Urban Plan for Elected Officials
2016 City Summit

Trainer(s):
Sophie Lambert
Senior Director, Urban Plan
Urban Land Institute, Washington, DC
As Director of Community Engagement, you need to

- Read the letters from the neighborhood groups.
- Analyze the fears and desires of each group, assess their relative power, and recommend the most appropriate way to incorporate each group’s views into the development plan.
- Generate a solid base of neighborhood support so that the Selection Committee feels comfortable selecting your plan.

What you need to know

- You work for the development team and not the neighborhood groups.
- The Selection Committee is comprised of City Council members and, therefore, must be responsive to voters because it is an elected body.
- Some of the neighborhood groups that have written to Council are very vocal and politically active. Unhappy groups or individuals can generate negative media coverage, hold boycotts or protests, and choose not to reelect Council members.
- Your team’s plans for the Elmwood neighborhood will affect existing residents the most.
- Different groups of residents have very different needs and aspirations. You need to find a way to accommodate as many of their wishes as possible while recognizing that including one favorable use in addition to an objectionable use will not placate a group.

Tips on how to be successful

- Analyze the wants and fears of each group, assess its relative power, and recommend the most appropriate way to incorporate each group’s views into the development plan (see Neighborhood Groups Summary handout).
- Does the group articulate a particular “vision” for the look and feel of the new Elmwood? Does the group want the new Elmwood to enable specific opportunities, activities, or behaviors?
- Has the group articulated specific land uses? If so, why? What benefits does the group anticipate from these uses?
- Does the group object to any environments, activities, or behaviors? Does the group object to any specific land uses? If so, what are they and why?
- What attributes of the group make it powerful or influential?
- Does the group threaten to take certain actions if particular issues are not addressed?
As the Director of Government Relations, you need to:

- Review the City Council’s goals outlined in the RFP.
- Make sure your team’s proposal meets the City Council goals and that you understand what the City is trying to accomplish through these objectives. This task is challenging because the list of goals is long and some of the goals may be incompatible with each other.
- Read the letters from the Community Interest Groups.
- Work closely with the Director of Community Engagement to ensure that you provide a comprehensive scheme that meets the aspirations of the Selection Committee, Council, local residents, and local stakeholders.
- Take the lead on identifying the Community Facilities to include in the York Dry Goods buildings (you will work with the Team Adviser to enter these on the Use Allocation sheet in the Financial Model).

What you need to know

- You work for the development team and not the City.
- The Selection Committee is under a range of political and financial pressures that can be in conflict. Since they are members of the City Council, they must be responsive to voters.

The primary goals stated in the RFP

- Remove blighting influences.
- Generate tax revenues for the City.
- Create skilled/professional and entry-level employment opportunities for neighborhood and City residents.
- Attract retail businesses that serve the needs—both products and price points—of neighborhood residents.
- Create housing to meet the needs of mixed-income groups.
- Create affordable housing for moderately low-income families, senior citizens, and residents who provide the following services to the community: police, firefighters, and teachers.
- Create or preserve public and private amenities that enhance retired/longtime residents’ ability to age in place.
- Preserve legally designated historic sites.

Interest groups

City Council has received proposals from three entities hoping that your development team will include their use in your proposal (see Community Interest Group Summary handout).
Which of these demands should you take seriously? What benefits would come to the residents of Elmwood if you satisfy one or all of these interest groups? What will it cost you, as the developer?

**Incentives and subsidies**

- The City purchased the land for $10 million and will sell it to the selected developer for the below-market cost of $7.5 million.
- The City expects to recoup the $2.5 million incentive for the land sale as well as any subsidies spent on the project through the generation of revenue from property and sales taxes. The City would also like to earn an additional $1.5 million.

**Tax Generation Value to City over Ten-Year Period**

<table>
<thead>
<tr>
<th>Use</th>
<th>Product Type</th>
<th>City Value over 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>Townhouse (Market Rate)</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Townhouse (Affordable)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Podium (Market Rate)</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Podium (Affordable)</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Homeless Shelter</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Luxury Condominium</td>
<td>High</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>Neighborhood Retail</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td>Supermarket</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Q-Mart</td>
<td>High</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>Low-Rise Office (#1A, #1B, #2)</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Mid-Rise Office</td>
<td>High Plus</td>
</tr>
<tr>
<td></td>
<td>Office in rehabbed buildings</td>
<td>Average</td>
</tr>
<tr>
<td><strong>Community Facilities</strong></td>
<td>Library, Police Substation, Computer Center, etc.</td>
<td>Negative</td>
</tr>
<tr>
<td><strong>Open Space</strong></td>
<td>Parks, Plazas, Sports Fields, Skate Park</td>
<td>Negative</td>
</tr>
</tbody>
</table>
## City Subsidies Available for Elmwood Redevelopment

