TOWER DISTRICT SPECIFIC PLAN UPDATE

TARGETED REVITALIZATION STRATEGY

DECEMBER 12, 2023

TOWER DISTRICT
• SPECIFIC PLAN •

01

BACKGROUND

BACKGROUND

What We Have Heard

New Development

- Public library
- Grocery store with fresh food access
- More high density and mid density housing
- Reuse existing building for new uses
- 2-3 story buildings, 5 story buildings may be okay along Blackstone Ave
- Preserve the look and feel of Tower
- More parks and plazas
- More trees and shade on streets, parks and plazas
- Wider sidewalks along commercial corridors

Purpose of this Analysis

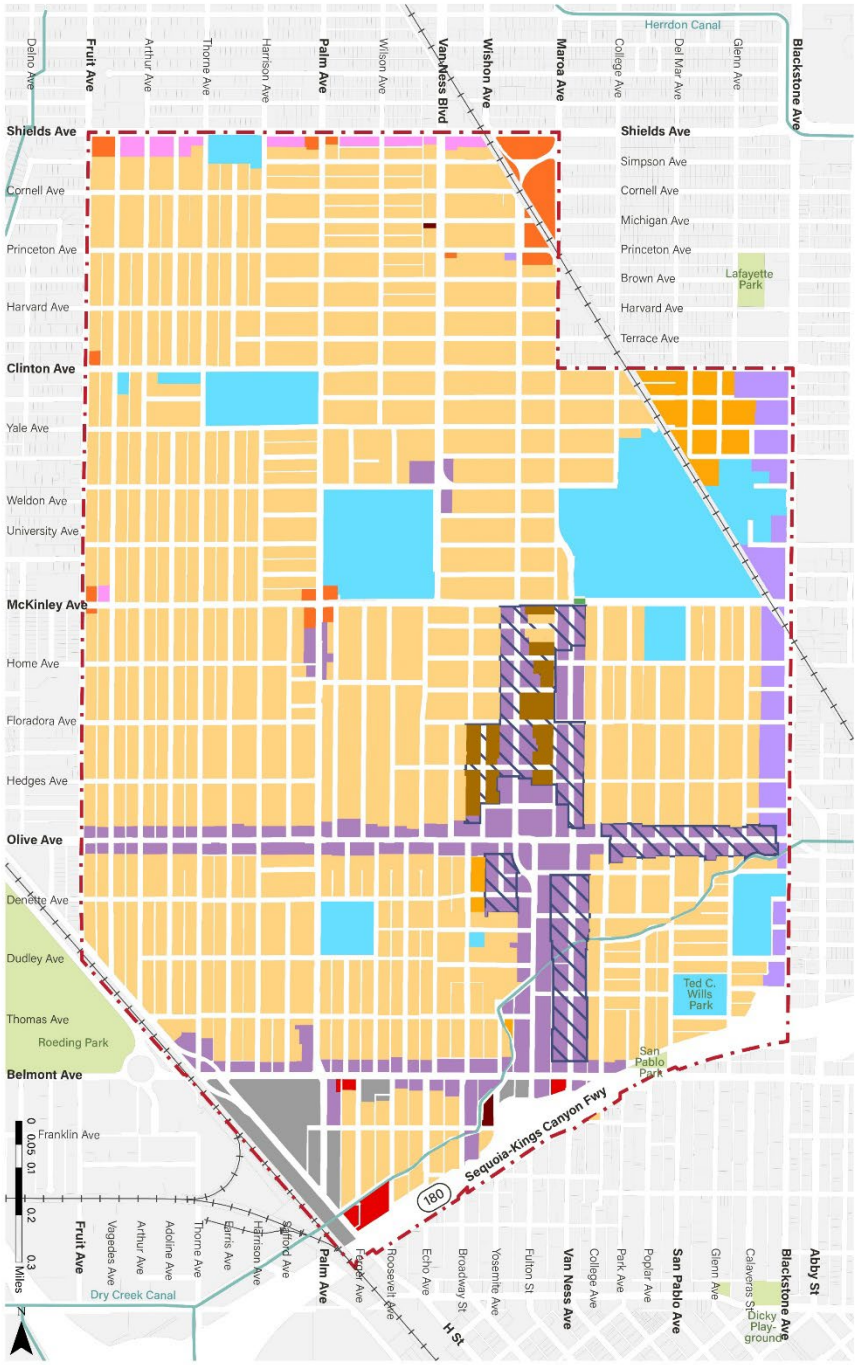
- Understand the economics of the current market for new development
- Use typical sites in the district to test a variety of development typologies
- Test fit community priorities on sample sites
    - Full scale grocery store
    - Small format grocery store
    - Public plazas and green space
- What can the Specific Plan and City do to increase development feasibility?

