

**2019 APA-AL/MS Conference**

Huntsville, AL

October 18, 2019

# Zoning As Economic Development

Mary Beth Broeren, AICP, City of Madison, AL

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**Session  
Objectives:  
Zoning As  
Economic  
Development**

Zoning With Economic Intent:  
Mary Beth Broeren

Economic Development through  
Zoning Updates:  
Bob Barber

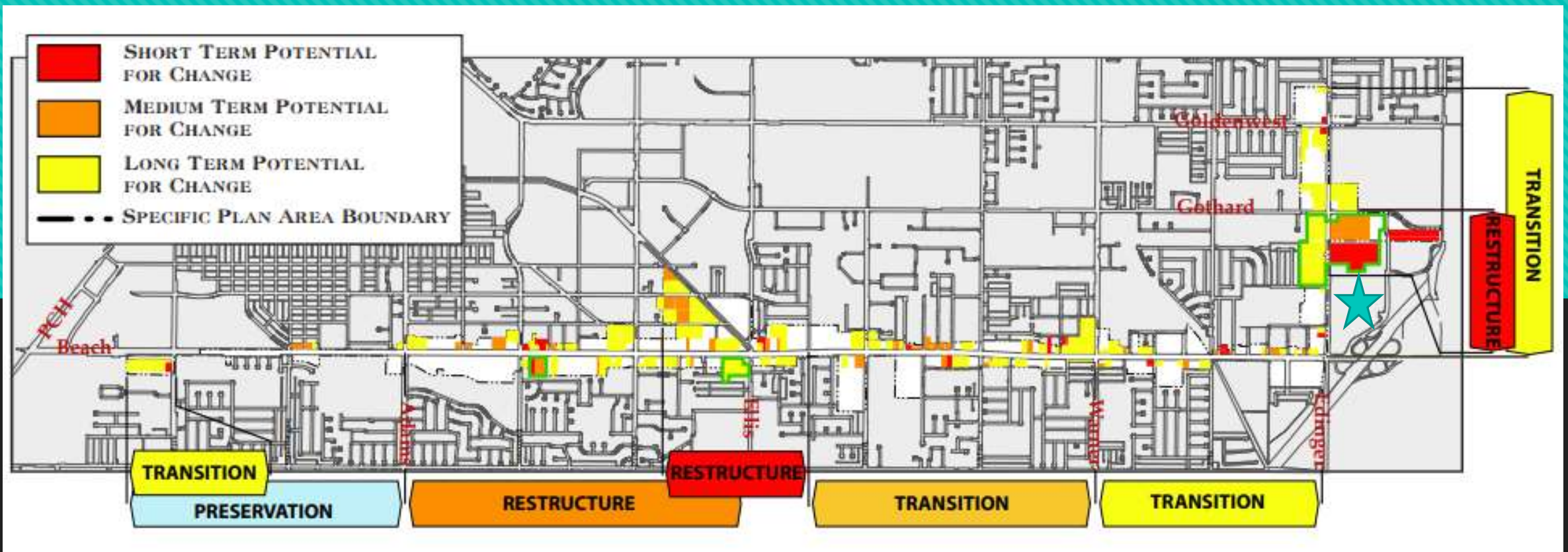
Development Approval As  
Economic Development:  
Michael Blue