<table>
<thead>
<tr>
<th>Use</th>
<th>Subsidy: City Contribution for Construction Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable / Workforce Housing</td>
<td>10%</td>
</tr>
<tr>
<td>Public Open Space / Sports Fields / Courts / Skate Park</td>
<td>50%</td>
</tr>
<tr>
<td>Community Facilities / Community Benefit: Developer Subsidizes 85% of Occupancy Costs</td>
<td>City Pays 15% of Market-Rate Occupancy Cost</td>
</tr>
<tr>
<td>Branch Library (7,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Community Art Space (2,500 SF) Providing classes and public studio space for painting, sculpting, and potting for residents and Elmwood workers</td>
<td>15%</td>
</tr>
<tr>
<td>Community Meeting / Event Space (7,000 SF) May be used for civic meetings or rented by Elmwood residents for private functions</td>
<td>15%</td>
</tr>
<tr>
<td>Computer / Digital Center (2,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Daycare Center (3,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Drug Treatment Center (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Juvenile Offender Neighborhood Counseling Office (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Police Substation (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Senior Center (6,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Teen Center (5,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>Yorktown Bike-Sharing Office (5,500 SF)</td>
<td>15%</td>
</tr>
</tbody>
</table>
Director of Financial Analysis
Team Role Guide

As the Director of Financial Analysis, you need to:

- Keep your team focused on the financial goals laid out in the RFP.
- You are responsible for guiding your team to a proposal that is profitable enough to attract the capital required to build your high-risk project and generate sufficient tax revenues to pay back the City’s contributions.
- Test different development scenarios with your team (working with your Team Adviser who will enter data into the financial model) to find out which one will generate the best return on investment for your investors.
- Remind your team which buildings have the highest profitability.
- You also need to attempt to minimize the amount of risk you take to achieve your team’s return, so be especially mindful of overbuilding. Work with the Marketing Director to track market demand for each project type.

What you must achieve

- Your investors are expecting to make at least a 13.5 percent rate of return on their investment over the three years of your project to entice them to invest.
- Generate sufficient property and sales tax over a ten-year period to achieve the following:
  - Repay the $2.5 million that the City discounted the land value. (The City purchased the land for $10 million and will sell it to the selected developer for the below-market cost of $7.5 million.)
  - Repay any subsidies the City spent on open space, affordable housing, and community facilities.
  - Finally, the City is expecting to make an additional $1.5 million for its General Fund (this is an output on the Summary sheet of the Financial Model).
- The City has asked for at least 10 percent affordable housing.
- The City has also asked for at least 10 percent open space.

What you need to know

- What you decide to build on your site will affect your development costs and therefore the profit you can generate. Once each building is completed, it will have a market value—that’s the price you can sell it for.
- Your aim is to sell the site when your development is complete, so you must aim to maximize the market value of the buildings you create.
- Your profit will be the total of the market values of the buildings you create, minus what you paid for the land and your total development costs, such as construction costs plus lawyers’ and architects’ fees.
• To calculate the percentage return on investment needed for the investors, you take the total profit divided by the total cost of development.
  
  - For example, if the total development cost is $50 million and the market value is $55 million, you have earned a $5 million profit and a 10 percent return: ($55 million–$50 million)/$50 million = 10 percent.

• The City will contribute funds for the development of parks, sports fields, some social services and community facilities, and affordable housing in the podiums and towns. (See list of subsidies in the RFP.)

**Overbuilding**

• Be mindful of overbuilding. You have a three-year period to sell and lease your products.

• If you overbuild, you increase your risk by building more than is needed. You don’t want to end up with empty buildings or storefronts that no one wants to buy or rent. Neither will the Selection Committee like seeing more than a small amount of product overbuilt.

• Any neighborhood retail and low-rise office space in the existing buildings counts toward those totals.

• Consider the following two building types that have the largest absorption adjustment penalties (but note that you can overbuild if you can justify it):

<table>
<thead>
<tr>
<th>Building type</th>
<th>Amount absorbed in three years</th>
<th>Amount of product if you build two</th>
<th>Penalty for overbuilding</th>
<th>Vacancy period until absorbed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-rise office</td>
<td>207,000 square feet</td>
<td>240,000 square feet</td>
<td>$8.2 million penalty</td>
<td>33,000 square feet vacant for six months</td>
</tr>
<tr>
<td>Luxury condominium</td>
<td>90 units</td>
<td>96 units</td>
<td>$2.6 million penalty</td>
<td>Six units vacant for three months</td>
</tr>
</tbody>
</table>

**Things to remember**

• The Selection Committee has many nonfinancial objectives for the project and considers these equally as important as the City revenue and the Investor return.

