



Levy + Park Hill Conceptual Plans

North Little Rock

October 27, 2014

GATEWAYPLANNING
A VIALTA GROUP PARTNER



METROPLAN
SMART PLANNING MAKES SMART PLACES.



IMAGINE
CENTRAL
ARKANSAS
Plan Smart. Live Smart.



Presentation Overview

- Why Jump Start?
 - *Imagine Central Arkansas, Jump Start*
- What are the elements?
 - *Development, Economics & Policy*
- How does it get started?
 - *Setting the Strategies, Action Items and Performance Measures for successful implementation*

Why Jump Start?



“The United States was founded on a wide open landscape. Today, we find ourselves pioneers once again, but instead of westward expansion, our great riches will be found by capturing the enormous lost value trapped in our existing places.”

THE NEXT AMERICAN URBANISM

<http://transformplace.wordpress.com/the-next-american-urbanism/>

Jump Start and the Next American Urbanism

Jump Start Initiative will:

- **Implement the Imagine Central Arkansas' Regional 2040 Long Range Plan**
- **Focus on building local capacity to create positive and sustainable growth**
- **Build development patterns that promote local and sustainable market factors**
- **Harness and grow local funding** capacity to continue sustainable growth
- **Generate a framework and business model** describing how new development and redesigned infrastructure can generate long-term economic growth
- **Produce a replicable process** that can be utilized in similar contexts and grow the pie for neighboring communities

What are the elements?



“Sprawl development patterns are not the problem. [Developers are] merely responding to demand in the marketplace for separated and isolated land uses. But not everyone wants to live in that environment; even in the suburbs, many people want to live in walkable urban neighborhoods.”

THE NEXT AMERICAN URBANISM

<http://transformplace.wordpress.com/the-next-american-urbanism/>

The Golden Triangle of Sustainable Development

■ **Development**

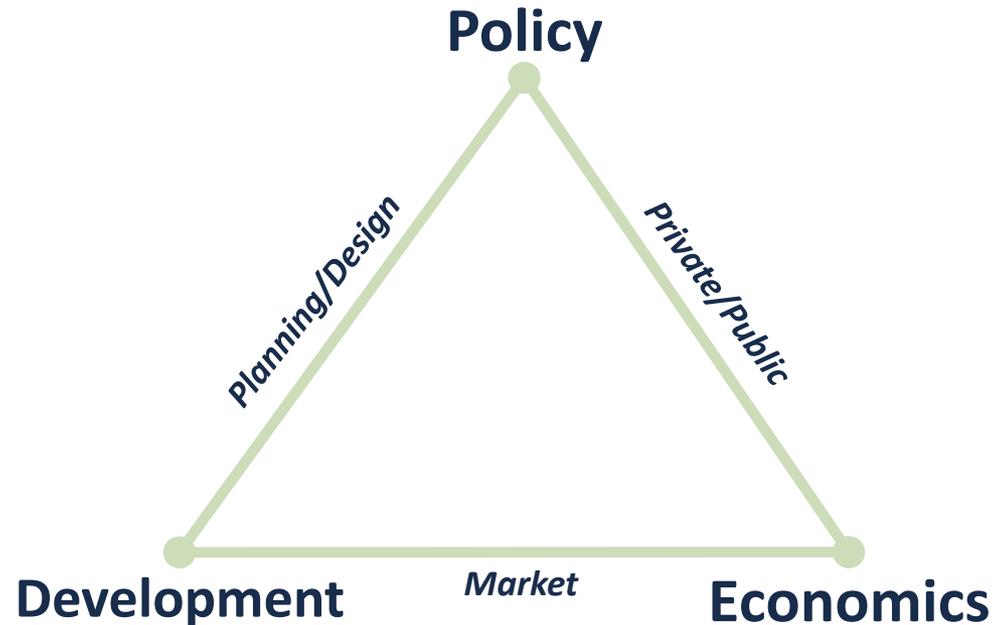
- Physical concepts
- Catalytic projects

■ **Economics**

- Feasibility analysis
- Return on investment
- Public private partnerships
(Chambers, local banks, Merchants Associations)

■ **Policy**

- Zoning and regulatory framework
- Improved decision-making and other processes
- Minimizing barriers