BACKGROUND

Zoning

Residential Single Family

Residential Multi-Family



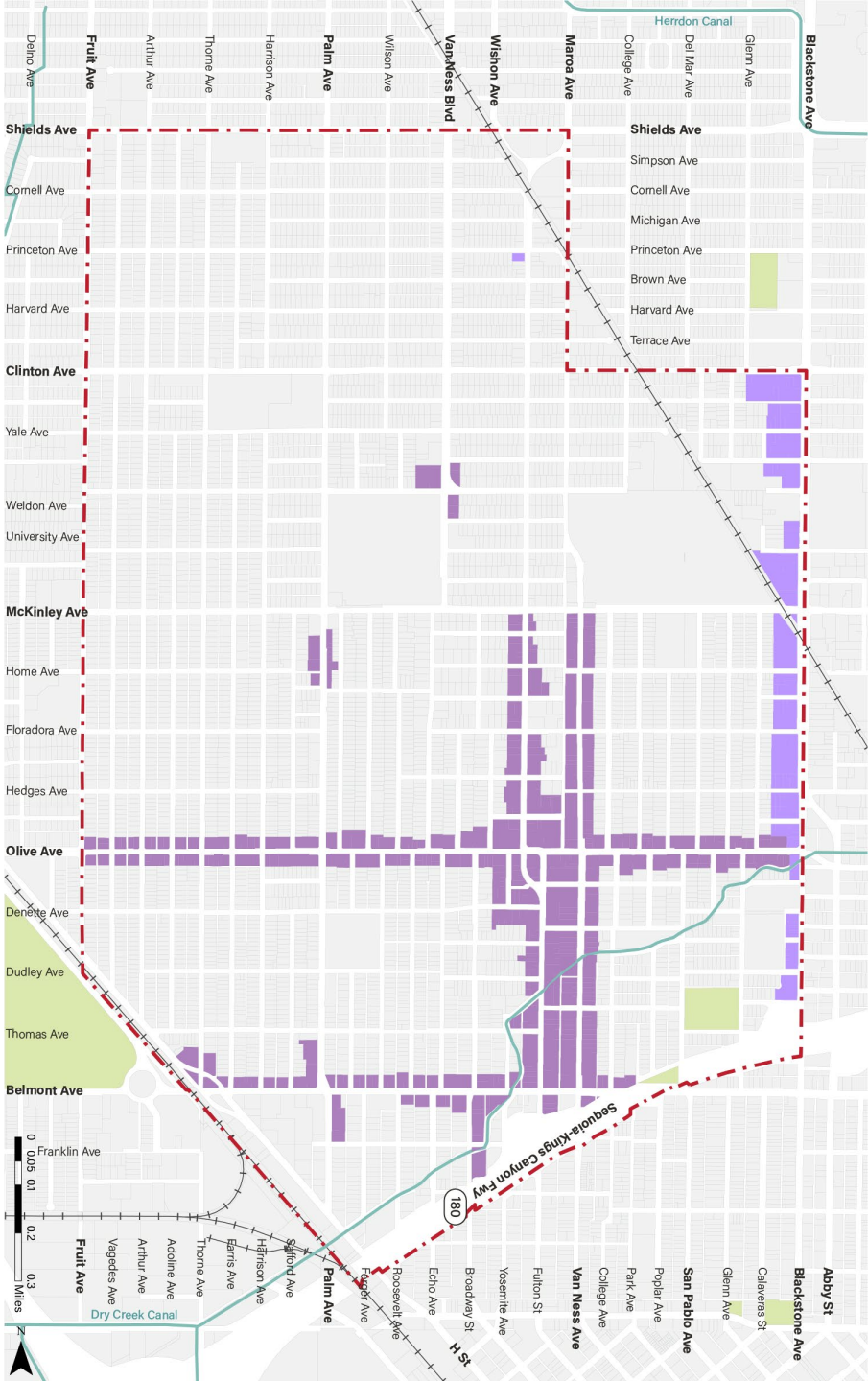
Commercial Main Street

- Project Boundary
- Public and Institutional
- Commercial Community
- Commercial General
- Commercial Main Street
- Light Industrial
- Office
- Neighborhood Mixed-Use
- Park and Recreation
- Residential Single-Family, Medium Density
- Residential Multi-Family, Medium Density
- Residential Multi-Family, Medium High Density
- Residential Multi-Family, High Density