# Zoning With Economic Intent

- Specific or Master plan
- Zoning district
- Zoning overlays

Mary Beth Broeren

# Master Plan/Specific Plan



# Corridor Revitalization Goals



Accommodate market preference for retail concentrations at major crossroads



Plan corridor retail as part of a supportable city and hierarchy of centers



Bolster the redevelopment of the mall



Reverse creeping disinvestment by identifying highest and best uses



Maximize property owner return



Realign corridors with the forces of market demand

Step 1: Economic analysis

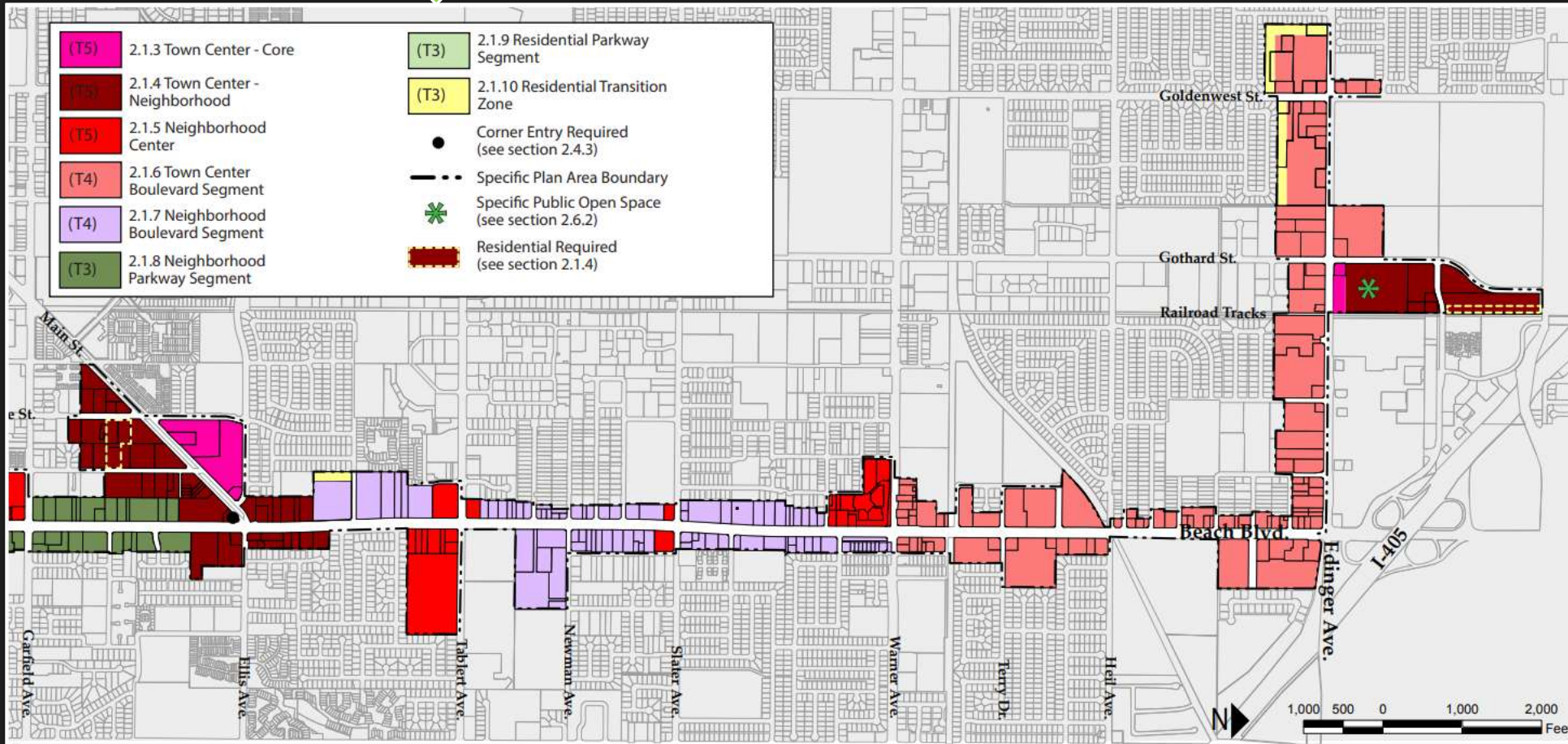


Step 2: Zoning



Corridor	Permitted Dwelling Units	Remaining Dwelling Units*	Retail SF	Office SF	Hotel Rooms
<i>Edinger</i>	1,375	0	206,000	0	150
<i>Beach</i>	525	200	532,000	112,000	200
<b>Total</b>	<b>1,900</b>	<b>2,100</b>	<b>739,4000</b>	<b>112,000</b>	<b>350</b>

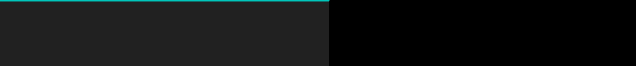
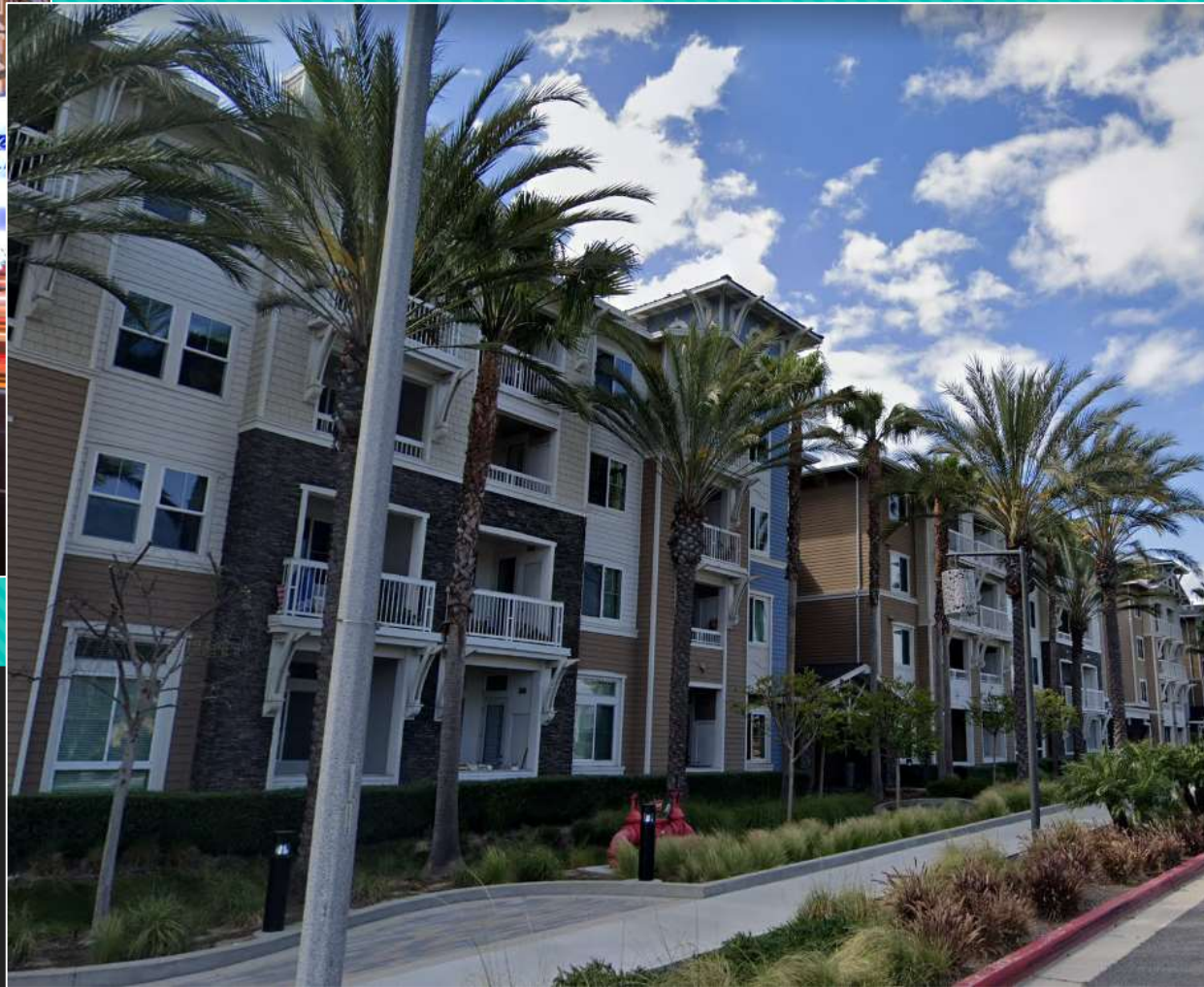
*\*As of the effective date of this amendment to the BECSP (06.04.15)*



