realized. For those residents of Midtown Commons that commute via rail to downtown Austin for their employment, some decrease in gasoline consumption is likely. However, the site is still lacking major employment and recreational activities that residents could walk to instead of commute. Additionally, an improvement in air quality is a regional measure that should be tracked over long periods of time as more TODs are constructed along the MetroRail.
- 2) Increased mobility choices (pedestrian friendliness, access to public transportation): As mentioned earlier, Midtown Commons provides alternatives to an entirely auto-dependent lifestyle by encouraging the use of and providing access to rail, busses, and bike lane. With that being said, however, daily needs are still not accessible for residents without vehicles, which unfortunately reduces true mobility choices.
- 3) Decreased congestion/commute burden: Residents working in downtown Austin or in other locations along the rail or bus lines have the option of utilizing rail or bus for commuting. It is assumed that not all residents are able or willing to take advantage of this option, and that Midtown Commons is not yet occupied at a level high enough to make a significant impact on traffic or congestion on the adjoining roadway network.
- 4) Improved access to retail, services, recreational and cultural opportunities, and public spaces: Because the Capital Metro commuter rail line connects Midtown Commons to downtown Austin, it can be argued that residents living there can take advantage of better access to retail, services, recreational and cultural opportunities. Due to the limited hours of rail service, however, residents seeking to access recreational and cultural opportunities offered downtown during the evening or weekends may need to rely on alternate methods of transportation.
- 5) Better health and public safety (pollution-related illnesses, traffic accidents): This information should be tracked over a long period of time.

- 6) Better economic health (income, employment): As of April 2011, Midtown Commons has been unable to provide a significant increase in employment opportunities or income for residents/commercial lessees.

EFFICIENT REGIONAL LAND USE PATTERNS: 6/15 40%

- 1) Less loss of farmland and open space: Because transit-oriented development in the Austin area is in its infancy, this performance measure cannot be measured, but the notion of increased infill housing development in lieu of suburban land consumption is a positive measure in these regards. As of April 2011, not enough large scale transit-oriented development has been constructed along the Capital Metro red line to have any significant improvements in this area, however, Midtown Commons should be commended for choosing to locate on an infill site, remediating the land, and contributing to the tax base within the city limits.
- 2) More suitable regional and subregional balance between jobs and housing: Because transit-oriented development in the Austin area is in its infancy, this performance measure cannot be evaluated.
- 3) Shorter commutes: Because transit-oriented development in the Austin area is in its infancy, this performance measure cannot be evaluated.
- 4) Less traffic and air pollution: Because transit-oriented development in the Austin area is in its infancy, this performance measure cannot be evaluated.
- 5) Station areas as that can serve as destinations as well as origins: Because transit-oriented development in the Austin area is in its infancy, this performance measure cannot be evaluated.

Overall, Midtown Commons is, as of April 2011, not successful in achieving its expected outcomes. However, Midtown Commons possesses great potential to achieve its goals within a reasonable time frame. The project, expected by its planners, designers, and developers to be a walkable, sustainable, community that encourages transit usage, and provides opportunities for “live, work, and play”, has not yet achieved its goals. Many of the criteria used to evaluate the project received a score of 2, indicating that while the criterion in question has not yet been met, it is likely that as the development matures it will be.

As of April 2011, Midtown Commons’ most pressing flaw is that commercial leasing, necessary for creating a location efficient development, has lagged substantially behind residential leasing. The circumstances surrounding the lack of commercial development, however, appear to be temporary or can be corrected. Midtown Commons is not a mature development. To evaluate this project at this stage in its development, and give it a final “grade” would be highly shortsighted.

Firstly, the development, like any project, is dependent on many forces behind its control including the Metrorail’s operating hours and poor market conditions. Those two factors, more than other influencing factors, are what have hindered commercial development on the property.