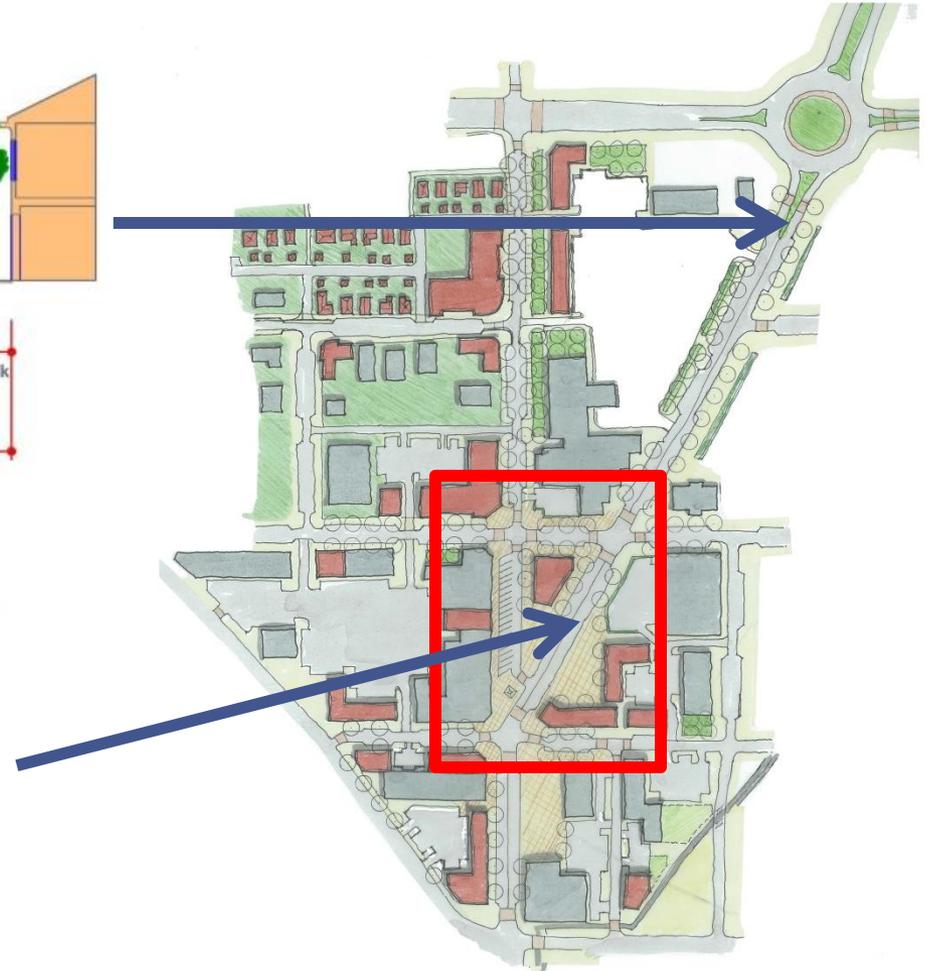
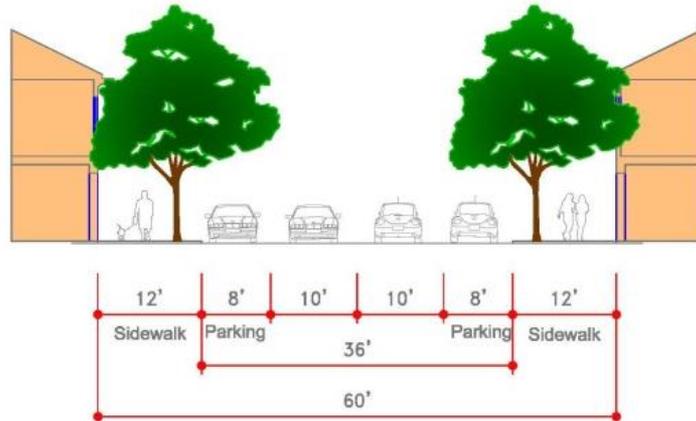
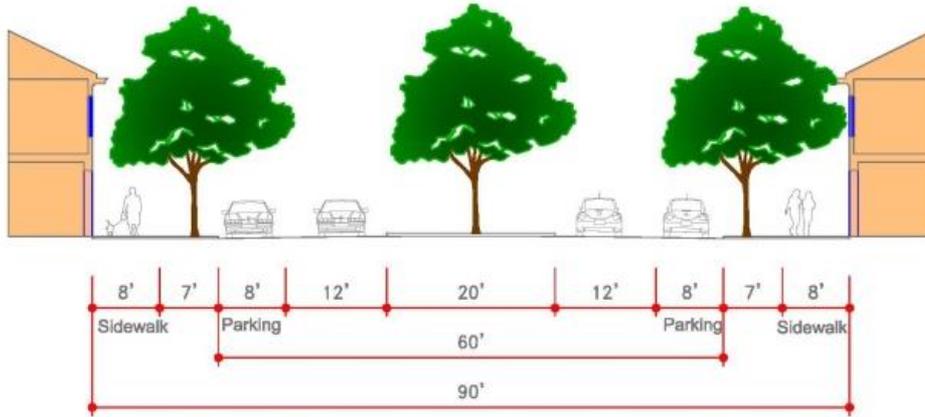
Development – Building the Vision

- Detailed media and public involvement plan
- Facilitator training
- Pre-Workshop Stakeholder meetings
- Visioning Workshop
- Walking audits
- Design workshop
- Concept public meeting
- Open Houses



WHAT ARE THE ELEMENTS?

Development – Levy Conceptual Plan



WHAT ARE THE ELEMENTS?

Development – Levy Conceptual Plan



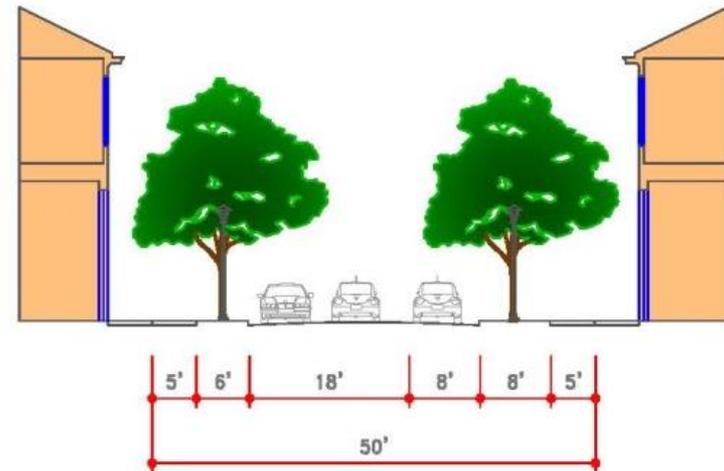
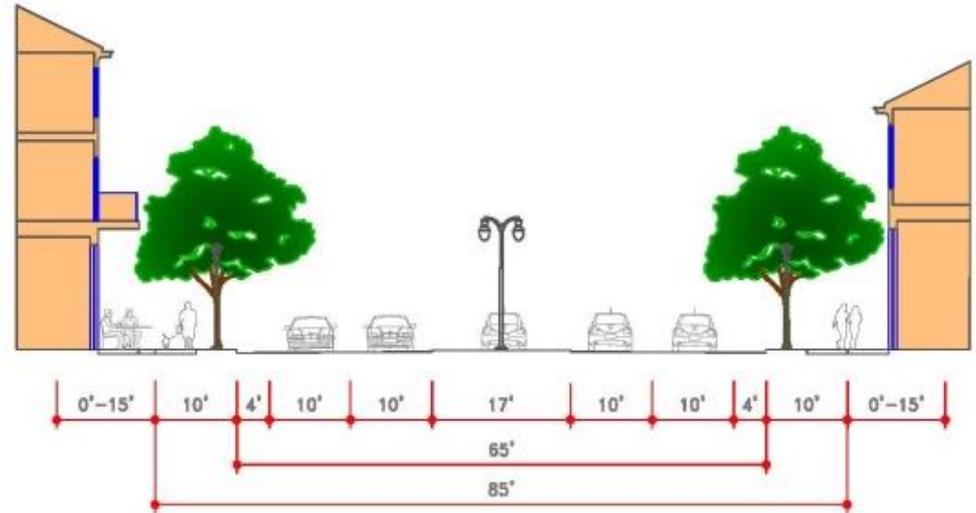
WHAT ARE THE ELEMENTS?