\*Form-based Code

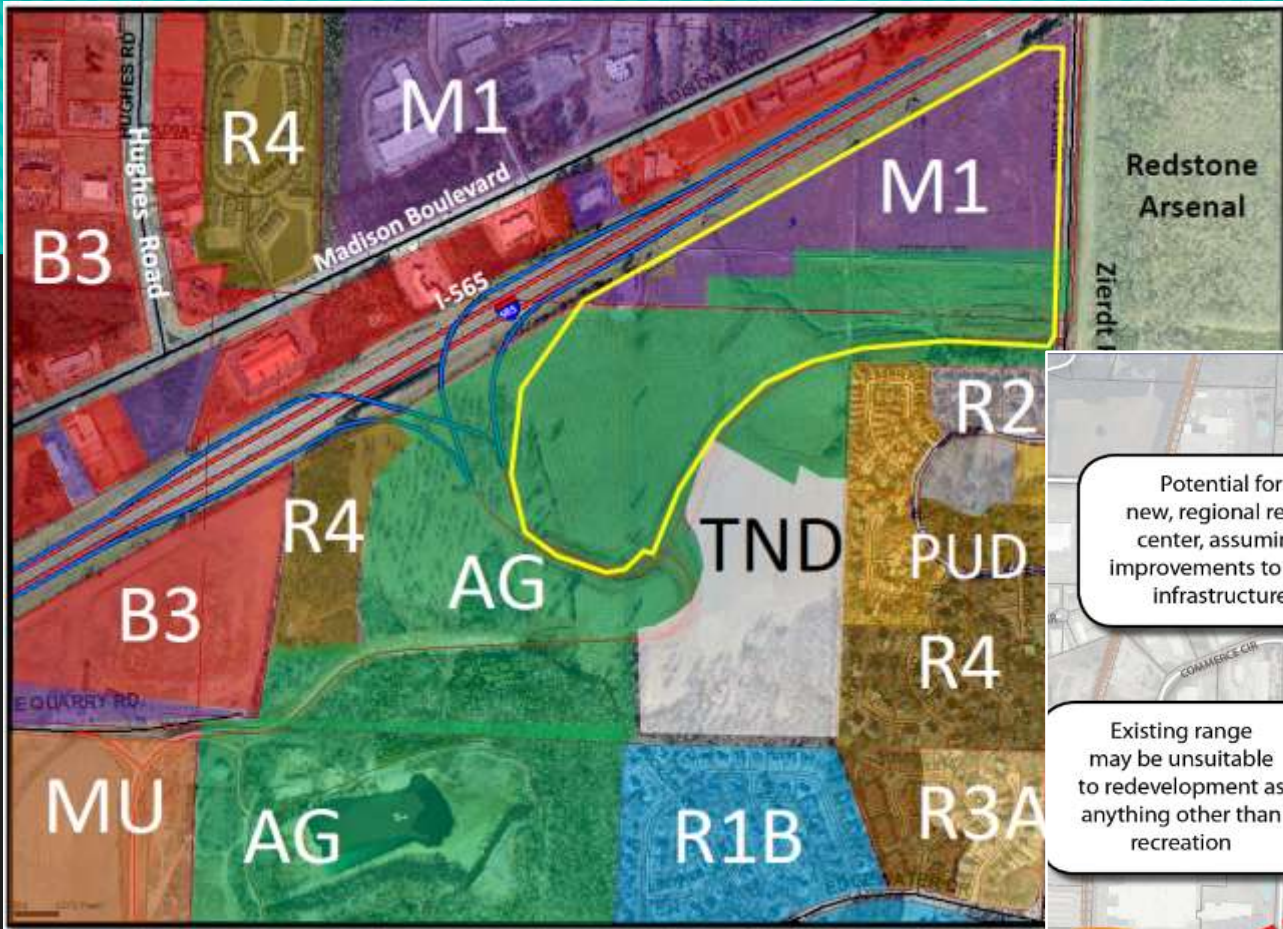


- Adopted in 2010
- Immediate multi-family developer response
  - Projects located near grocery-anchored centers & mall



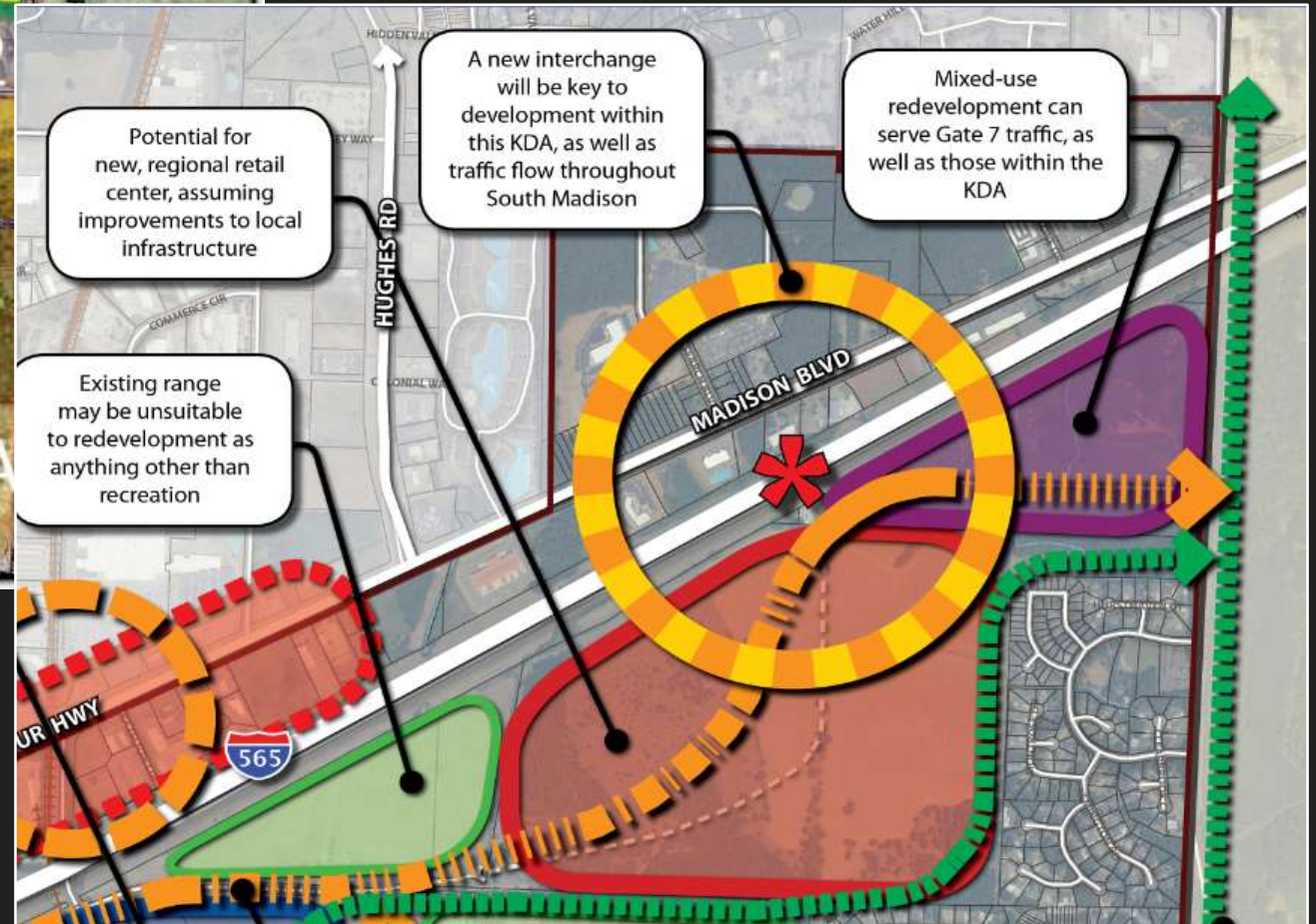
- By 2015 anti-change backlash & new Council
  - Reduced total # of units
  - Required commercial in each project
  - Increased setbacks and parking requirements