The City of Austin’s Subchapter E Commercial Design Standards have indeed also played a role in the lack of commercial leasing. This is one of the first projects of its kind in Austin, and consumer unfamiliarity with this type of design (buildings built to the sidewalk, with parking in the rear) could potentially deter visitors traveling at higher speeds on Lamar Boulevard. Whether or not this assumption is true is irrelevant—potential commercial lessees that perceive it to be true

will not lease space at Midtown Commons. The introduction of signage delineating where there is available parking on site could mitigate this perception. This signage should be visible from Lamar Boulevard, in either direction. In addition, as the project continues to mature, consumers will become more familiar with Midtown Commons and better understand how to access the site and where to park their vehicles. With time, as the market fully recovers, and as the commuter rail increases in popularity, owners of Midtown Commons should see an improvement in commercial leasing.

While the project has not yet been successful in regard to commercial development, it has been successful in other regards. Most importantly, the development has created a precedent: its mere existence can help mitigate apprehension about future developments of its kind. The iterative collaboration and communication between developer and City during the project's development was essential in the fine-tuning and adjusting of the City of Austin's TOD ordinance.

The process of infill development is, by nature, piecemeal, and Midtown Commons is the first step in creating more regional balance, connectivity, and dense destination points. For example, the bike lane along the project's frontage is the first piece of a bike lane that will eventually span the length of Lamar Boulevard. As more infill development occurs in central Austin, Midtown Commons will have more to contribute.

Appendix #2B: Cedar Park Town Center Score and Evaluation

Performance Group	Performance Criteria	Score (0-3)
Location Efficiency	Increased mobility choices (walking and bicycling as well as transit).	1
	Increased transit ridership.	0
	Good transit connections to the rest of the city and region.	0
	Reduced auto use and reduced auto ownership.	0
	Reduced transportation costs to individuals and households.	0
	Sufficient retail development (quantity, quality, and diversity) to satisfy the basic daily needs of residents and employees working in the area.	1
	Ability to live, work, and shop within the same neighborhood.	1
Value Recapture	Increased homeownership rates or more adequate housing, especially among borderline income groups.	2
	Increased use of location efficient mortgages.	1
	Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers.	0
	Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending.	0
	Utilization of existing infrastructure.	0
Financial Return	For local governments: higher tax revenues from increased retail sales and property values.	2
	For the transit agency: increased fare box revenues and potential ground lease and other joint development revenues.	0
	For the developer: higher returns on investment.	0
	For employers: shorter and more predictable commute times, easier employee access.	1
	A balance between financial return and other goals of TOD so that projects are not judged purely on their monetary return.	0
Choice	A diversity of housing types that reflects the regional mix of incomes and family structures.	0
	A greater range of affordable housing options.	1
	A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents.	1
	A balance of transportation choices.	0
Livability	Improved air quality and reduced gasoline consumption.	0
	Increased mobility choices (pedestrian friendliness, access to public transportation).	1
	Decreased congestion/commute burden.	0
	Improved access to retail, services, recreational, and cultural opportunities.	0
	Improved access to public spaces, including parks and plazas.	2
	Better health and public safety (pollution-related illnesses, traffic accidents).	0
	Better economic health (income, employment).	1
Effects of Regional Land Use Patterns	Less loss of farmland and open space.	0
	More suitable regional and subregional balance between jobs and housing.	1
	Shorter commutes.	1
	Less traffic and air pollution.	0
	Station areas as that can serve as destinations as well as origins.	0

LOCATION EFFICIENCY: 3/21, 14%

A mixed-use development, like Cedar Park Town Center, that is not a transit-oriented development can still possess some qualities of a location efficient development. Mobility choices may still be available in the form of busses, biking, and walking. A mixed-use development that is not accessible by transit may still be location efficient in that residents and visitors are able to live, work, and play both within the development and between neighborhoods/developments. This ability might be demonstrated through a reduction in travel costs that result from long commutes. In other words, access to transit does not alone result in a reduction in travel costs, though it is a contributor. For the purposes of this study, performance criteria specifically related to rail ridership will not be included.