Development – Levy Conceptual Plan



WHAT ARE THE ELEMENTS?

Development – Park Hill Conceptual Plan



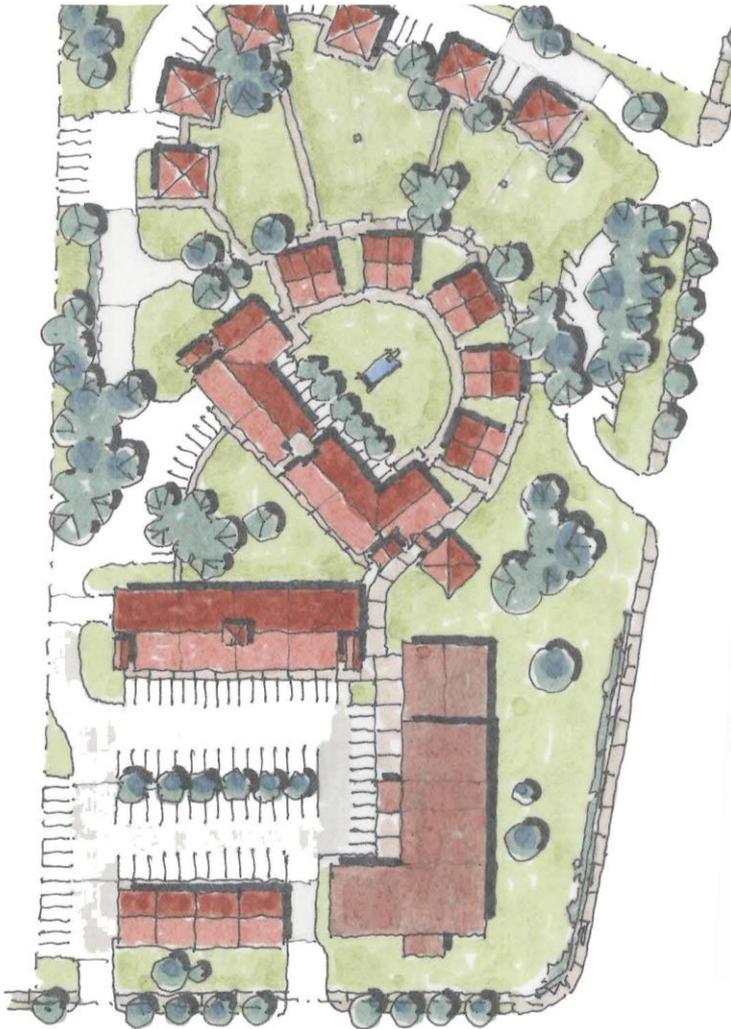
WHAT ARE THE ELEMENTS?

Development – Park Hill Conceptual Plan



WHAT ARE THE ELEMENTS?

Development – Park Hill Conceptual Plan



*Original Plan currently being refined to incorporate existing large format retail

WHAT ARE THE ELEMENTS?

Development – Park Hill Conceptual Plan



Economics – Levy Concept Test

Public Investment
necessary to catalyze
development



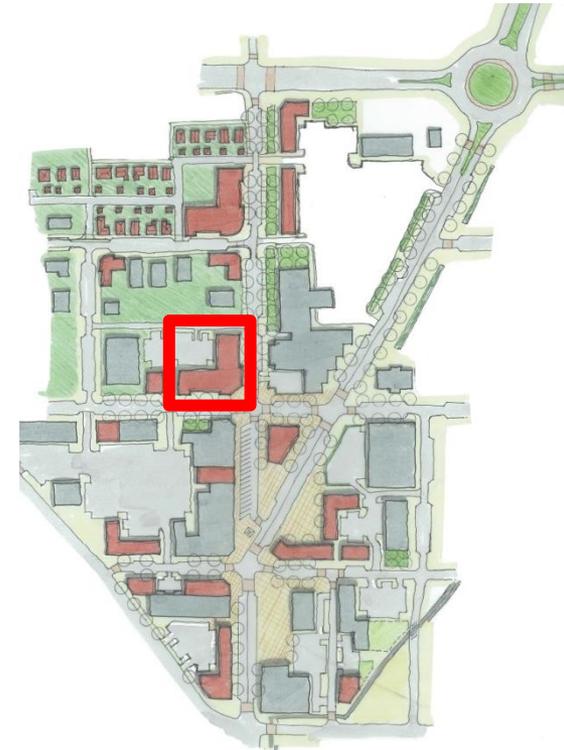
Private Investment
into a catalytic
development

**Public
Investment**
\$2,100,000



Private Development Potential – 1 Block

- 9,000 square feet of retail (3 restaurants at 3,000 square feet)
- 10,000 square feet of office (5 small business offices at 2,000 square feet)



WHAT ARE THE ELEMENTS?