BACKGROUND

Commercial Main Street (CMS) & Neighborhood Mixed Use Zones (NMX)

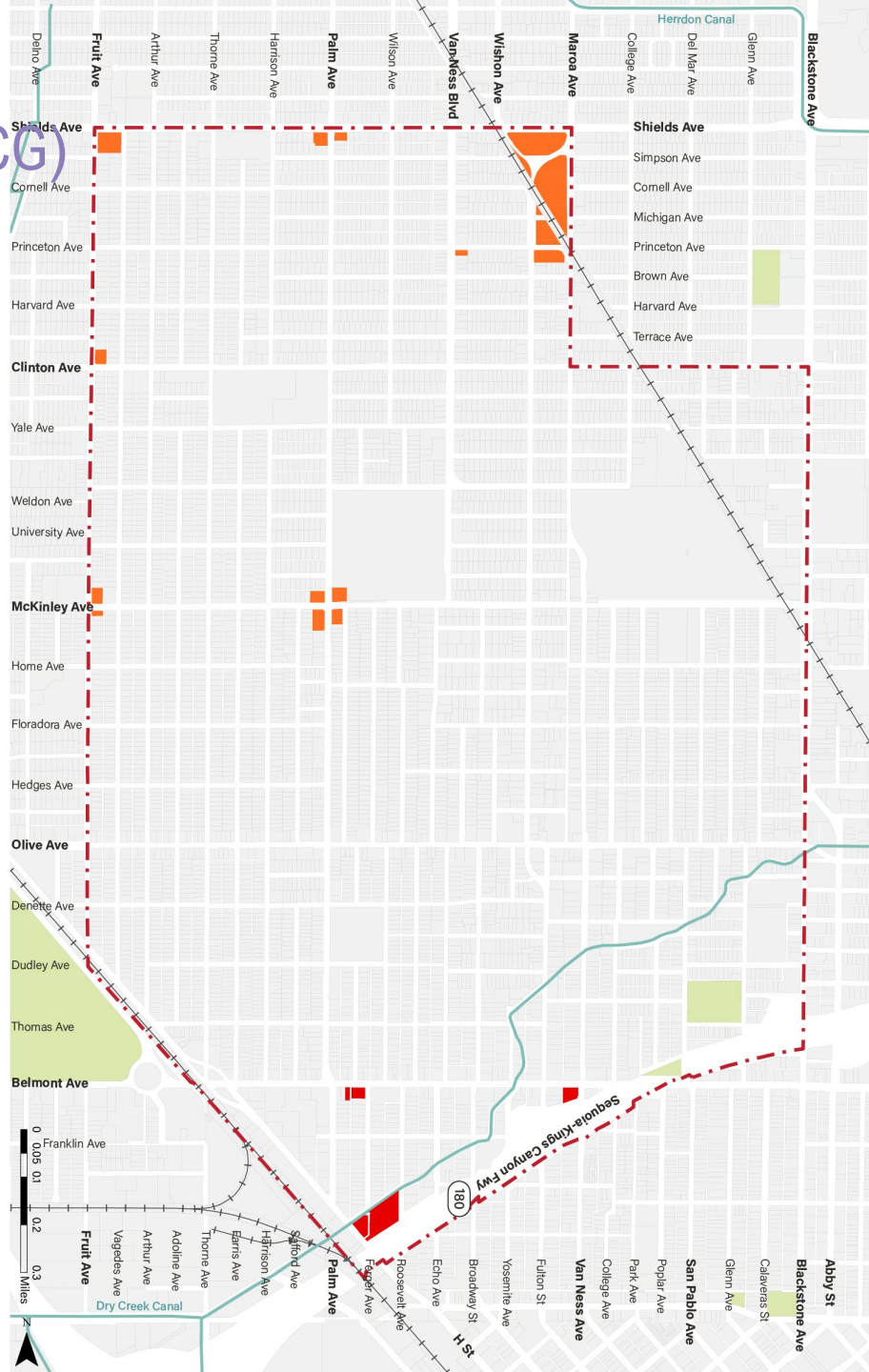
STANDARD		CMS	NMX
Height	*Maximum, in feet*	35	40
Density	*Maximum housing units per acre*	16	16
Floor Area Ratio	*Maximum*	1.0	1.5
Lot Coverage	*Maximum %*	100	100
Frontage Coverage	*Minimum %*	60	60
Sidewalk-Facing Entries	*Minimum per 100 feet of frontage*	0	1
Front Setback	*Minimum, in feet*	0	0
Parking Setback	*Minimum, in feet*	30	30
Parking, Residential	*Minimum spaces per residential unit*	0.75 - 1.5	0.75 - 1.5
Parking, Non-Residential	*Minimum space per 1,000 SF of floor area*	1 to 10	1.6