- 1) Increased mobility choices (walking and bicycling as well as transit): Cedar Park Town Center is designed to encourage walkability through the creation of an enjoyable streetscape and the inclusion of an extensive sidewalk network. Due to the lack of commercial uses, however, there is little for residents to walk or bike to within a reasonable distance, requiring that residents still rely on automobiles to access daily necessities. For this reason, Cedar Park Town Center does not offer increased mobility choices. It is important to note that the Capital Metro rail line runs adjacent to the property, but a rail stop was not installed at the Cedar Park Town Center due to the City of Cedar Park's decision not to become a member of Capital Metro. The inclusion of a rail stop could have successfully reduced automobile dependence for residents, or at the very least contributed to an increase in mobility choices by connecting Cedar Park Town Center to significant destination points.
- 2) Reduced auto use and reduced auto ownership: As mentioned previously, Cedar Park Town Center does not show any demonstrated reduction in auto-use or auto ownership because as of April 2011, the development is only a single-family residential development with no transit connections or commercial development. Additionally, a significant reduction in auto usage would likely only be realized if the City of Cedar Park decides to become to join Capital Metro and a rail stop is installed. Additionally, the introduction of commercial uses to the development would be required for any noticeable reduction in automobile dependency.
- 3) Reduced transportation costs to individuals and households: Because residents of Cedar Park Town Center must still rely on vehicles to meet most of their daily needs, it would be difficult to argue that transportation costs for individuals and households have been substantially reduced.
- 4) Sufficient retail development (quantity, quality, and diversity) to satisfy the basic daily needs of residents and employees working in the area: As of April 2011, no commercial uses were operating at Cedar Park Town Center. Retail and service needs of residents must be met off site.
- 5) Ability to live, work, and shop within the same neighborhood: As of April 2011, residents of Cedar Park Town Center were unable to live, work, and shop within the same neighborhood. This is due to the lack of commercial uses currently located in the development.

VALUE RECAPTURE: 3/15, 20%

- 1) Increased homeownership rates or more adequate housing, especially among borderline income groups: All residences at Cedar Park Town Center are available for sale, not for rent (unless they are for rent by owner), therefore the development is represented by virtually 100% home ownership.
- 2) Creation of housing units with lower-than-average parking ratios where the cost savings from parking reductions are passed on to consumers: All housing units available at Cedar Park Town Center are detached single-family

residences. Driveways accessible via alleyways with at least two off-street parking places are available at each residence, resulting in no reduction of parking ratios. On street parking is available as well.

- 3) Reduced individual and community spending on transportation and therefore greater discretionary individual and community spending: Because no transit connections and no commercial uses are present on site, no reduction in individual or community spending on transportation could be expected.
- 4) Utilization of existing infrastructure: Cedar Park Town Center was a greenfield development requiring the installation of new utilities and infrastructure.

FINANCIAL RETURN: 3/15, 20%

- 1) For local governments: higher tax revenues from increased retail sales and property values: The absence of commercial uses would indicate no increase in tax revenues from increased retail sales. Property values of residences in Cedar Park Town Center are slightly higher than that of surrounding residential developments.
- 2) For the developer: higher return on investment: Cedar Park Town Center did not result in a higher return on the investment for the developers.
- 3) For employers: shorter and more predictable commute times, easier employee access: Because there are no commercial activities at the Cedar Park Town Center, this criterion is not met.
- 4) A balance between financial return and other goals of TOD (in this case, Mixed-Use Development) so that projects are not judged purely on their monetary return: Because the development, as of April 2011, only operates as a single-family residential development, with no transit connections, this would imply it is only being judged on monetary return. The goals of a mixed-use project are unable to be realized

CHOICE: 2/12, 17%

- 1) A diversity of housing types that reflects the regional mix of incomes and family structures: Cedar Park Town Center only offers single-family detached residences. However, there is some variation in price, style, and size of the available homes.
- 2) A greater range of affordable housing options: Cedar Park Town Center offers no affordable housing options. Sale prices are slightly higher than that of the surrounding residential developments.
- 3) A diversity of retail types. Diversity will necessarily be limited by the market area and the particular desires of the residents: As of April 2011 no commercial or retail uses are in existence at Cedar Park Town Center.