# Zoning Districts



Previous Zoning

Growth Plan  
2012







2014/5

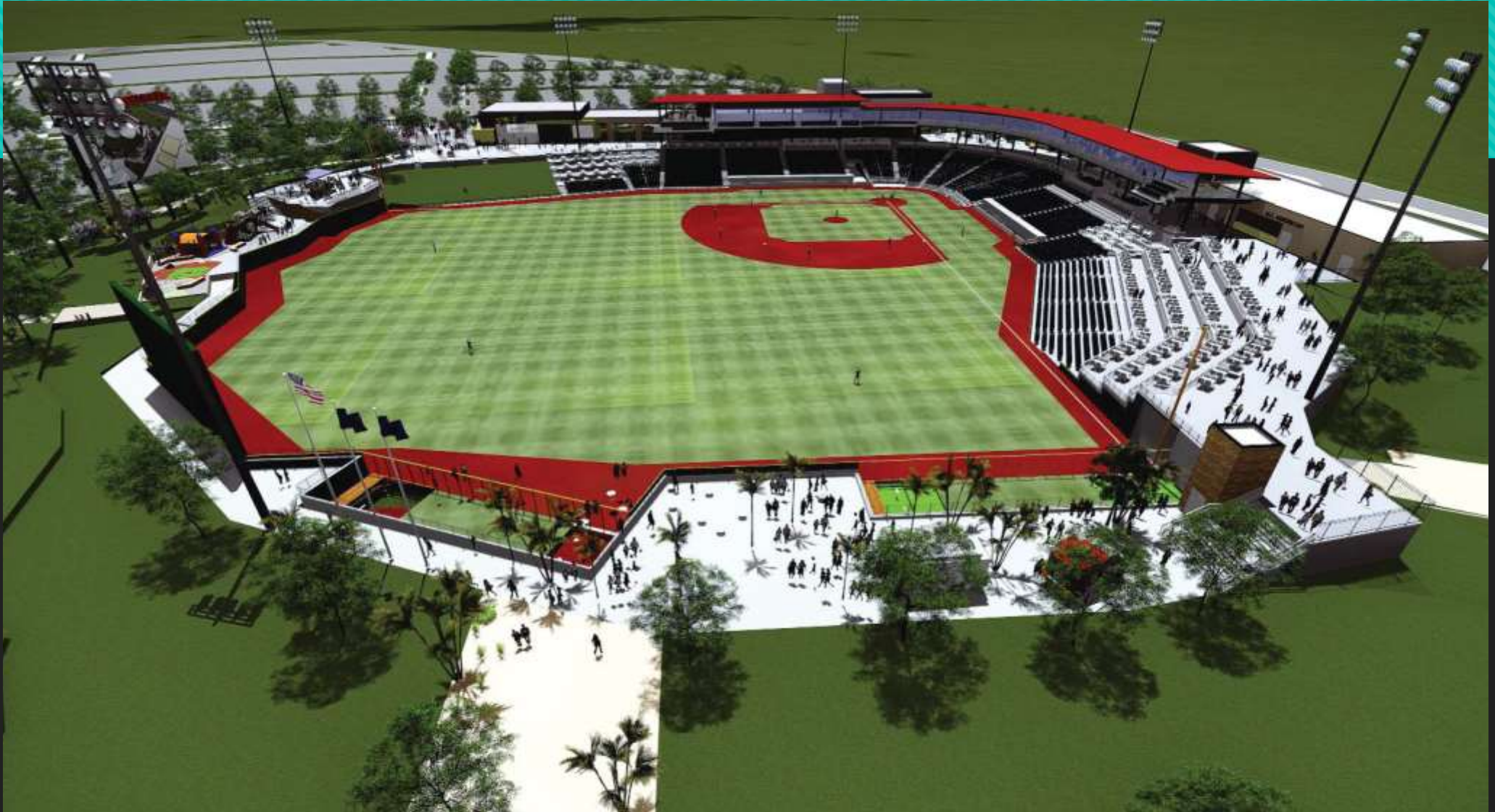


© Shutterstock.com

Regional Commercial vs. Mixed Use vs. ?