• Note: a development team would not typically disclose this fiduciary information in response to an RFP, but it is included in this workshop to show the importance of risk and the tradeoffs to achieve both financial viability and meeting the City’s objectives.

**Financial Model**

• You will work with your Team Adviser to enter the buildings and open space proposed for each block. There will be a monitor on your table hooked up to the Team Adviser’s laptop, so that the entire team can observe and participate in the tweaking of your scenario.
• The following are the key inputs that your Team Adviser will enter into the proforma:
  
  - Development by Block
    
    • This is where the number of each building type, whether existing buildings are retained or demolished, and amounts of open space are entered.
    
    • The model automatically accounts for the parking needed for any use.
  
  - Use Allocation:
    
    • Enter percentage of affordable housing (goal is to have more than 10 percent). Note that luxury condominiums do not have any affordable units.
    
    • Enter SF allocations for Phoenix Hotel if retained. The building can be reused as a homeless shelter or can house retail and office uses.
    
    • Enter SF allocations for York Dry Goods. This is the one building where subsidized community facilities can be located. The building can also house retail, office space, university classrooms, and artist studios.
    
    • Enter SF allocations for Victorian Row if retained. The building can be reused to include office, retail, university classrooms, and artist studios.
    
    • You must also include at least 10 percent open space in your proposal. The provision of parks, sports fields, or the skate park will not generate a profit and will add to your costs but is important to the success of the scheme. (Open space is entered by block and the total percent is an output on the Summary Sheet.)

For more information on the Financial model, see the “Financial Model” section in the handbook.
As Director of Market Analysis, you need to

- Read the market demand summary below to find out how much residential, office, and retail space is in demand.
- Strategize about how you will lease or sell all the residential, office, and retail space in your project.
- Understand the needs and expectations of the individuals and companies that will lease or purchase that space—your customers.
- Help the team develop a plan that includes the right balance of buildings and amenities to make your plan attractive to the Selection Committee.

What you need to know

- The market demand summary is a list of what can be built rather than what must be built.
- Your team’s vision statement should guide your mix of uses and their placement.
- You need to balance the marketing considerations with the City Council’s objectives and your team’s financial goals.
- To understand the needs and expectations of your residential purchasers and renters and your prospective retail and office tenants, you need to put yourself in their shoes and imagine what they would want.
  - What uses would they like next to them?
  - What uses might make selling or leasing space to a target tenant harder?
  - The higher the demand for a use, the more quickly the product will be absorbed, that is, sold or occupied.
  - Be careful of overbuilding. If you build more of a product than can be filled in the three-year development period for the district, you will have excess supply, thereby causing vacancy. Your development team will be assessed an absorption adjustment penalty (to cover carrying costs) for this product until it is leased or sold. You cannot outperform the market!

What land uses does the market demand support?

The City commissioned a complete market analysis to determine viable uses for the site. Demand exists for residential, office, and retail space. All projections are based on current data and forecasts over the next three years. Changing economic conditions could affect the demand for real estate products and price points.

1. Residential

A surge of residential growth has occurred within Yorktown, consisting of young professionals, university faculty, and empty nesters. As a result, demand exists for apartments, townhouses, and condominiums.
Land values and rents are on the rise, so the City is concerned that public service workers, particularly teachers, firefighters, and police, are being priced out of the market. Although the demand for affordable units is essentially unlimited, public funds to subsidize them are limited.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Number of Units per Building</th>
<th>Number of Units per Year</th>
<th>Total Number of Units in Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Townhouses</strong></td>
<td>Market rate: 6</td>
<td>17</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Affordable: Varies</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Podium Apartments</strong></td>
<td>Market rate: 20</td>
<td>150</td>
<td>255</td>
</tr>
<tr>
<td></td>
<td>Affordable: Varies</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Luxury Condominiums</strong></td>
<td>48</td>
<td>30</td>
<td>90</td>
</tr>
</tbody>
</table>

2. Office

Vacancy levels are very low in the central business district. Many companies are attracted to the Elmwood District location, near the central business district but without the congestion of downtown, with excellent access to mass transit and the freeway, and ample land for parking. Many firms seek locations close to the talent of the university, and the City’s nonprofit organizations seek well-located and affordable office space.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Square Feet per Building</th>
<th>Square Feet per Year</th>
<th>Square Feet over Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-Rise Office</td>
<td>#1A and #1B: 60,000</td>
<td>79,500</td>
<td>238,500</td>
</tr>
<tr>
<td></td>
<td>#2: 80,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rehab: varies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Rise Office</td>
<td>120,000</td>
<td>69,000</td>
<td>207,000</td>
</tr>
</tbody>
</table>