LIVABILITY: 4/21, 19%

- 1) Improved air quality and gasoline consumption: This criterion is not met because residents of Cedar Park Town Center must rely solely on personal vehicles to travel. In addition, because Cedar Park Town Center is located in what is considered primarily a bedroom community, whose residents commute primarily via personal vehicles, is it unlikely that any regional air quality improvements have been realized.

- 2) Increased mobility choices (pedestrian friendliness, access to public transportation): Cedar Park Town Center is pedestrian friendly in that its design encourages walkability. However, due to the singularity of use within the development and the lack of access to public transportation, it cannot be concluded that Cedar Park Town Center offers a range of mobility choices.
- 3) Decreased congestion/commute burden: As previously mentioned, Cedar Park Town Center does not foster a reduction in automobile dependency, therefore it cannot be expected that the development would help reduce congestion or commute burden.
- 4) Improved access to retail, services, recreational and cultural opportunities, and public spaces: As of April 2011 no retail, services, or cultural opportunities are available on site, and there is no transit connection to help residents access these types of uses. Cedar Park Town Center does offer a park and playground, thereby providing public spaces and recreational opportunities.
- 5) Better health and public safety (pollution-related illnesses, traffic accidents): As of April 2011 there is not enough information available to adequately evaluate this criterion, however, it is unlikely that the development would result in a reduction in pollution-related illnesses. The alternative street design, and reliance on alleyways as opposed to driveways may have some impact on traffic accidents, but this should be tracked over a long period of time in order to make a comparison between the Cedar Park Town Center and single-family developments with a conventional street pattern.
- 6) Better economic health (income, employment): This criterion has not been met due to the lack of employment opportunities created at Cedar Park Town Center. If the commercial development ever gains momentum, this criterion has the ability to be met.

EFFICIENT REGIONAL LAND USE PATTERNS: 2/15, 13%

- 1) Less loss of farmland and open space: Cedar Park Town Center was built on a greenfield, and therefore does not represent a preservation of open space. The relatively higher residential density in comparison to other single-family subdivisions in Cedar Park does, however, reduce the consumption of open space to some extent.
- 2) More suitable regional and subregional balance between jobs and housing: Because no commercial uses are present at Cedar Park Town Center, the development has not been successful in creating a better regional balance of jobs and housing.
- 3) Shorter commutes: Because no commercial uses are present at Cedar Park Town Center and there is no transit connection, it is unlikely that the development would contribute to shorter commute times.
- 4) Less traffic and air pollution: Because of highway connectivity within the development, it is likely that traffic throughout Cedar Park Town Center is low, however residents of the development are still auto-dependent, resulting in no decrease in traffic or air pollution.

As of April 2011, Cedar Park Town Center has not been successful at becoming a mixed-use, New Urbanist style town center. Unlike Midtown Commons, whose lack of success can be attributed to factors that can be corrected or mitigated with time, Cedar Park Town Center appears to be more fundamentally flawed.

The location of the Cedar Park Town Center, close to highways and in the literal center of the city, at first glance might seem like an appropriate place. The town of Cedar Park, however, a sprawled, bedroom community just outside of Austin, Texas is not naturally inclined to accommodate a town center. A series of segmented and unconnected residential subdivisions, the town does not possess a natural focal point, meaning that the location for the Cedar Park Town Center was artificial and does not have the frequency of passing traffic typically inherent to a downtown or town center.

A possible solution to this issue could be the installation of a Capital Metro rail stop. Unfortunately, the fact that the City of Cedar Park did not capitalize on the close proximity to the commuter rail line (the same rail line that Midtown Commons is along), means that the only access to the site is via personal vehicles. A rail stop would help generate traffic into the site, improve accessibility and connection to other parts of the region, and encourage use of alternative transportation methods for those residents that commute to downtown Austin.