2016



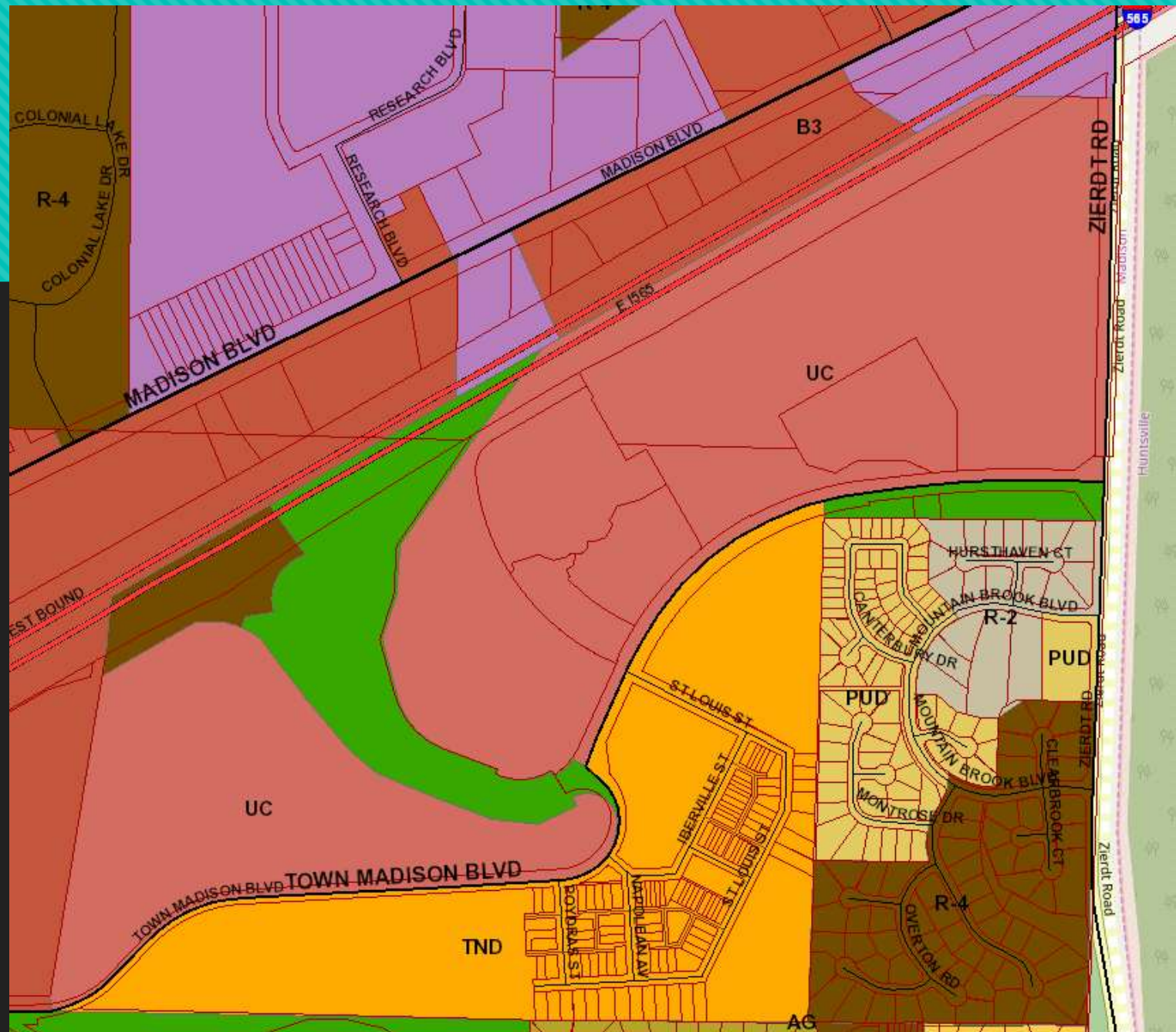
2017

# Urban Center District

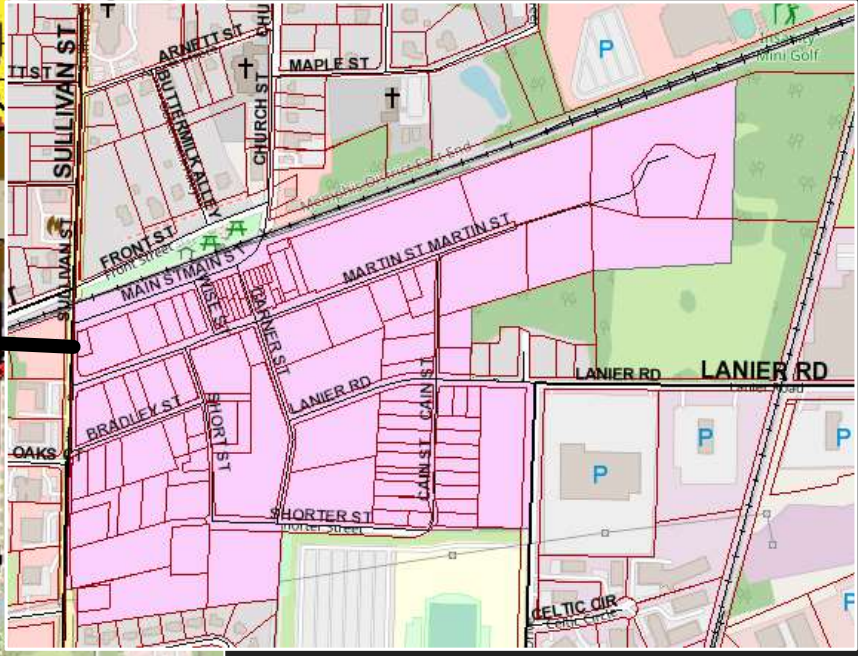
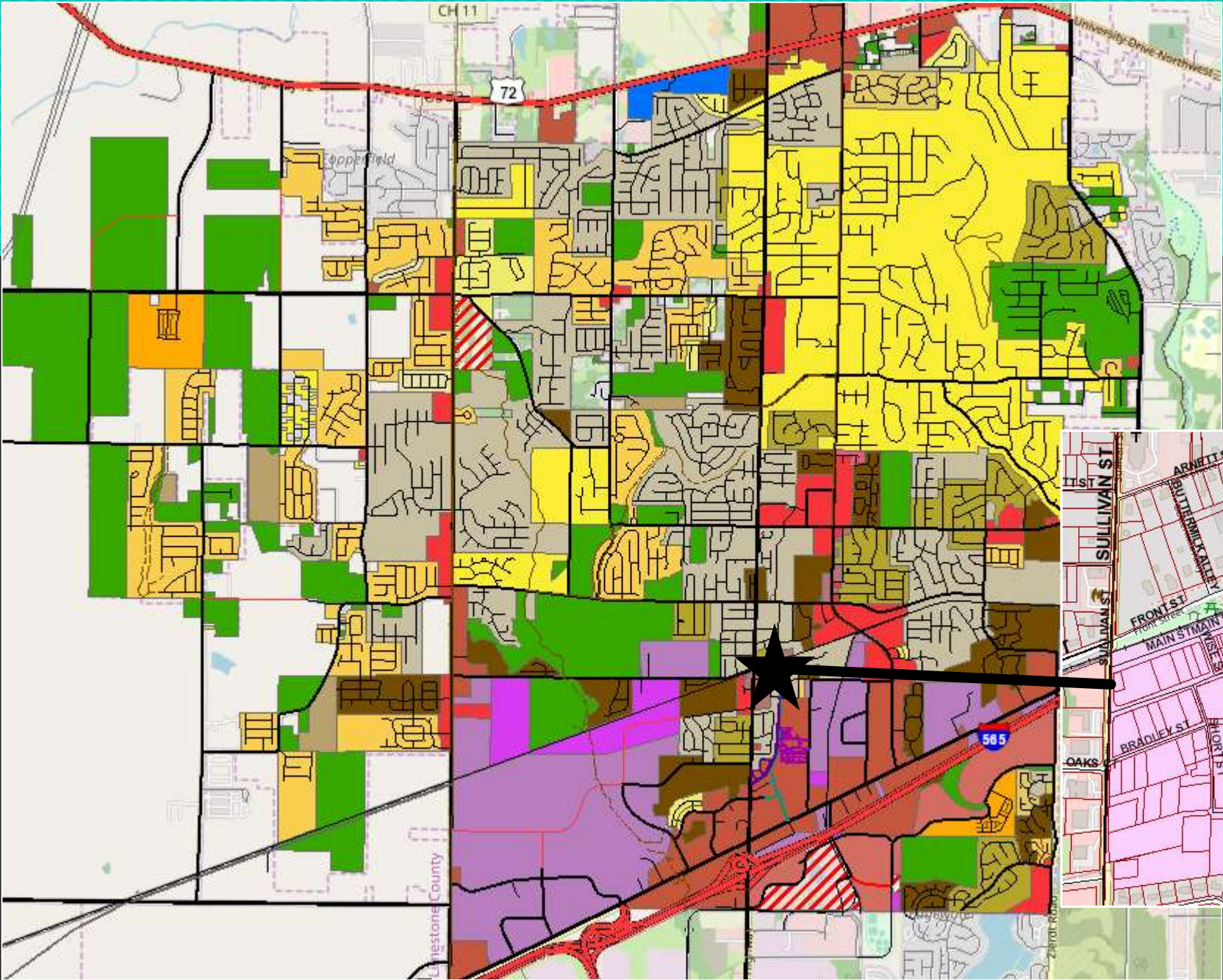
- Purpose: Regional and civic shopping & entertainment district w/ high density residential uses
- Min. 50 acre & within 1,000 feet of I-565
- Permitted & Prohibited uses
- Limited setback standards
- Required roadway & pedestrian amenities
- Allowance for shared parking and modified parking standards
- Open space
- Architectural requirements
- Master Sign Plan

Urban Center District

Traditional  
Neighborhood District



# Zoning District Overlays



# Downtown Redevelopment Incentive Overlay District

**Purpose:** The Downtown Redevelopment Incentive (DRI) Overlay District affords additional development opportunity beyond that provided by the underlying zoning regulations. The DRI overlay is intended to encourage development by enabling mixed-use development, higher development density and intensity, and relief from other development restrictions in the Zoning Ordinance.