3. Retail

Elmwood, similar to many distressed neighborhoods, lacks basic retail services. Most national chains have built their new stores in suburban locations. Residents of Elmwood currently must drive 30 minutes to reach the nearest grocery store. Residents without cars find reaching those outlying locations almost impossible. There are opportunities for neighborhood retail and either a supermarket or discount department store.

a. Neighborhood Retail

The existing and new households in the immediate neighborhood can support shops, such as a dry cleaner, laundromat, bakery, shoe repair, hair salon, coffee shop, etc. In addition, small,
locally owned restaurants, brewpubs, specialty food stores, and one full-service, fine-dining restaurant can be supported in the next three years if a substantial number of new market-rate residences are built.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Square Feet per Building</th>
<th>Square Feet per Year</th>
<th>Square Feet over Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Retail</td>
<td>10,000</td>
<td>17,500</td>
<td>52,500</td>
</tr>
</tbody>
</table>

b. Grocery with Drugstore
With new residential development, demand exists for one supermarket in the next three years.

c. Discount Department Store
The market study also determined that demand exists for a discount, big-box store within the district. The nearest Target is located 18 miles away. Q-Mart would like to build a small, 80,000-square-foot store.
As Director of Site Planning & Urban Design, you need to:

- Read the Design Guidelines and understand the form of each new and existing building.
- Take the lead on crafting a Vision Statement. Turn your team’s vision into the physical plan you will present.
- Help your team imagine what life in your Elmwood will be like for residents and workers.
- Make sure the location of each building and open space works to create the right environment for everyone who will live and work there. The buildings you include should be compatible with the surrounding neighborhood and with each other.

What you need to know

Make sure your team has a strong Vision Statement for Elmwood. It’s vital that your team can visualize a concept of what Elmwood will be like for everyone who will live, work, and play in your project.

- Buildings make things happen around them. Each type of building and its users will lead to certain activities.
  - What will people be doing in and around each type of building?
  - How will these behaviors change at different times of day or week?
- Think about how a decision to save or demolish the historic buildings (you have to keep York Dry Goods) will affect the look and feel of your development.

Read the RFP carefully and think about the following:

- How does each building compare to the buildings around it? Is it the right size, shape, and scale?
- If you were living in a building in Elmwood and opened the curtains, what view would you like to see?
- What might you expect to find on the land near offices? Or near residential properties?
- What adjacent land uses will best complement the church?
- Think also about how you’ll position any parks, plazas, or sports fields.

Summary of the Design Guidelines

- Ensure that building heights and architecture are appropriate to scale of surrounding land uses.
- Provide harmonious transitions and views with adjoining structures.
- You cannot reconfigure the Lego buildings.
• Consider the placement of parking for each building.
  • Provide off-street parking as required for each new building.
  • Existing buildings, if rehabbed, do not require off-street parking.
  • Parking cannot be underground because of adverse soil conditions.
  • All entrances to parking must be accessible directly from the street. Parking must be provided on the same block as its related use.
  • You cannot stack a building over parking unless that is allowed in the “Building Information” section.
MEMORANDUM

To: Prospective Bidders
From: The Mayor of Yorktown
Subject: Elmwood District Request for Proposals (RFP)

The Yorktown Redevelopment Agency (YRA) is pleased to announce that the City of Yorktown is seeking proposals for the redevelopment of the Elmwood District.

Elmwood was once thriving and now is rundown after a devastating fire and then years of disinvestment. The City is experiencing a moment of growth and prosperity. Employment is rising across the City thanks to its growing financial and IT sectors and the nearby university’s expansion. As a result, local demand for housing and office space is at an all-time high, and the demand for retail space to serve residents and workers continues to grow.

Through a Request for Proposals (RFP) process, the City seeks a for-profit developer to propose and build a scheme that will revitalize the neighborhood and bring it back to its former glory. City Council has appointed a Selection Committee to hear proposals and find a developer that meets the objectives and terms of the RFP.

All development teams will be gathered for a work session to put their proposals together and present to the Selection Committee, comprised of members of City Council. The YRA has put together a detailed packet available for real estate development firms to access for information necessary to respond to the RFP. You will find the RFP with market study, design guidelines, information on each building type the City wants you to consider, and site plan.

All teams will be briefed on the development program and design guidelines, then you will have time to develop a proposal with your development team, and present your proposal to the Selection Committee followed by a discussion of your proposal. Prospective respondents are encouraged to submit their proposal as soon as possible so that initial evaluations can begin.