Additionally, the separation and sale of the commercial portion of the site limited the cohesiveness and unity of the project. Similarly, while the project was modeled on New Urbanist ideas, it did not fully embody the spirit of New Urbanism. The project's designers were selective about which aspects of New Urbanism were going to be included. For instance, while alleyways and street trees were included, the street formation is not a true grid and the development only features detached single-family housing. A true New Urbanist development would feature a diverse housing stock, gridded streets, and the integration of residential and commercial uses. The art of the New Urbanist planning movements is that it is a collective and cohesive group of planning tools, designed to be implemented together. Selectively choosing which aspects to include will limit a development's ability to realize the full range of New Urbanist goals. Unfortunately, as of April 2011, Cedar Park Town Center is little more than a conventional residential subdivision, falling short of its aspirations.

Cedar Park Town Center has been most successful at increasing density typically found in a single-family residential neighborhood. Its greatest strengths lie in its potential: Should the commercial development gain momentum, then Cedar Park Town Center might increase its location efficiency and achieve more of its goals. For the development to truly become a town center, a destination point would have to be created by extensively increasing density through the construction of town homes, condominiums, or apartments.

Appendix #3: Barriers to & Opportunities for Successful Communication

Introduction

While stakeholders may speak from a point of view that is more consistent with his/her individual frame or specific role, other times they may speak from the perspective of the agency with which they are associated. In either case, points of agreement and points of conflict emerged in communication amongst stakeholders in both projects.

In an effort to identify useful approaches and new solutions, these points have been analyzed as barriers to and opportunities for successful communication in the tables below. That is to say, the following points have been extracted directly from communication among stakeholders in the case studies. The first two tables outline points that were revealed in communication associated with stakeholders interpreting from frames as individual stakeholders. The second two tables outline points that were revealed in communication associated with stakeholders interpreting from the frame of the agency.

The column on the left, “Types of stakeholders involved,” or “Agencies represented,” lists the types of stakeholders involved or agencies represented in the exchange of communication. The column in the middle, “Barrier,” outlines the type of conflict or challenge that was discussed. The column on the right, “Opportunity,” presents a solution that was revealed in the communication.

Communication Among Stakeholders: Midtown Commons

Types of stakeholders involved	Barrier	Opportunity
Private TOD stakeholder and developer	Disagreements during negotiations	Aligning with fellow stakeholders that share common goals and/or a successful work history
		Keeping each other informed as to what each other is doing so no one is ever surprised
Public TOD stakeholder and private TOD stakeholder	Conflicting regulations	Asking private TOD stakeholder for clarification
Public TOD stakeholder and private TOD stakeholder	City resistance to maintenance costs	Researching what has worked in other cities as a model

Communication Among Stakeholders: Cedar Park Town Center

Types of stakeholders involved	Barrier	Opportunity
City stakeholders and consultants	Complicated contracts in moving forward to the TND design phase	Designating a stakeholder from the City to facilitate the communication process among stakeholders
Developers, land planner, City stakeholder	Complicated master plan and code created by many heterogeneous actors	Retooling the plan and working closely with City stakeholders and commercial developers
City stakeholder, consultant, community members	Lack of knowledge regarding what the community expects of a TND	Conducting charrettes to gain feedback from the whole community and identify a common denominator