BACKGROUND

Commercial Community (CC) & Commercial General Zones (CG)

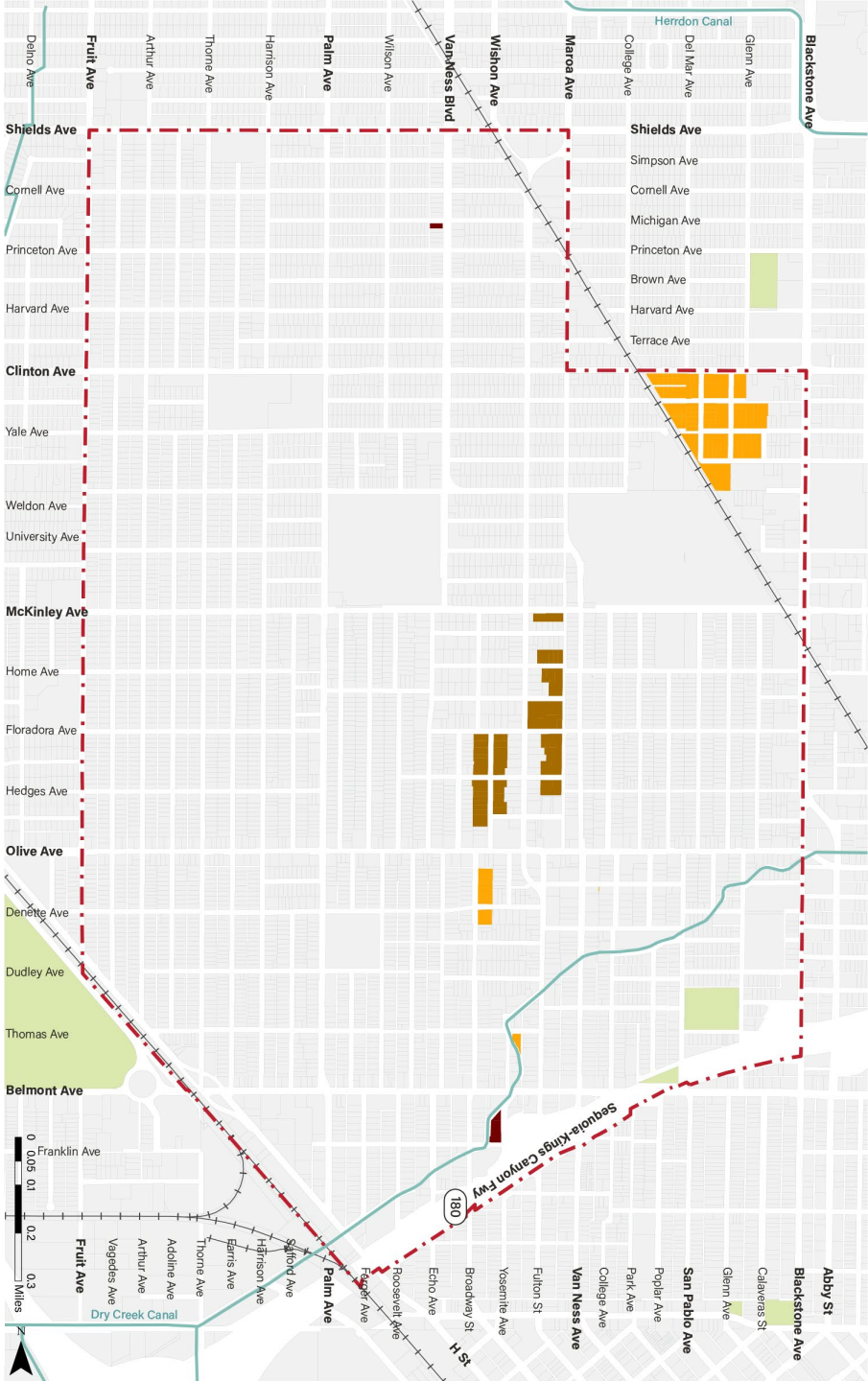
STANDARD		CC	CG
Height	*Maximum, in feet*	35	35
Density	*Maximum housing units per acre*	NA	NA
Floor Area Ratio	*Maximum*	1.0	2.0
Lot Coverage	*Maximum %*	100	100
Frontage Coverage	*Minimum %*	0	0
Sidewalk-Facing Entries	*Minimum per 100 feet of frontage*	0	0
Front Setback	*Minimum, in feet*	15	15
Parking Setback	*Minimum, in feet*	0	0
Parking, Residential	*Minimum spaces per residential unit*	NA	NA
Parking, Non-Residential	*Minimum space per 1,000 SF of floor area*	1 to 10	1 to 10