- ✓ Requires Planning Commission approval
- ✓ Allows structures & uses not otherwise permitted
  - Ex: more than one use per lot; residential on ground or upper level
- ✓ No max. lot coverage, min. lot size, min. open space, on-site parking or parking lot landscaping required
- ✓ Planning Commission may set density, bulk, lot coverage, signage, open space and landscaping

# Incentive Overlay Project



190 Apartment units  
10,000 sf commercial

Under construction  
Complete: Fall 2020





# Takeaways...

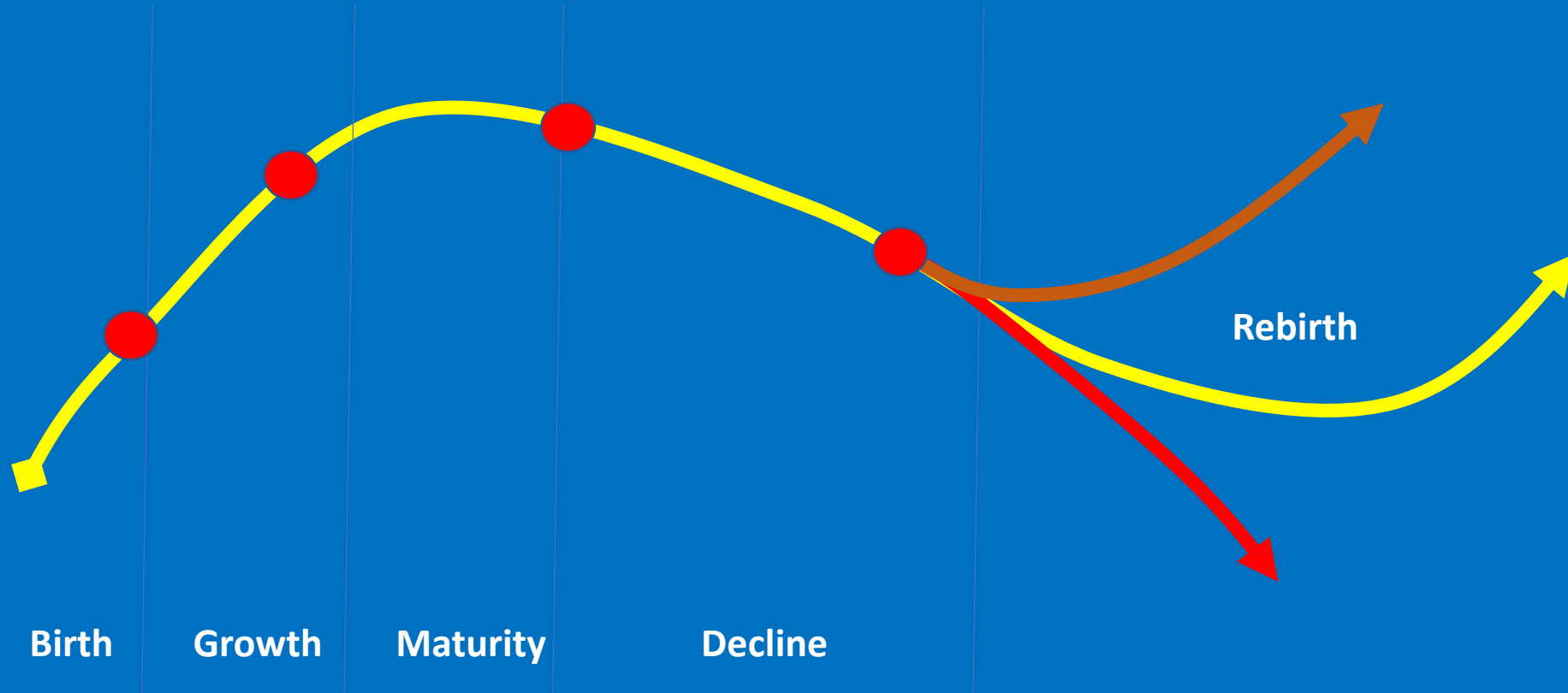
“One of the great mistakes is to judge policies and programs by their intentions rather than their results.” *Milton Friedman*

- It's OKAY for zoning to work for the private sector
- Developers typically spend much more money than a public jurisdiction in terms of analyzing the market and what will be viable... Listen to them
- Work to make sure the “non-negotiable” planning goals are addressed
- Economic analysis is a useful tool as part of public debate
- Don't be afraid to change the code
- Be prepared to change it back