Economics – Levy Concept Test

Private Pro Forma Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Net Operating Income															
Multi family	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
For-sale Housing	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Office/Commercial	\$-	\$132,119	\$136,537	\$140,892	\$145,184	\$149,410	\$153,568	\$158,582	\$162,598	\$168,394	\$173,186	\$177,900	\$183,459	\$188,935	\$194,325
Retail	\$-	\$103,065	\$105,771	\$108,437	\$111,062	\$114,507	\$117,046	\$119,541	\$122,853	\$126,119	\$129,336	\$132,505	\$135,623	\$138,690	\$142,567
Hotel	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Structured Parking	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total NOI	\$-	\$235,184	\$242,308	\$249,329	\$256,246	\$263,917	\$270,614	\$278,123	\$285,451	\$294,513	\$302,523	\$310,405	\$319,083	\$327,625	\$336,893

Development Costs															
Multi family	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
For-sale Housing	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Office/Commercial	\$1,355,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Retail	\$1,045,350	\$107,532	\$73,894	\$50,778	\$34,894	\$23,978	\$16,477	\$11,323	\$7,781	\$5,347	\$3,674	\$2,525	\$1,735	\$1,192	\$819
Hotel	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Structured Parking	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Other Infrastructure (1)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Development Costs	\$2,400,350	\$107,532	\$73,894	\$50,778	\$34,894	\$23,978	\$16,477	\$11,323	\$7,781	\$5,347	\$3,674	\$2,525	\$1,735	\$1,192	\$819

Annual Cash Flow																
Net Operating Income	\$-	\$235,184	\$242,308	\$249,329	\$256,246	\$263,917	\$270,614	\$278,123	\$285,451	\$294,513	\$302,523	\$310,405	\$319,083	\$327,625	\$336,893	
Total Asset Value@	10%														\$3,368,928	
Total Costs of Sale (2) @	5%														\$(168,446)	
Total Development Costs		\$(2,400,350)	\$(107,532)	\$(73,894)	\$(50,778)	\$(34,894)	\$(23,978)	\$(16,477)	\$(11,323)	\$(7,781)	\$(5,347)	\$(3,674)	\$(2,525)	\$(1,735)	\$(1,192)	\$(819)
Net Cash Flow		\$(2,400,350)	\$127,652	\$168,414	\$198,551	\$221,352	\$239,939	\$254,136	\$266,800	\$277,671	\$289,166	\$298,848	\$307,880	\$317,348	\$326,433	\$3,536,555

Net Present Value @ 10% \$169,861.2

Unleveraged 10.9% IRR:

(1) Other Infrastructure costs are not allocated among each of the uses. The project net present value is therefore less than the sum of the net present values for the individual uses.

Economics – Levy Concept Test

Public Return on Investment

Fiscal Impact										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Retail Sales	\$8,880,000	\$9,146,400	\$9,420,792	\$9,703,416	\$9,994,518	\$10,294,354	\$10,603,184	\$10,921,280	\$11,248,918	\$11,586,386
Property Value	\$5,397,400	\$4,848,622	\$8,667,481	\$8,927,505	\$9,195,330	\$9,471,190	\$9,755,326	\$10,047,986	\$10,349,425	\$10,659,908
Sales Tax	\$88,800.00	\$91,464	\$94,208	\$97,034	\$99,945	\$102,944	\$106,032	\$109,213	\$112,489	\$115,864
Ad Valorem	\$26,987.00	\$24,243	\$43,337	\$44,638	\$45,977	\$47,356	\$48,777	\$50,240	\$51,747	\$53,300
A&P Tax	\$39,960.00	\$41,158.80	\$42,393.56	\$43,665.37	\$44,975.33	\$46,324.59	\$47,714.33	\$49,145.76	\$50,620.13	\$52,138.74
Total	\$155,747	\$156,866	\$179,939	\$185,337	\$190,897	\$196,624	\$202,523	\$208,598	\$214,856	\$221,302

Return on Investment											
	Construction Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital Contribution	-\$2,100,000.00										
Net Cash Flow	-\$2,100,000.00	\$155,747	\$156,866	\$179,939	\$185,337	\$190,897	\$196,624	\$202,523	\$208,598	\$214,856	\$221,302
Net Cash Flow with Terminal Value	-\$2,100,000.00	\$155,747	\$156,866	\$179,939	\$185,337	\$190,897	\$196,624	\$202,523	\$208,598	\$214,856	\$6,702,293

Investment Performance	
IRR	18%
NPV	\$2,900,953
Payback Year	

Assumptions	
Fiscal Impact Growth (After Year 10)	0.025
Discount Rate	0.06

**Catalyzed mixed-use development
can return investment back
to the City over time**

Economics –Park Hill Concept Test

Public Investment
necessary to catalyze
development



Private Investment
into a catalytic
development

Public Investment
\$3,000,000



Private Net New Development Potential – Shopping Center

- 45 Apartment Units (850 square feet each)
- 14,000 square feet of retail
(3-4 restaurants at 3,000-4,000 square feet)
- 19,000 square feet of office
(10 small business offices at 2,000 square feet)



WHAT ARE THE ELEMENTS?

Economics –Park Hill Concept Test

Private Pro Forma Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Net Operating Income															
Multi family	\$-	\$341,697	\$351,948	\$362,506	\$373,382	\$384,583	\$396,120	\$408,004	\$420,244	\$432,852	\$445,837	\$459,212	\$472,989	\$487,178	\$501,794
For-sale Housing	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Office/Commercial	\$-	\$231,574	\$239,317	\$246,951	\$254,474	\$261,881	\$269,168	\$277,958	\$284,997	\$295,156	\$303,555	\$311,817	\$321,562	\$331,160	\$340,607
Retail	\$-	\$259,193	\$265,999	\$272,703	\$279,303	\$287,969	\$294,354	\$300,627	\$308,957	\$317,169	\$325,262	\$333,230	\$341,072	\$348,785	\$358,536
Hotel	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Structured Parking	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total NOI	\$-	\$832,464	\$857,264	\$882,161	\$907,159	\$934,433	\$959,643	\$986,589	\$1,014,198	\$1,045,177	\$1,074,654	\$1,104,260	\$1,135,623	\$1,167,123	\$1,200,937

Development Costs															
Multi family	\$4,830,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
For-sale Housing	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Office/Commercial	\$2,375,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Retail	\$2,628,900	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Hotel	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Structured Parking	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Other Infrastructure (1)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Development Costs	\$7,458,900	\$-													

Annual Cash Flow															
Net Operating Income	\$-	\$832,464	\$857,264	\$882,161	\$907,159	\$934,433	\$959,643	\$986,589	\$1,014,198	\$1,045,177	\$1,074,654	\$1,104,260	\$1,135,623	\$1,167,123	\$1,200,937
Total Asset Value@ 10%															\$12,009,368
Total Costs of Sale (2) @ 5%															\$ (600,468)
Total Development Costs	<u>\$(7,458,900)</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>							
Net Cash Flow	\$(7,458,900)	\$832,464	\$857,264	\$882,161	\$907,159	\$934,433	\$959,643	\$986,589	\$1,014,198	\$1,045,177	\$1,074,654	\$1,104,260	\$1,135,623	\$1,167,123	\$12,609,836

Net Present Value @ 10% \$2,413,782.4

Unleveraged IRR: 14.1%

WHAT ARE THE ELEMENTS?