Yorktown’s Selection Committee looks forward to your presentation and proposal.
Request for Proposals to Purchase and
Develop the Elmwood District Redevelopment Area

Yorktown Redevelopment Agency

I. Introduction
The Redevelopment Agency of the City of Yorktown seeks a developer who can create a sustainable, economically vibrant, distinctive district that reflects the historical activities and services of the area; encourages cross-generational interactions; and takes maximum advantage of the access to mass transit and surrounding commercial, educational, and cultural resources.

The primary goals for the area’s revitalization are as follows:

- Remove blighting influences;
- Generate tax revenues for the City;
- Create skilled/professional and entry-level employment opportunities for neighborhood and City residents;
- Attract retail businesses that serve the needs—both products and price points—of neighborhood residents;
- Create housing to meet the needs of mixed-income groups;
- Create affordable housing for moderately low-income families, senior citizens, and residents who provide the following services to the community: police, firefighters, and teachers;
- Create or preserve public and private amenities that enhance retired/longtime residents’ ability to age in place; and
- Preserve legally designated historic sites.

Note: If the Developer proposes to eliminate the homeless shelter from the district, which requires relocating the shelter elsewhere in the City, the developer must pay a fee of $750,000 to the City’s Homeless Shelter Fund.

II. Proposals and Submission Deadline
The winning proposal will accomplish the greatest number of these goals while demonstrating to the Selection Committee that the proposal is viable: that is, grounded in market demand and able to attract the capital required to build the project.

- Proposals must be for the entire site. Each existing building that is identified must be either rehabilitated or demolished, and land uses must be specified for each vacant lot.
• The Yorktown Selection Committee will select the developer based upon the following:
  • Vision for the redevelopment site;
  • Meeting the goals and objectives stated in the request for proposals (RFP);
  • Projected rate of return of the project (at least **13.5 percent**) and ability to attract investors;
  • Projected tax revenues over ten years to recoup the City’s investment plus **$1.5 million**;
  • Provision of at least **10 percent** affordable housing; and
  • Provision of at least **10 percent** open space.

### III. The Development Opportunity

#### A. The Elmwood District and Surrounding Area

The redevelopment site is a 5.5-block area (11.75 acres) within the Elmwood District at the northwestern edge of downtown Yorktown. The site is bordered by the following neighborhoods and uses:

- **North:**
  - Moderately priced two- and three-story multifamily dwellings; and
  - Above Washington Street, a well-established, single-family residential area of more than 800 households (retirees on fixed incomes who have lived in the neighborhood for decades, Yorktown University faculty families, and upper-middle-income couples and families who recently moved into the neighborhood for well-priced, historic houses and good schools).

- **East:**
  - Newly rehabilitated 70,000-square-foot, three-story YMCA with extensive sports and fitness facilities and programs for adults and children;
  - Farther south on 11th Avenue, a five-story State Employment Development Services office where City residents can apply for unemployment benefits and seek job counseling; and Central business district at a 15 minute walk.

- **South:**
  - Three- and four-story partially occupied office buildings along Madison Street with limited ground-floor retail, including a medical supply store, check-cashing service, donut shop, and locally owned motorcycle supply store.

- **West:**
  - Low-priced three- and four-story apartment buildings; and
  - Five blocks to the west of the site, Yorktown University, which offers Elmwood District residents and workers many cultural, educational, and recreational opportunities.

#### B. Getting to Elmwood by Automobile and Mass Transit

- Convenient public transportation is available, including YART—the area’s rail and subway transit system—and numerous bus lines on Madison Street.
- Bike lanes on Madison Street extend through the central business district and to Yorktown University.
- Madison Street, a primary east-west thoroughfare, connects the central business district to Yorktown University. Traffic counts on Madison Street are ten times greater than on Washington, Adams, and Jefferson streets.
- Ninth Avenue bisects the site and is the primary north-south thoroughfare, with traffic counts four times those of 8th and 10th Avenues.
- Access to Interstate 66 is three blocks west of the site, connecting to western sections of the City.

#### C. Existing Buildings on the Site

- The York Dry Goods Building is listed on the State and National Registers of Historic Places. Both the interior and exterior must be preserved. The building can be renovated into any combination of office, community facilities, university classrooms, artist studios, and retail (up to 12,000 square feet).
• The former Phoenix Hotel currently functions as a homeless shelter operated by the Grace Memorial Church. The building can be demolished or renovated into a new homeless shelter, office, or office with retail.
• The Victorian Row buildings do not meet current fire or building codes. However, 12 artists are illegally living and working in the buildings. The City is concerned about its liability for any injuries incurred and the potential fire hazard from these squatters’ activities. The building can be demolished or renovated into new office or office with retail. University classrooms and/or artist studios can be included in the building as well.