**Bob Barber**

**Economic  
Development  
Through Zoning  
Updates**

# Community Life Cycle





# Traditional Development Pattern (Compact with Mixed Use)



# Sprawling Development Pattern



# More than 8,200 stores are closing in 2019 as the retail apocalypse drags on — here's the full list

Hayley Peterson Sep 9, 2019, 11:00 AM

27-34 minutes

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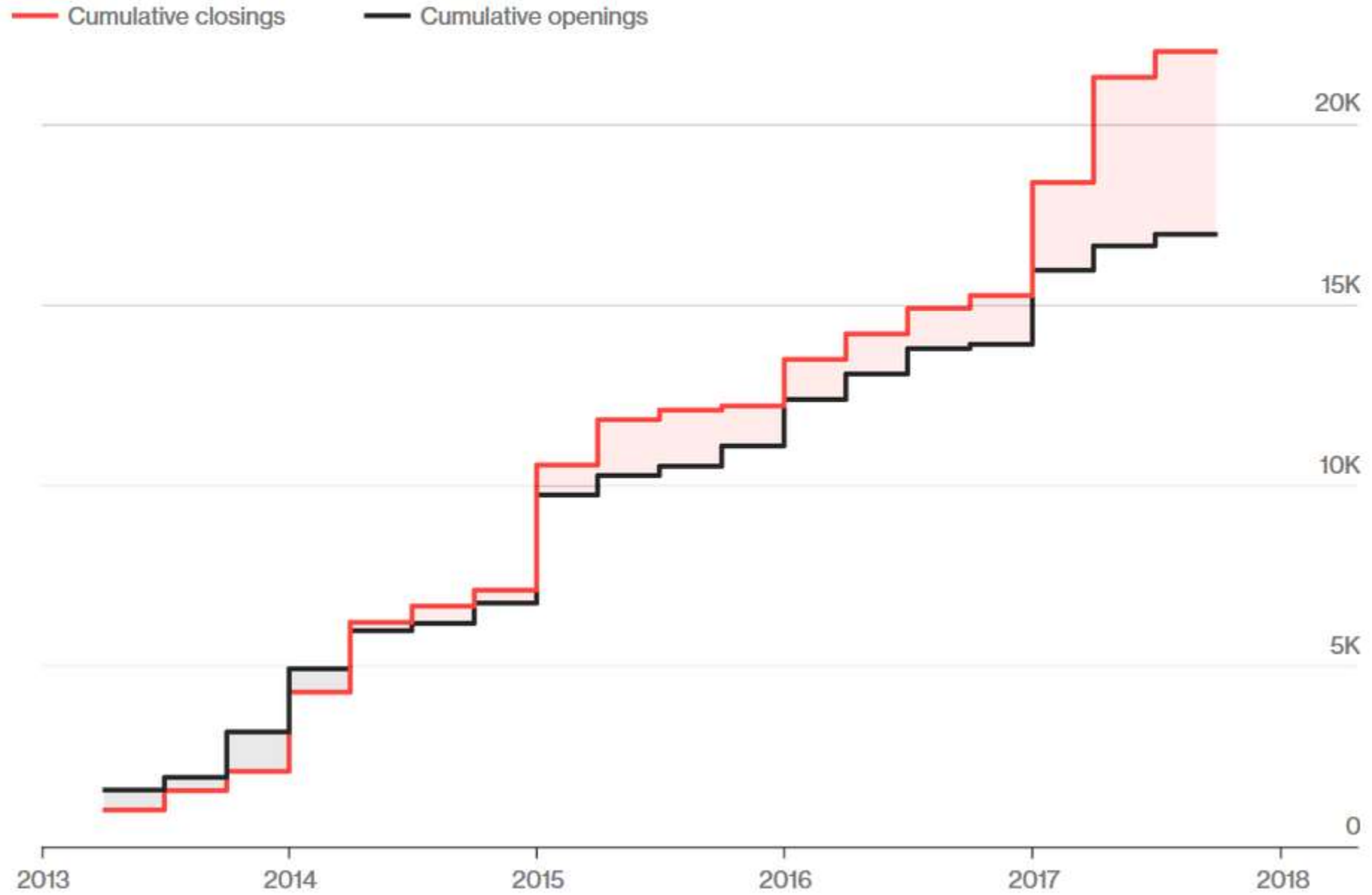
- More than 8,200 stores are expected to close in 2019.
- Fred's, [Sears](#), [Kmart](#), [Party City](#), [Walgreens](#), and [Barneys](#), are among the retailers that have recently announced store closings.
- [Charlotte Russe](#), [Family Dollar](#), and Chico's recently announced more than [1,100 store closures](#) in a span of 24 hours.
- [Payless](#) has said it plans to [close all of its 2,500 stores](#) in what could be the largest retail liquidation in history.

The staggering rate of store closures that has rocked the retail industry over the past couple of years is expected to continue in 2019, with roughly the same level of closures expected this year.

Retailers closed a record 102 million square feet of store space in 2017, then smashed that record in 2018 by closing another 155 million square feet, according to estimates by the commercial real-

# Announced store openings and closings

Excluding grocery stores and restaurants





# Local Impact of Online Retail Sales

Factor	Quantity
Orders	100
1. Total Value	\$10,000
2. 20% of the community	610
3. Total Sales	6.1 Million
4. Lost Sales \$200 per square foot	\$30,500
5. Over 10 Years?	<b>305,000 sq. ft. of Retail Space</b>

# Performance Comparison of Development Types on 2.5 Acres



Measure	Development Type	
	Chain/Big Box	D.T. Mixed Use
1. Property Tax	\$ 7,738	\$ 50,075
2. Tax <small>(rebate based on \$275/ \$190 sq.ft)</small>	\$ 388,773	\$ 267,948
3. Local Multiplier	1.136	1.48
4. Effective Revenues	\$ 440,375	\$ 396,563
5. Tourism Tax	\$ -	\$ 76,000
6. Jobs	15	45
7. Residents	0	10
8. Cultural and Health Amenity	0	2
9. Social Utility	Low	High

DeSoto County Tax Assessor, <http://www.statisticbrain.com/wal-mart-company-statistics>, <http://www.amiba.net/assets/images/Images/local-vs-natl-econ-return-hi-res.jpg>; Excerpts from "Happy City"

## Remaining Factors to Calculate

- Environmental impacts
- Infrastructure maintenance
- Building and site life span







Walkability

Retrofit  
Landscape



Appropriate  
Street Type



## Washington and 3<sup>rd</sup> Streets







# Place Economics and Design





Direct Benefit		
\$	100,000	New Revenue (8 Tables@ \$2000/wk)
\$	7,000	Sales Tax at 7%
\$	6,000	Owner Profit 6%
\$	2,000	Tourism Promotion 2%
\$	12,000	Investment
	½	Jobs

Direct Benefit	
\$ 0	New Revenue (8 Tables@ \$2000/wk)
\$ 0	Sales Tax at 7%
\$ 0	Owner Profit 6%
\$ 0	Tourism Promotion 2%
\$ 0	Investment
0	Jobs



# Facilitating Return on Investment

Zoning Control	Impacts
<p><b>1. Parking Minimums</b>  <i>Pricewaterhouse Coopers - Ecosystems Approach to Reducing Congestion</i></p>	<ul style="list-style-type: none"> <li>• Reduction or elimination of parking minimums promotes development</li> <li>• Spurs urban renewal</li> <li>• Drives more affordable real estate projects.</li> </ul>
<p><b>2. Landscaping/Trees</b>  <i>Virginia Cooperative Extension - Value, Benefits, and Costs of Urban Trees</i></p>	<ul style="list-style-type: none"> <li>• Property value +7% to +18% for homes and lots</li> <li>• Retail spending +9 to +12%</li> <li>• Office leases +7%</li> <li>• Environmental and infrastructure impacts</li> </ul>
<p><b>3. Mixed Use</b>  <i>Smartgrowth America – Fiscal Benefits of Smart Growth Development</i></p>	<ul style="list-style-type: none"> <li>• Tax revenue increased by a factor of 10</li> <li>• Ongoing municipal services reduced by 10%</li> <li>• Positive health impacts</li> </ul>
<p><b>4. Establishment or Extension of Bike/Ped Infrastructure</b>  <i>The Center for Neighborhood Technology – Housing and Transportation Affordability Index</i></p>	<ul style="list-style-type: none"> <li>• Reduces costs of living by 10 to 20%</li> <li>• Increased value of property by +10%</li> <li>• Increased localized entrepreneurial activity</li> <li>• Positive health impacts</li> </ul>

# 1970s Death



TODAY'S DREAM >> TOMORROW'S REALITY  
**CAPE VISION 2040**



**Orion Planning + Design**

March 7, 2018 · 🌐

In this conception of a suburban retrofit, an obsolete mono-culture of sprawl is retrofitted as a mixed center of dwellings, employers, shopping and dining with pedestrian scale amenity and environmental restoration. It's an essential approach to restoring vitality in the corridor and is very achievable.