Economics –Park Hill Concept Test

Public Return on Investment

Fiscal Impact										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Retail Sales	\$5,010,000	\$5,160,300	\$5,315,109	\$15,212,562	\$15,668,939	\$16,139,007	\$16,623,178	\$17,121,873	\$17,635,529	\$18,164,595
Property Value	\$6,118,500	\$13,220,455	\$13,617,069	\$24,358,431	\$25,089,184	\$25,841,859	\$26,617,115	\$27,415,628	\$28,238,097	\$29,085,240
Sales Tax	\$50,100.00	\$51,603	\$53,151	\$152,126	\$156,689	\$161,390	\$166,232	\$171,219	\$176,355	\$181,646
Ad Valorem	\$30,592.50	\$66,102	\$68,085	\$121,792	\$125,446	\$129,209	\$133,086	\$137,078	\$141,190	\$145,426
A&P	\$22,545.00	\$23,221.35	\$23,917.99	\$68,456.53	\$70,510.23	\$72,625.53	\$74,804.30	\$77,048.43	\$79,359.88	\$81,740.68
Total	\$103,238	\$140,927	\$145,154	\$342,374	\$352,646	\$363,225	\$374,122	\$385,345	\$396,906	\$408,813

Return on Investment											
	Construction Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital Contribution	-\$3,000,000.00										
Net Cash Flow	-\$3,000,000.00	\$103,238	\$140,927	\$145,154	\$342,374	\$352,646	\$363,225	\$374,122	\$385,345	\$396,906	\$408,813
Net Cash Flow with Terminal Value	-\$3,000,000.00	\$103,238	\$140,927	\$145,154	\$342,374	\$352,646	\$363,225	\$374,122	\$385,345	\$396,906	\$12,381,188

Investment Performance	
IRR	20%
NPV	\$5,774,563
Payback Year	

Assumptions	
Fiscal Impact Growth (After Year 10)	0.025
Discount Rate	0.06

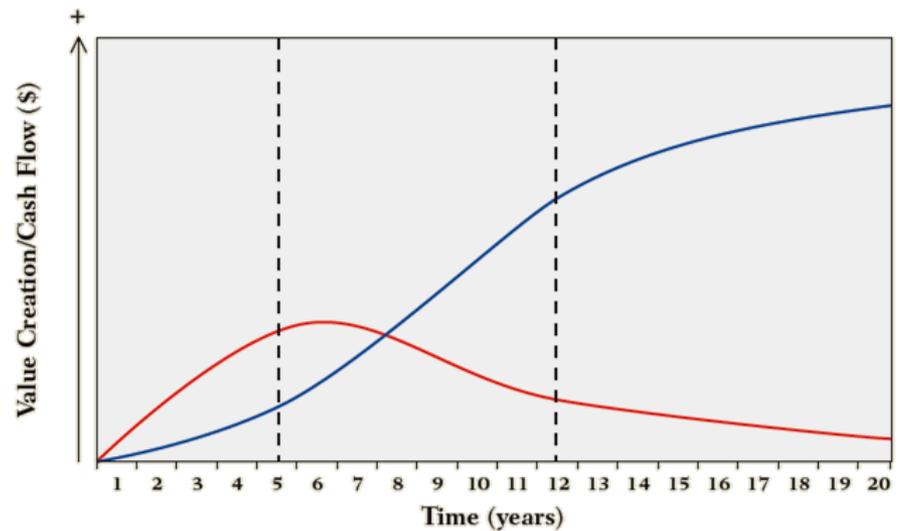
Catalyzed mixed-use development can return investment back to the City over time

Policy – Setting up the Zoning

Key Zoning Policy Attributes:

- Focus on the **Form and Placemaking** attributes for zoning
- Successful zoning will create **flexibility for developers**, but establish **predictability for the community**
- **Sustaining value is a key outcome**
- **Be realistic about the market** and what development can sustain