D. City Funding Available for the Project

1. Price of Land to the Developer
The City acquired the land in the Elmwood District at a total cost of $10 million, which is above the market value. The City will offer the land at a reduced price of $7.5 million to the selected development team. The City expects to recover this investment, any other project subsidies it provides, plus an additional $1.5 million through increased property and sales tax revenues over a ten-year period.

2. Subsidies
Subsidies for construction and leasing costs for the below specified uses will be approved based on the public benefit achieved. The development team must demonstrate such benefits are compatible with the entire proposal. The City expects to recover this investment as well as any subsidies plus an additional $1.5 million through increased property and sales tax revenues within ten years.

<table>
<thead>
<tr>
<th>Use</th>
<th>City Subsidy: Construction Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable / Workforce Housing</td>
<td>10%</td>
</tr>
<tr>
<td>Public Open Space / Sports Fields / Courts / Skate Park</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Community Facilities / Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Developer Subsidizes 85% of Occupancy Costs</td>
<td>City Pays 15% of Market-Rate Occupancy Cost</td>
</tr>
<tr>
<td>• Branch Library (7,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Community Art Space (classrooms and public studio space) (2,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Community Meeting / Event Space (7,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>May be used for civic meetings or rented by residents for private functions</td>
<td></td>
</tr>
<tr>
<td>• Computer / Digital Center (2,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Daycare Center (3,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Drug Treatment Center (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Juvenile Offender Neighborhood Counseling Office (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Police Substation (1,500 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Senior Center (6,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Teen Center (5,000 SF)</td>
<td>15%</td>
</tr>
<tr>
<td>• Yorktown Bike-Sharing Office (5,500 SF)</td>
<td>15%</td>
</tr>
</tbody>
</table>
E. Market Analysis: What Land Uses Does the Market Demand Support?
The City commissioned a complete market analysis to determine viable uses for the site. Demand exists for residential, office, and retail space. All projections are based on current data and forecasts over the next three years. Changing economic conditions could affect the demand for real estate products and price points.

1. Residential
A surge of residential growth has occurred within Yorktown, consisting of young professionals, university faculty, and empty nesters. Demand exists for apartments, townhouses, and condos. Land values and rents are on the rise, so the City is concerned that public service workers, particularly teachers, firefighters, and police, are being priced out of the market. Although the demand for affordable units is essentially unlimited, public funds to subsidize them are limited.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Number of Units per Year for Next Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market-rate luxury condominiums</td>
<td>30</td>
</tr>
<tr>
<td>Market-rate podium apartments</td>
<td>75</td>
</tr>
<tr>
<td>Market-rate townhouses</td>
<td>17</td>
</tr>
<tr>
<td>Affordable podium apartments</td>
<td>150</td>
</tr>
<tr>
<td>Affordable townhouses</td>
<td>100</td>
</tr>
</tbody>
</table>

2. Office
Vacancy levels are very low in the central business district. Many companies are attracted to the Elmwood District location, near the central business district but without the congestion of downtown, excellent access to mass transit and the freeway, and ample land for parking. Many firms seek locations close to the talent of the university, and the City’s nonprofit organizations seek well-located and affordable office space.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Number of Square Feet per Year for Next Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-rise office (including new and rehabilitated space)</td>
<td>79,500</td>
</tr>
<tr>
<td>Mid-rise office</td>
<td>69,000</td>
</tr>
</tbody>
</table>

3. Retail
Elmwood, similar to many distressed neighborhoods, lacks basic retail services. Most national chains have built their new stores in suburban locations. Residents of Elmwood currently must drive 30 minutes to reach the nearest grocery store. Residents without cars find reaching those outlying locations almost impossible. Opportunities exist for neighborhood retail and either a supermarket or a discount department store.
a. Neighborhood Retail
The existing and new households in the immediate neighborhood can support shops, such as a dry cleaner, laundromat, bakery, shoe repair, hair salon, or coffee shop. In addition, small, locally owned restaurants, brewpubs, specialty food stores, and one full-service, fine-dining restaurant can be supported in the next three years if a substantial number of new market-rate residences are built.

Annual Demand Forecast

<table>
<thead>
<tr>
<th>Use</th>
<th>Number of Square Feet per Year for Next Three Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood retail</td>
<td>17,500</td>
</tr>
</tbody>
</table>

b. Grocery with Drugstore
With new residential development, demand exists for one supermarket in the next three years.

c. Discount Department Store
The market study also determined that demand exists for a discount, big-box store within the district. The nearest Target is located 18 miles away. Q-Mart would like to build a small, 80,000-square-foot store.