👍 🙄 😞 44

96 Comments 2 Shares

**Charles Marohn**  
March 8, 2018 · 🌐

Someone explain to my how this is in any way an improvement. If this is suburban retrofit, if this is the vision of the future for suburban America, count me out. Auto-village in a field surrounded by stroads. Not viable, not scaleable, not adaptable and not strong.



**Orion Planning + Design**  
March 7, 2018 · 🌐

In this conception of a suburban retrofit, an obsolete mono-culture of sprawl is retrofitted as a mixed center of dwellings, employers, shopping and dining with...  
See More

**Jordan Clark**



Like · Reply · 1y



**Alexander Charlie-Dobbs Dukes** It's better than what was there before. And you can only do so much without changing the laws drastically.

Like · Reply · 1y



**Edward W. Erfurt IV** How is this better? The only difference is the increase of auto-dependent uses. The only accomplishment is that they have built to The Stroad

Like · Reply · 1y



**Alexander Charlie-Dobbs Dukes** Edward W. Erfurt IV there is more value per acre and the parking lot is reduced in size.

You're not going to get everything in one go. Make improvements where you can, steadily build rapport with the community, and they'll eventually trust you to make big changes.

Like · Reply · 1y







**Marcus Wax** Incrementalism is core to the Strong Towns approach, no? So I'd ask is the retrofit original posted the first step or the last step? If it's the last step, all criticism is warranted, but if the project is indeed the first round of intensification, with more or come over a decade or two, what's so bad about it? If environments need to be built out over time to accommodate incremental change why does that not apply to a retrofit as well? As many posters noted, the stroad remains in place and really outside of a single developer's ability to deal with.



**Sean Hayford Oleary** Must everything be all or nothing? It is not a template for new development, but it is solidly improved as a retrofit. I don't see any reason to dump on developers or cities trying to do better.



Like · Reply · 1y

the twin pillars of infrastructure and land use. If you're already saddled with b... [See More](#)



Like · Reply · 1y



**Catherine Hartley** Yes I agree. The question would be whether or not the streets will be re-vamped at some point (to be streets and not stroads). And is there a population outside of that center that will walk there?



**Orion Planning + Design** What a great discussion. We appreciate it. At the moment under current local rules this retrofit example couldn't even occur because of parking requirements, set backs, lack of environmental controls and use limits. But the process of reversing more than a half century of development policy from sprawl and ever expanding "growth", exploring alternatives, and discussing the economic, social, and environmental implications with communities respectfully is very helpful. It is an incremental step towards making communities stronger and a step away from the problem. It even sets the stage for productive discussions among those who are not so local, but have a profound impact on the health and vibrancy of the community (e.g. DOT). Thanks for the discussion everyone. Chuck, call me if you would like to discuss further.



Like · Reply · 1y · Edited



**Charles Marohn** We should have you on the podcast to talk about this and the challenge of these kind of sites. Interested?



Like · Reply · 1y



**Orion Planning + Design** I'm in!



Like · Reply · 1y



**Strong Towns**

March 29, 2018 · 🌐

👍 Like Page

A couple weeks ago, Chuck Marohn shared an image on Facebook that sparked a contentious conversation. It was an illustration of a potential retrofit project, tu...

[See More](#)



STRONGTOWNS.ORG

**Suburban Redevelopment Requires Patience, Engagement and a Positive Attitude**



Carol Rhea Phillips, Allison Mouch and 9 others

2 Comments



## SUBURBAN REDEVELOPMENT REQUIRES PATIENCE, ENGAGEMENT AND A POSITIVE ATTITUDE

MARCH 29, 2018

BY [RACHEL QUEDNAU](#)

"When you're trying to work with the dynamic of change in a smaller community with a lower budget, it's different," says Barber. "It's one thing to produce stellar work in the very privileged places. It's another thing to facilitate the process of change in ordinary spaces throughout the country."

# Development Review as Economic Development

Michael Blue



- Lack of Understanding or Respect for the Process
- Development by Litigation
- Amending Unnecessary or Inappropriate Requirements
- Reliance on Last Minute Negotiations
- Lack of Internal Communications
- Lack of Positive Development Outcomes

**The Warning Signs.....**

**How do you know the process isn't firing on all cylinders?**

# The Charge.....

Development review must incorporate 3 themes:



Process must be **predictable** to the applicant, elected / appointed officials, other departments and the public.



Each step must **add value** to the process, the development and the community.



The process must ensure open and continuous **communication** to all involved

# Improving Development Review: Create Predictability

## Certainty v. Flexibility

- Municipalities want certainty
- Developers want flexibility

## Different Game for Little Guys

- Small, local businesses likely to be unfamiliar with process



# Improving Development Review: **Create Predictability**

- Conduct Commissioner Training
  - Ensure that volunteers understand roles and responsibilities
- Incorporate Community Plans
  - Use policy documents as guide for applicants
- Establish and Communicate Meeting Protocols
  - Have rules that establish sound meeting structures
  - Require and monitor commissioner attendance

# Improving Development Review: **Add Value**

- Review Steps Must Add Value
  - Be able to answer “why” about each step in the process
  - Not just “because the code says so” or “we’ve always done it that way”
- Limited Staff Resources
  - Small or reduced staffs have same obligations
  - Use 3rd party reviewers or part time staff

# Improving Development Review: Add Value

## Fewer Meetings v. Better Meetings

- Maintain process needed for public input and sound deliberation
- Consider opportunities for meeting elimination or consolidation

## Administrative Approval v. Commission Approval

- Consider value added by each commission review – communicate that value
- Replace common approvals with administrative standards

# Improving Development Review: **Communicate**

- Communicate Early and Often in the Process
  - Communicate Process and Expectations: No Surprises
  - Create points of contact with applicant (people and times)
  - Keep administration, elected & appointed officials informed
  - Be clear and direct with applicant
  - Be available for applicant questions

# Improving Development Review: Communicate

- Communicate Internally
  - Actively involve all staff from development related departments in approval process
  - Set regular meeting times
- Maintain Consistency Between Commissions
  - Manage opposing commission approvals
  - Logical order for review by multiple boards

**Questions**



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THANK YOU