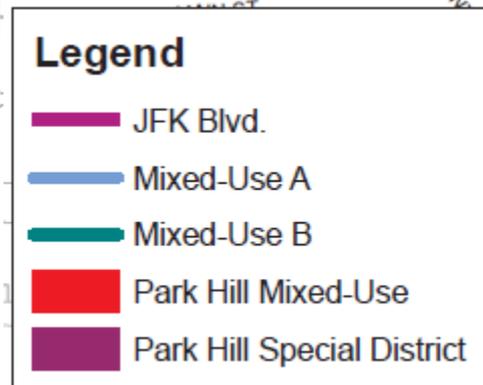
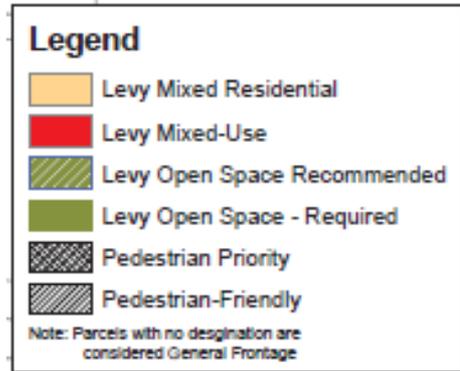
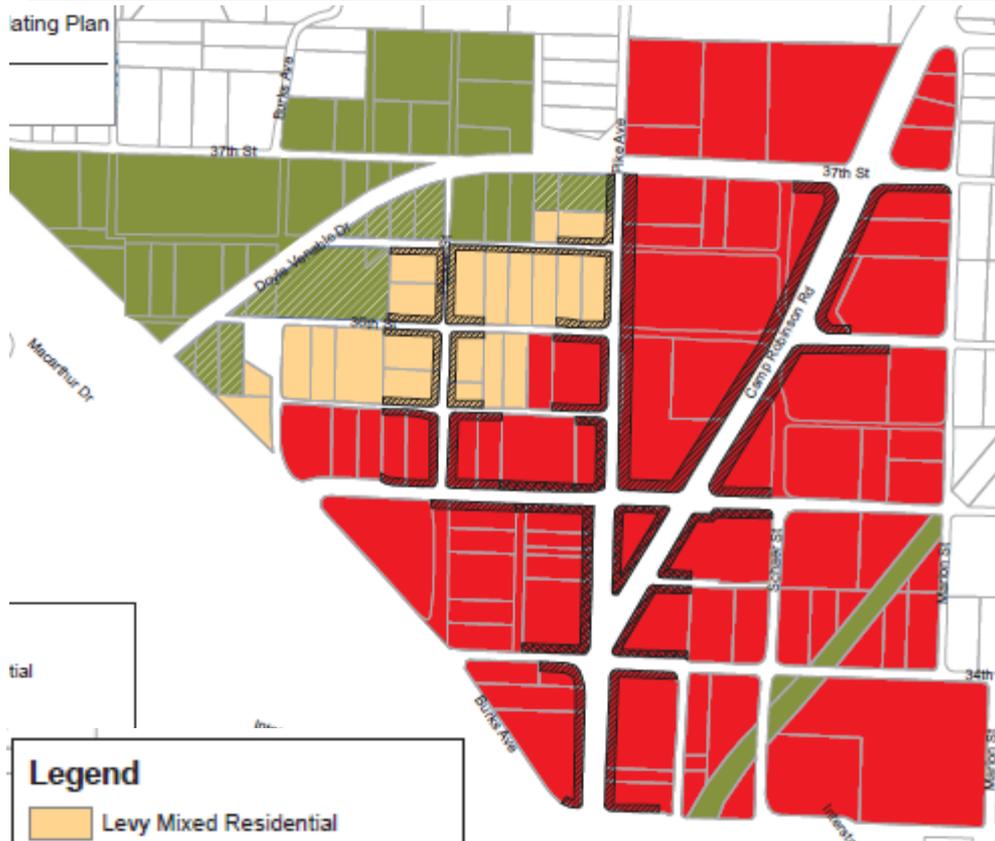
Financial Characteristics of Downtowns with Critical Mass (Blue) versus Suburban Development (Red)



Source: Christopher B. Leinberger, Arcadia Land Co. and Robert Charles Lesser & Co.

WHAT ARE THE ELEMENTS?

Policy - Proposed Zoning



Policy - Elements of the Zoning

Structure of the Code

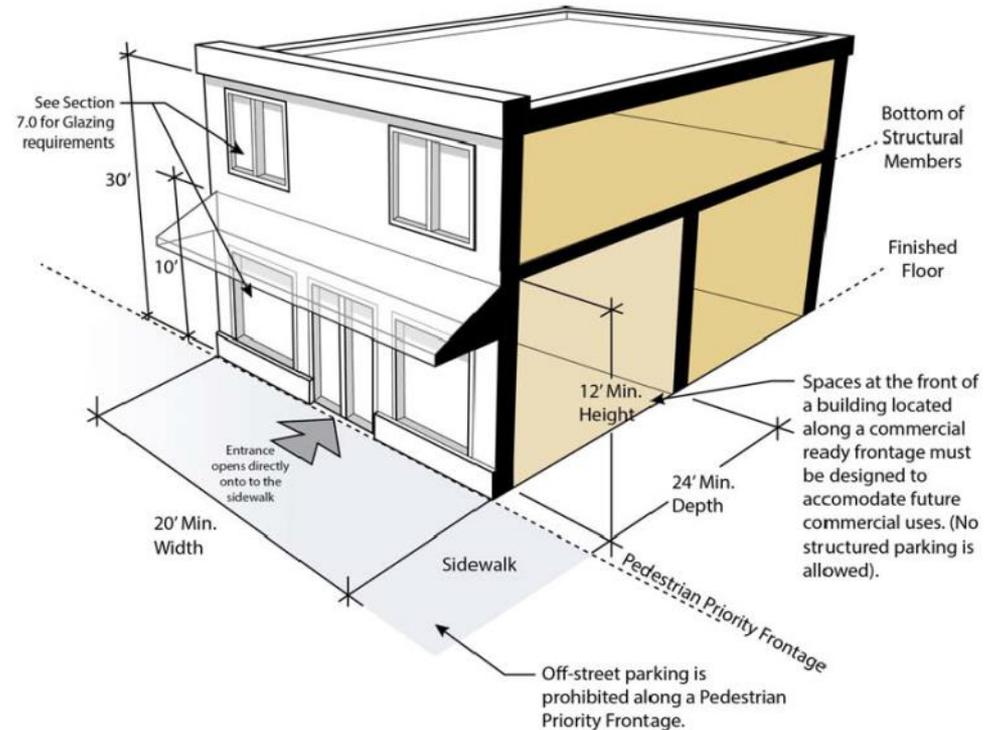
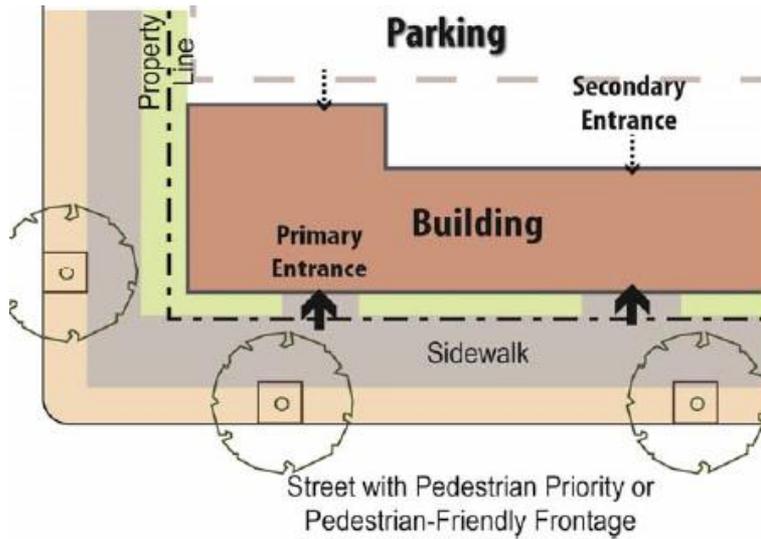
- Introduction
- Base Zoning
- Components of the Code
- Administration
- Definitions