BACKGROUND

Residential Multi-Family Zones

STANDARD		RS-1	RS-2	RS-3
Height	*Maximum, in feet*	40	50	60
Density	*Maximum housing units per acre*	16	30	45
Floor Area Ratio	*Maximum*	NA	NA	NA
Lot Coverage	*Maximum %*	50	50	60
Frontage Coverage	*Minimum %*	50	50	50
Sidewalk-Facing Entries	*Minimum per 100 feet of frontage*	1	1	1
Front Setback	*Minimum, in feet*	10	10	10
Parking Setback	*Minimum, in feet*	30	30	30
Parking, Residential	*Minimum spaces per residential unit*	1 - 1.5	1 - 1.5	1 - 1.5
Parking, Non-Residential	*Minimum space per 1,000 SF of floor area*	NA	NA	NA



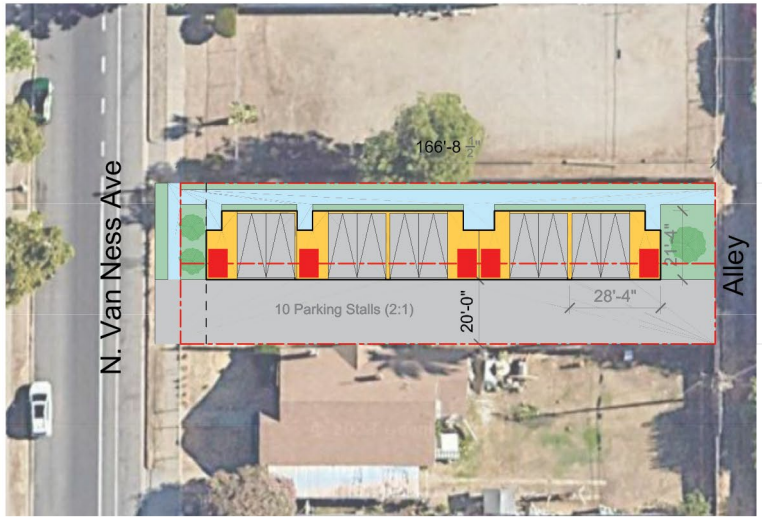
02

DEVELOPMENT PROTOTYPES

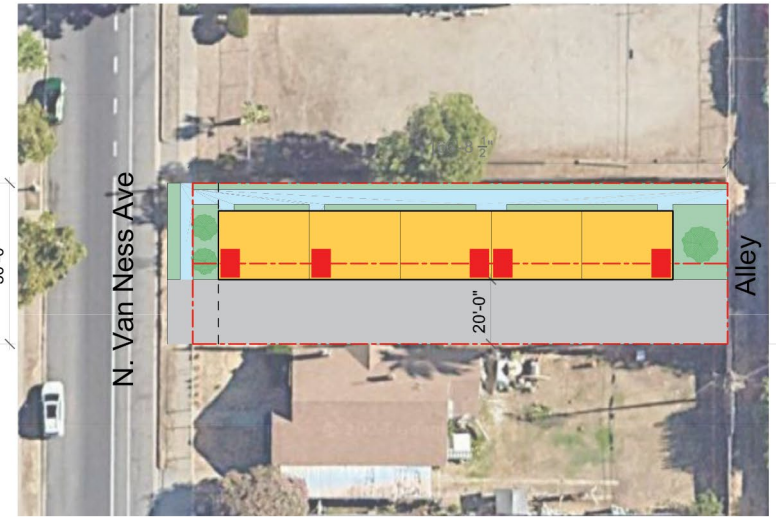
DEVELOPMENT PROTOTYPES

Site 1 - Option A – **Townhomes**

Site 1 - Option A – **CMS/RM-1**