Communication Among Stakeholders Representing Agencies: Midtown Commons

Agencies represented	Barrier	Opportunity
City, developer, developer reviewers	New TOD regulations in development review process	Providing assistance to developers and reviewers in understanding the intersections of regulation
Developer and developer	Entering a new joint venture with whom previous failed in unfavorable market conditions	Partnering with a developer with a previous history of joint success and established personal relationships
Architecture-land planning firm and developer	Differing ideas of designing the built environment	Allowing those with 'proven recipes that worked in the past' to take the lead
Architecture-land planning firm, developer and consultants	Lack of consensus among stakeholders about building green	Appealing to a sustainably-minded market for long-term economic payback
		Appealing to reputation of developer as good steward of the industry
Architecture-land planning firm and mechanical engineers	Uncertainty about designing for and implementing new, sustainable technology	Collaborating to calculate the estimated savings in cost
Architecture-land planning firm, developer, TOD stakeholder, City stakeholders, neighbors	Striving for an inflexible vision of a project	Viewing the final development as a product of the process of the vision that is better in the long-run because it is not any one individual or any one group's vision
Architecture-land planning firm, TOD actors, City stakeholders, neighbors, utility	City and neighborhood opposition to aspects of TOD, sustainable design/ development in particular neighborhoods	Planning ahead for confluent adaptation and implementation once the other aspects are adopted

Communication Among Stakeholders Representing Agencies: Midtown Commons

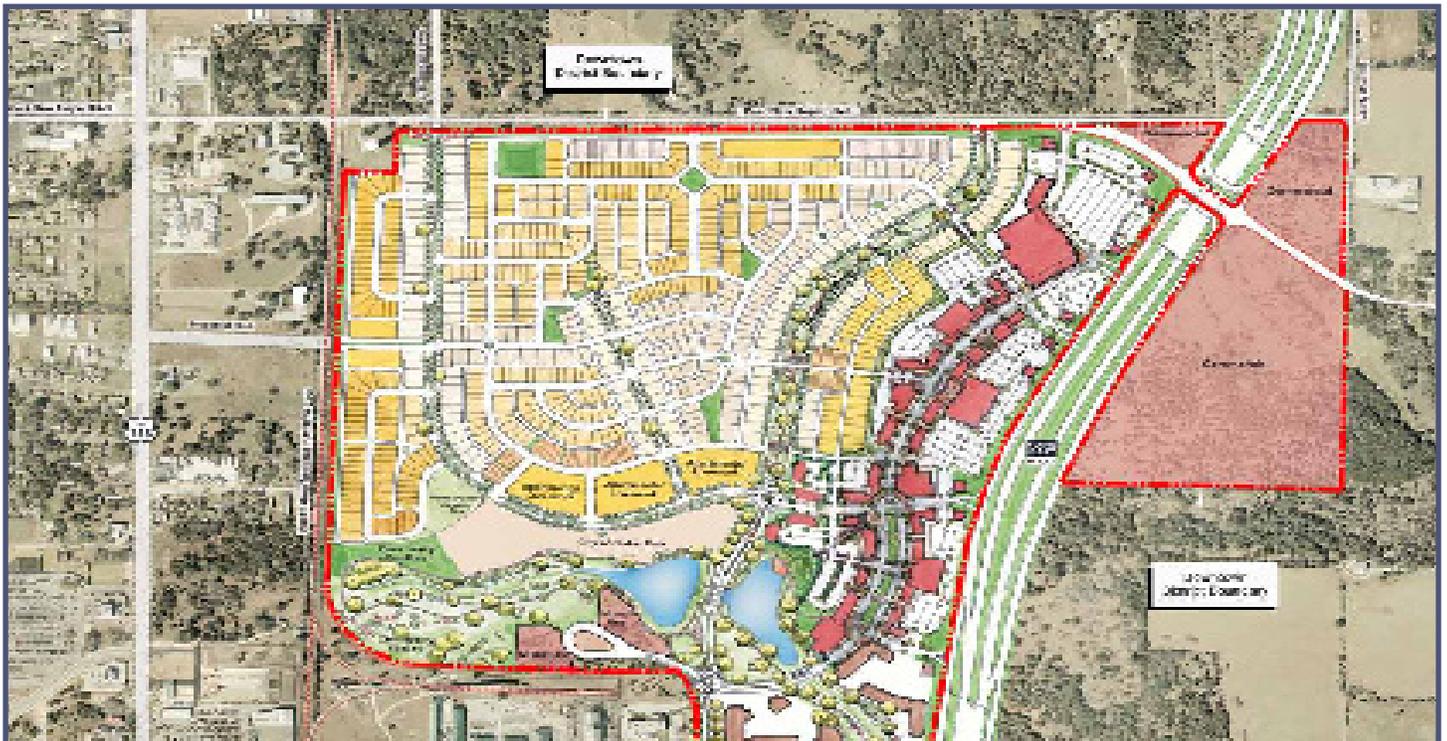
Agencies represented	Barrier	Opportunity
Shareholder, developer	Shareholder prioritization of profit over design	Presenting the TOD as a successful financial model
Developer, City	Failure of the TOD as a successful financial model due to market forces	Negotiating with the City to change the urban code
Retail companies, developer	Lack of retail wanting to locate in mixed-use developments	Modeling the development after a successful strategy that designed and marketed around the national footprint