Design and Development

- Building and Site Development Standards
- Building Design
- Street Design
- Streetscape / Landscape
- Open Space Standards

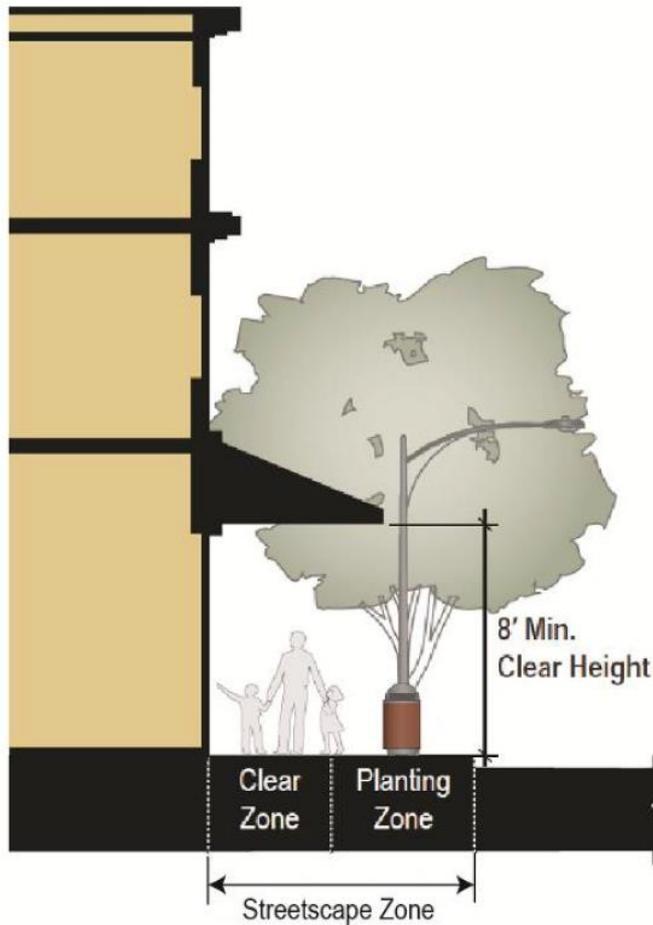
Policy – Zoning Key Concepts

Utilizes diagrams to explain intent



Policy – Zoning Key Concepts

Focus on the relationship between the public and private realm



Policy – Zoning Key Concepts

Embeds the key design elements through metrics

Façade Frontage Type →	Pedestrian Priority Frontage	Pedestrian Friendly	General Frontage
Commercial Use or Mixed Use Buildings			
Ground Floor	40% (min.)	25% (min.)	None req'd
Upper Floor(s)	25% (min.)	15% min)	None req'd
Residential Use Buildings			
Ground Floor	25% (m		
Upper Floor(s)	15% (m		



Policy – Public Policy Alignment

■ Infrastructure

- Complete Streets – policies and design guidelines
- Green Infrastructure Features
- Safe Routes to Schools
- Arkansas Highway and Transportation Department (DOT) Standards

■ Housing

- Housing diversity
- Coordinating different funds (CDBG, HOME, LIHTC, etc.)