Ground Floor



Second Floor

Third Floor

+ 5 Dwelling Units
+ 3 Stories
+ 10 Parking Spaces

- Property Line
- Landscape
- Parking
- Circulation
- Residential
- Commercial
- Stairs
- Amenity

DEVELOPMENT PROTOTYPES

Site 1 - Option B – **Bungalow Courts**

Site 1 - Option B – **CMS/RM-1**

Ground Floor

+ 10 Dwelling Units
+ 1 Story
+ 10 Parking Spaces

Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

DEVELOPMENT PROTOTYPES

Site 2 - **Walk-Up Apartments**

DEVELOPMENT PROTOTYPES

Site 2 - Option A – **CMS**

Ground Floor

Second Floor

Third Floor

- \+ 12 Dwelling Units
- \+ 3 Stories
- \+ 2,300 Commercial SF
- \+ 19 Parking Spaces

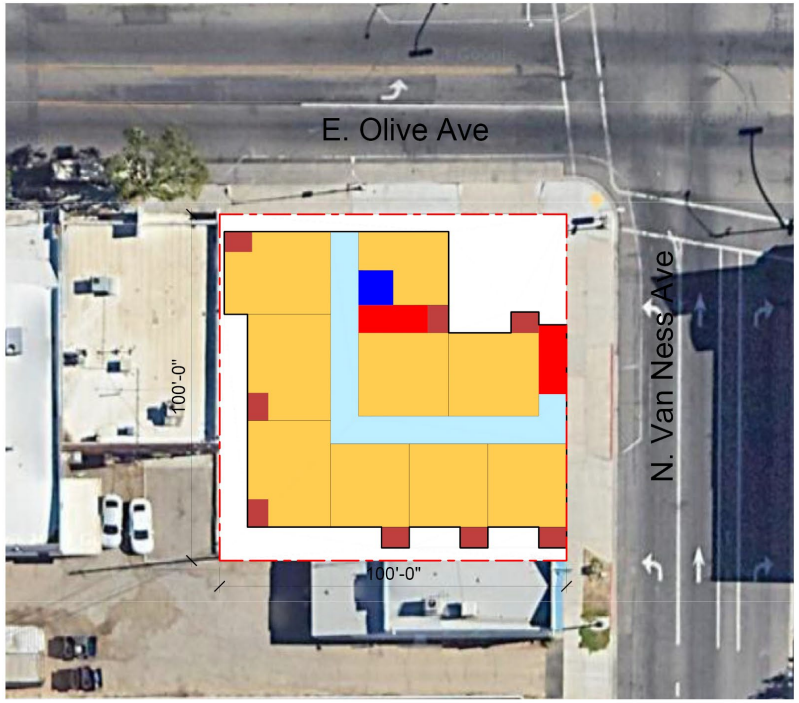
Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