Appendix #5: Concept Plans: Cedar Park Town Center

2001 Concept Plan



2001 Revised Concept Plan



Contributors

Kerstin Harding



Kerstin is a Master of Science in Community and Regional Planning student at the University of Texas at Austin, with an anticipated graduation in 2012. Kerstin is working to gain a specialization in land use and development, and has completed extensive coursework in architecture and urban design. As an undergraduate, Kerstin majored in math and studio art at St. Olaf College. She currently holds a professional position with the Planning and Development Services Department at the City of Round Rock, Texas.

Kerstin's primary interests in these cases have to do with the relationships between project stakeholders, their financial considerations, and the connection to the project's built form. Kerstin investigated challenges associated with the design and implementation of these developments, which seek a strong functional interaction. Kerstin's focus was looking at the land uses within the project, in the context of a financial system that rewards predictable, replicable, and short-term returns.

Amy E. Jones



Amy E. Jones has a background in community development, non-profit organization, dialogue, facilitation, civic engagement and diversity programs. Amy is finishing her dual degrees of a Master of Science in Community and Regional Planning and a Master of Science in Sustainable Development, expected 2011. Amy interests lay in the integration of the social and the technological aspects related to the planning and development process.

Amy utilized frame analysis, a socio-anthropological approach often used in communication studies to identify and understand a person's perspective, or "frame." Amy also employed social construction of technology (SCOT) theory, which places emphasis on the social processes that result in the development of technology. Paying close attention to the communication of stakeholders in these case studies, Amy identified a series of barriers and opportunities in regards to communication associated with the mixed-use development process.

Ashley Livingston



Ashley Livingston is a recent graduate with a Master of Science in Community and Regional Planning from the University of Texas at Austin. Her specializations were land use and urban design. Her undergraduate degree is in economics from Case Western Reserve University. During her time at the University of Texas, Ashley interned with Broaddus Planning and Angelou Economics.

Ashley's research contributions included developing an understanding of the conceptualizations and development processes of Midtown Commons and Cedar Park Town Center. Each case study was evaluated on a series of criteria used to measure success, and understand the barriers each project faced in the development process. The methodology Ashley used for each case study is widely applicable, and it is her hope that it will be used to guide and benchmark future mixed-used developments as they are initiated and as they mature.

John Stanley



John received his Master of Science in Community and Regional Planning from the University of Texas at Austin in 2011. John's interests are focused on land use and development. Currently, John is interning for H. W. Lochner, an engineering and planning consulting firm. John's focus in this report centered on the relationship between the private and public sectors. He looked at how their interaction shaped the physical development of the respective projects from the initial vision to final result.

John hopes that the research done in this report will aid future developers and the cities they develop in. The findings in this report will hopefully encourage both private and public participants to gain a greater understanding of each other's goals and desires, and foster increased flexibility and communication. It is also intended that this report will serve as a model for future reports about other projects in Central Texas. The hope is that it will help set a standard for a means of evaluating the overall successes and challenges faced within mixed-use projects in the region.

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