F. Permitted Zoning Uses
The district is zoned for office, retail, and residential. Mixed use is allowed only in the rehabilitated buildings.

G. Land Use and Urban Design Standards
• Ensure that building heights and architecture are appropriate to scale of surrounding land uses.
• Provide harmonious transitions and views with adjoining structures.
• Provide off-street parking as required for each new building. Existing buildings, if rehabilitated, do not require off-street parking. Parking cannot be underground because of adverse soil conditions.
• All entrances to parking must be accessible directly from the street. Parking must be provided on the same block as its related use.

H. Neighborhood Issues and Outreach
The City and its successful developer partners have worked closely with neighborhood residents in past development projects to ensure opportunities for input and to create support. Prospective developers are encouraged to study the input from neighborhood organizations and neighboring property owners/occupants in letters provided by the City Council in preparation for a response to the RFP.
NLCU: Urban Plan for Elected Officials

November 16, 2016
Sophie Lambert
Senior Director, Urban Plan
Urban Land Institute, Washington, DC

#NLCU
COMMON GOALS

- Historic preservation
- Affordable/workforce housing
- Employment opportunities
- Mixed-use development
- Coordination w/surrounding resources

- Neighborhood engagement
- Fiscal impact considerations
- Public amenities
- Parks & open spaces
A PLAN IN A VACCUM
THE REAL WORLD IS A SCARY PLACE

MCMLLAN SAND FILTRATION SITE

Developer Concerns
- Investors
- Tenants
- Budget Constraints
- DDO T
- DC Water Infrastructure

Preservation Concerns
- Plinth feature
- Distinctive, cohesive, yet connected
- Stormwater Management
- CBA

Community Concerns
- Preserving Sense of Place
- Community Center
- Expansive green space

City Concerns
A GAME OF TRADE-OFFS

Density

Open Space

Affordability

Land Value

Vision + Goals

Constraints + Viability

NATIONAL LEAGUE OF CITIES
THE REAL WORLD IS A SCARY PLACE
Dec 2008 – 6 AC of Open Space centered on North & South Service Courts

Jan 2011 – 9 AC of Open Space, including addition of Cell 14

May 2014 – 12 AC of Open Space, almost double the 2008 plan
A VISION MADE REAL
YOU’VE JUST SCRATCHED THE SURFACE

COMMUNITY ENGAGEMENT
- You can’t make everybody happy
- How do you decide who’s view is more important?
- The art of compromise

PARKS & PRESERVATION
- Basic trade off – open space vs. density
- All parks are not created equal
- Where you put them matters a lot

AFFORDABLE HOUSING
- Basic trade off – affordability vs. value
- How badly do you want it???
- All affordable housing is not created equal – the Pandora’s box of AMI
- Opportunity for non-traditional thinking

ECONOMIC & FISCAL IMPACT
- Perpetual entities should maintain long-term viewpoints – short term thinking is anathema to you
- On a 100-year timeline, the sale price of your land is almost pointless

WORKFORCE DEVELOPMENT
- Sometimes things you don’t like bring tons of job opportunities
- Jobs + workforce development = real opportunity
- In the real world, this requires focus, planning and coordination or nothing good will happen
NLCU: Urban Plan for Elected Officials

November 16, 2016
Sophie Lambert
Senior Director, Urban Plan
Urban Land Institute, Washington, DC

#NLCU
Roles & Letters from Community & Neighborhood Groups
Roles

Work for the Development Team, not the City

Each role is designed to contribute to the solution to the RFP.

Different perspectives of the roles are critical to finding the best solution for your team.
Roles – Director of Community Engagement

- Understand the wants & fears, relative power of the neighborhood and community groups. Which have influence? Political impact?
- Evaluate specific requests & interests described in Letters (pg.19)
- Incorporate their views into the development plan.
Ensure that the goals in the RFP are met.

Which uses have higher returns to the City? Which amenities are needed?

Lead team in determining what uses go in the York Dry Goods building— incentives & subsidies (pg. 51).