DEVELOPMENT PROTOTYPES

Site 2 - Option B – **CMS**

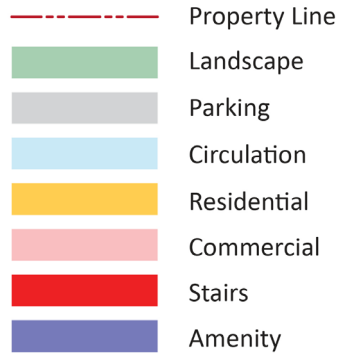
Ground Floor

Second Floor



Third Floor

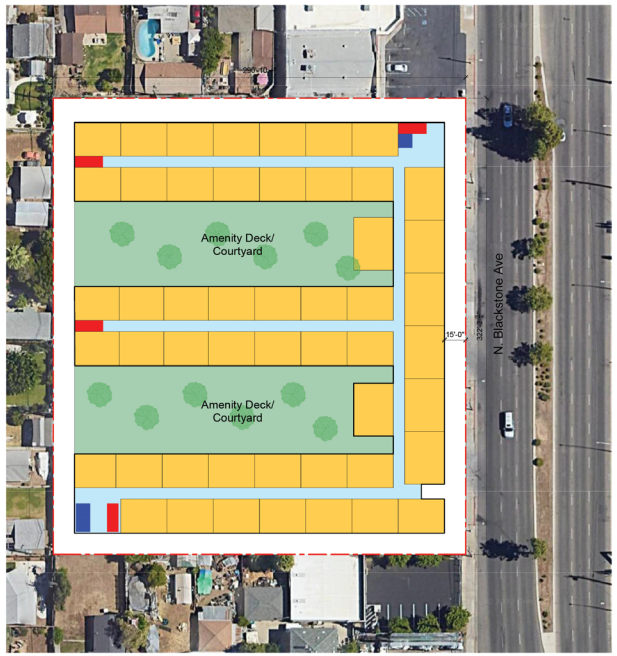
- \+ 18 Dwelling Units
- \+ 3 Stories
- \+ 2,100 Commercial SF
- \+ 19 Parking Spaces



Site 3 - Option A – **NMX**

Ground Floor

Second Floor



Third-Fifth Floors

- \+ 164 Dwelling Units
- \+ 5 Stories
- \+ 13,600 Commercial SF
- \+ 261 Parking Spaces

DEVELOPMENT PROTOTYPES

Site 3 - Option B – **NMX**

Ground Floor

Second Floor

+ 50 Dwelling Units
+ 2 Stories
+ 5,200 Commercial SF
+ 100 Parking Spaces

Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

Site 4 – **Apartments with Mixed-Use**

DEVELOPMENT PROTOTYPES

Site 4 - Option A – **CMS**

Ground -5 Floor

Ground/First Floor

Second-Fifth Floors

+ 111 Dwelling Units
+ 5 Stories
+ 8,500 Commercial SF
+ 137 Parking Spaces

Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

DEVELOPMENT PROTOTYPES

Site 4 - Option B – **CMS**

+ 15 Dwelling Units
+ 3 Stories
+ 8,600 Commercial SF
+ 66 Parking Spaces

- Property Line
- Landscape
- Parking
- Circulation
- Residential
- Commercial
- Stairs
- Amenity

DEVELOPMENT PROTOTYPES

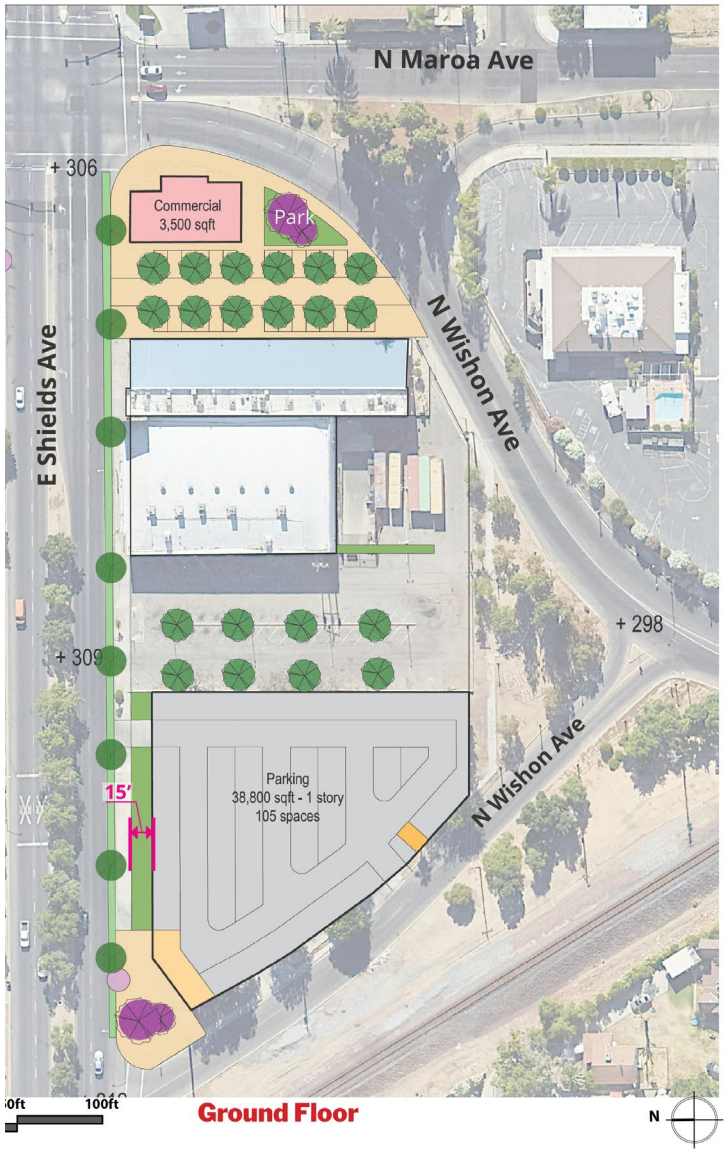
Site 5 - Option A – **CC**

- \+ 268 Dwelling Units
- \+ 5 Stories
- \+ 3,900 Commercial SF
- \+ 256 Parking Spaces

Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

DEVELOPMENT PROTOTYPES

Site 5 - Option B – **CC**



Ground Floor

Second-Fifth Floors

- \+ 113 Dwelling Units
- \+ 5 Stories
- \+ 29,500 Commercial SF
- \+ 196 Parking Spaces

Property Line
Landscape
Parking
Circulation
Residential
Commercial
Stairs
Amenity

03

ECONOMIC FEASIBILITY

Financial Feasibility Introduction

Pro Forma Analyses

- High-level static pro forma approach
- Evaluate the ability of each land use to absorb development costs at market-rate revenues solving for the residual land value (RLV)
- RLV = Models the revenues achieved by operating and/or selling a particular building to arrive at an estimated building value or "finished real estate value"

Analysis Revenues represent current Market Values for Development Types

Analysis Costs represent Optimistic Scenario

Costs Include:

- Site development
- Demolition of existing structures (if applicable)
- Building and parking costs (soft costs, building and development impact fees, financing, developer fee)

Costs Exclude:

- Any required offsite infrastructure
- Open space costs beyond basic site development
- Affordable housing

Feasibility Summary

Feasibility Conclusions

- For-sale **Townhomes** and **Bungalow Court** housing types appear to be feasible
- For-rent **apartment housing types** are currently infeasible
- Commercial retail is currently infeasible

Factors Affecting Feasibility

- For rental products tested, development costs are significantly higher than current market rate rents can support
- Structured parking costs contribute to infeasible findings but represent a small portion of overall costs

	Site 1: 732 N Van Ness Ave		Site 2: 1145 N Van Ness Ave		Site 3: 1349 N Blackstone Ave		Site 4: 706, 720, & 740 E Belmont Ave		Site 5: 740 & 820 E Shields Ave; 3111 Maroa	
	Option A	Option B	Option A	Option B	Option A	Option B	Option A	Option B	Option A	Option B
Item	Townhomes	Bungalow Court	3-story MU	3-story MU	5-story MU	Horizontal MU	5-story MU/Grocery	Horizontal MU/TH	Whole Site Redev / 5-story	Partial Phased / 5-story
RESIDUAL LAND VALUE	**$426,497**	**$590,045**	**($2,055,098)**	**($3,438,202)**	**($31,381,682)**	**($9,899,619)**	**($18,675,699)**	**($770,825)**	**($40,228,485)**	**($20,318,396)**
Per Sq. Ft. of Land	$51.17	$33.04	($205.51)	($343.82)	($334.81)	($105.62)	($387.40)	($15.99)	($322.91)	($163.09)
As a % of Revenue	22.3%	20.9%	(97.0%)	(122.2%)	(79.4%)	(88.0%)	(61.5%)	(9.7%)	(60.7%)	(59.5%)
FEASIBILITY FINDING	●	●	●	●	●	●	●	●	●	●

Source: WRT; CityThinkers; EPS.

Sensitivities and Factors

Sensitivity Analysis

- Reducing parking spaces by 50%
- Waiving estimated City development and building fees

Feasibility of Residential Building Prototypes (Excluding Commercial)

- For-sale product reflects feasibility
- Rents for the mixed-use apartment units would need to increase substantially