Recognize that the Selection Committee is facing financial and political pressures and must be responsive to voters.
Roles – Director of Financial Analysis

- High risk project – minimize by not overbuilding
- Investors want at least 13.5% rate of return on their investment.
- Generate sufficient property & sales tax over 10-year period to:
  - Repay $2.5 million discount on land
  - Repay any subsidies for open space, affordable housing, any amenities
  - City is expecting to earn a minimum of $1.5 million for the General Fund
Roles – Director of Financial Analysis

- City has asked for at least 10% affordable housing (apartments & townhouses).
- City has asked for at least 10% open space.
- Job creation
Roles – Director of Market Analysis

- Vision Statement - guide the mix of uses & where you put them. Check compatibility of uses.
- Balance marketing considerations with City’s goals
- Demand for different land uses (pg. 56); three years to absorb or impacts financials
- Overbuilding = vacancies= less revenue
• Vision Statement & Design Guidelines
• Test site plan against the Vision
• Decisions affect community character, experience of resident, worker, visitor
• Trade-offs with land use decisions
• Legos cannot be reconfigured
Skate On!

- Skateboarders who live and go to school in the neighborhood
- Want a 10,000 sq. ft. skate park
- 30 members, hundreds of skaters
- Teens - mid-20’s
- Tried to skateboard wherever they can
• Organization of artists & supporters in Yorktown
• Driven from rest of Yorktown by rising rents
• Artists are living illegally in Victorian Row
• Want space rent free
• Operated the homeless shelter in former Phoenix Hotel for more than 10 years
• Building does not meet fire and safety codes and is not accessible for disabled
• Church has raised $$$ to design, build, staff, operate and maintain a new, attractive and efficient shelter
• Want City to donate 20,000 sq. ft. site in Elmwood for three-story, 60,000 sq. ft. structure
Jobs & Justice

• Social justice with revitalization
• Need affordable rental housing; entry-level jobs within walking distance for low skilled; affordable basic retail goods and services including full-service grocery store, drugstore, laundromat; community services including a computer center for training, drug treatment center, community police substation
• Want homeless to stay in the community
• Strongly support Q-Mart; commitment for 50 computers
• Will resort to courts, media, all political means available
The Old Urbanists

• Over 200 households, many long-term residents,
• Most on fixed incomes
• Believe new residents have unrealistic Disneyland image of Elmwood
• Believe neighborhoods are organic and evolve and transform
• Share City’s goals of cross-generational interaction
• Want to age in place—need Q-Mart for one-stop shopping
• More than 400 homeowners
• Believe that the Historic buildings—York Dry Goods, Phoenix Hotel, Victorian Row—must “lead the rebirth” of Elmwood
• Concerned that City will attempt to solve social and economic issues in Elmwood (i.e. affordable housing, while needed, will further lower property values)
• Homeless shelter contributed to increased crime, shelter attracts more than can be housed. Must be closed.
• Not willing to accept 6, 8, 10-story buildings—will lead to hundreds of people, traffic, noise
• No Q-Mart—traffic, attract hundreds from outside the neighborhood 7 days a week
• Will support distinctive, human-scale buildings, shops and businesses that meet residents’ needs, quiet residential streets, parks, playgrounds, civic spaces
Q-Mart

- Seeking urban location in Yorktown area, want to be partner in Elmwood project
- Corporate commitment to sustainability
- Proposing experimental “high efficiency” store—test energy efficient and renewable energy technologies
- 80,000 sq. ft. store with green roof. Green roof will not be accessible to the public due to liability concerns.
- Offer sustainable product index (environmental impact of a product), organic food, local sourcing
- Work with City to maximize proportion of 400 entry-level jobs that go to neighborhood residents
- Benefits include sales tax revenue; recognize political challenges of store
• Goal is to increase University engagement in community, provide affordable, accessible resource for Yorktown’s residents and workers

• Propose to pilot an Extension site in Elmwood project.

• Initial course offerings focus on professional development, entrepreneurism, lifelong learning

• Courses timed to encourage workers to stay, easy for residents coming home to Elmwood

• Need the City to provide 15,000 sq. ft. rent-free classroom space
Yorktown Bike Sharing

- Non-profit that operates WeCycle
- Bike sharing advances goals of healthy, sustainable land use policies embraced by the City
- Financial support from civic and business leaders will allow placement of dozens of WeCycle stations
- Bicycles complement overall transportation system
- Need the City to provide them with 5,500 sq. ft. of office space and maintenance headquarters
Fetch!!

- Represent over 50 dog owners
- Need a dedicated dog park
- 40 – 80,000 SF, fenced, with suitable ground cover, water source, double-gated entrance and waste disposal receptacle
- Benefits of time with pets, off-leash play time and socialization with other dogs; dog owners time to interact
- Owners will create a “code of use”
The Elmwood Environmentalists

- 125 members
- Concerned about soil contamination reports
- Want the developer to correct soil problem, plant large caliper shade trees, provide public open space on every block, employ state-of-the-art storm water management.
- Some want community garden space
- If needs met, prepared to testify in support of project
- Legal action possible otherwise