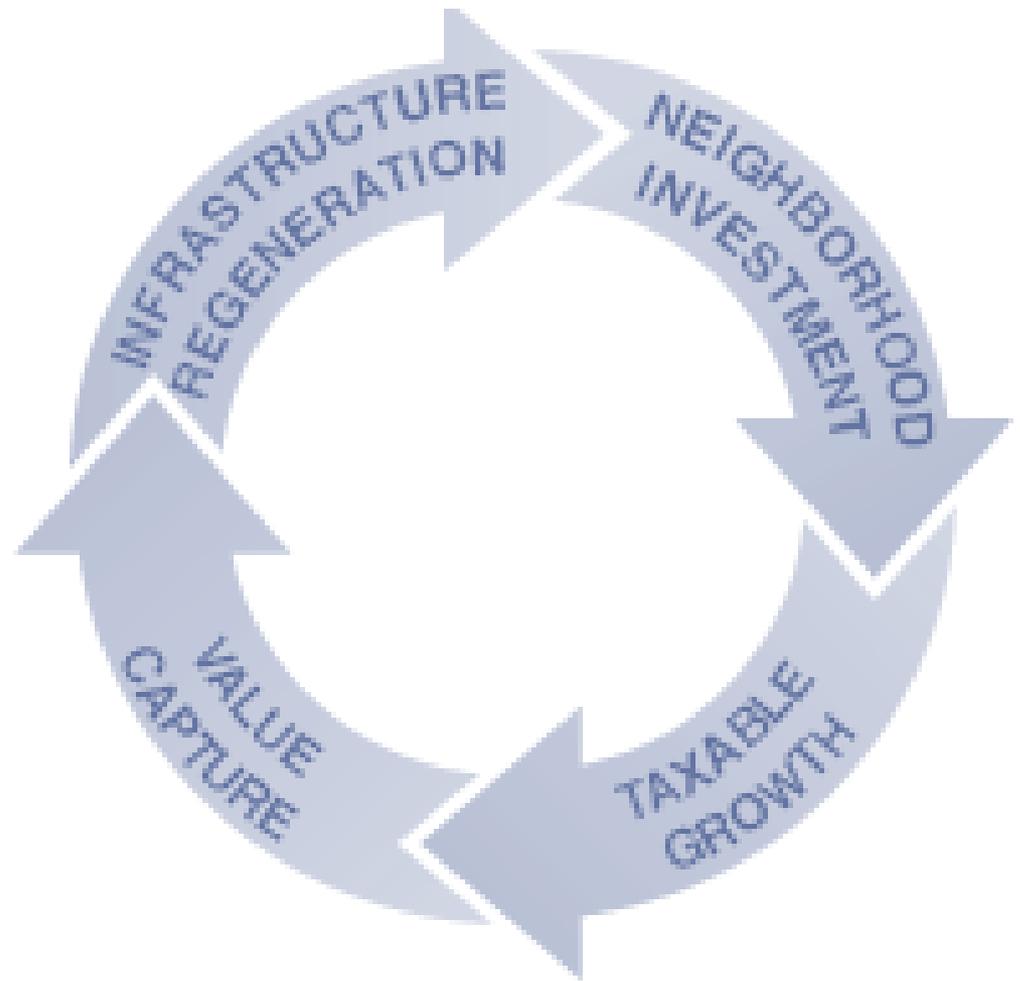
■ Public/Private Partnerships

- Joint Development opportunities
- Gap financing/Loan Guarantees
- Façade and Building Enhancement Programs
- Merchants Associations

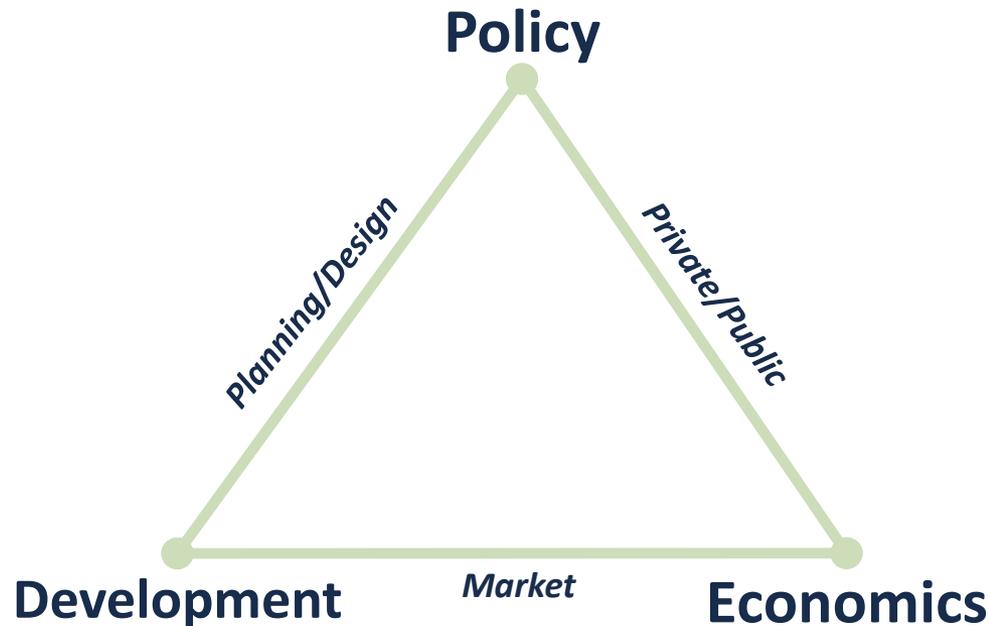
Build up and
maintain your
**Implementation
Coalition**

Align policies to implement the Virtuous Cycle

With a conscious effort to align our implementation and redevelopment efforts with this **Virtuous Cycle of Reinvestment**, sustainable economies will thrive.



How does it get started?



“In order to affect change in the way the built environment is created, one must first understand the relationships that exist between the governing elements that control how the built environment comes together.”

Michael Hathorne

<http://transformplace.wordpress.com>

PLANNING AND DESIGN – Adopting Key Policies and Plans

The first steps are challenging, but the most important:

- **Adopt the Zoning and Implementation Plans**
- Write and enact city-wide legislative policies that will **guide sustainable development**
- **Create relationships** with key local, regional and federal groups that will help source funding
- Focus on one area to make it completely successful, then move on to adjacent areas, **grow the pie incrementally**
- **Ultimately: TRACK PERFORMANCE**

PLANNING AND DESIGN – Performance Measures (PM)

PM Framework

- Customized framework for each plan
- Connects federal (FSI), regional, and project goals
- Implementation strategies connected to performance measures
- Variety of output and outcome measures

OUTPUTS	VS.	OUTCOMES
<p>Local government's ability to influence is greater</p> <p><i>Examples:</i></p> <ul style="list-style-type: none">• Adoption of the mandatory form-based code• Creation of a loan guarantee program		<p>Reflects completion of investments and on-the-ground changes</p> <p><i>Examples:</i></p> <ul style="list-style-type: none">• Amount of private investment in mixed use development• Change in mode share

PLANNING AND DESIGN – Example: Transportation PMs

Federal Flagship Sustainability Indicators (FSIs)	Central Arkansas Livability Index Indicators (Metroplan)	Project-Level Performance Measures – Outputs	Supported Regional Outcome <small>* Can also be measured at project Level</small>
<ul style="list-style-type: none"> Percentage of workers commuting via walking, biking, transit, or rideshare 	<ul style="list-style-type: none"> Average VMT per capita Average WalkScore Percentage of population near (0.5 mile) a bike route Number of roadway fatalities per 100,000 residents Miles of paved trails per 100,000 residents 	<ul style="list-style-type: none"> Implementation of a SRTS pilot program Enactment of a Complete Streets ordinance Percentage of projects that incorporate complete streets features Number of walk- or bike-to school events held 	<ul style="list-style-type: none"> *Higher percentage of workers commuting via bike/ped/transit *Higher average WalkScore Lower average daily VMT per capita *Decrease in number of roadway fatalities *<i>Local only</i>: Increase in number of miles of biking facilities in project area

PUBLIC/PRIVATE PARTNERSHIPS – Local Investment First

Key strategies to activating a place:

- Look **local first**
- Align the plan and the policy to **reflect reality** - get local, experienced developer buy-in
- **Don't expect a "silver bullet" option**, synergy between all parts is necessary for success in any development
- **Start small and build momentum**
- **Don't discount any option**, thoroughly test it before you dismiss it

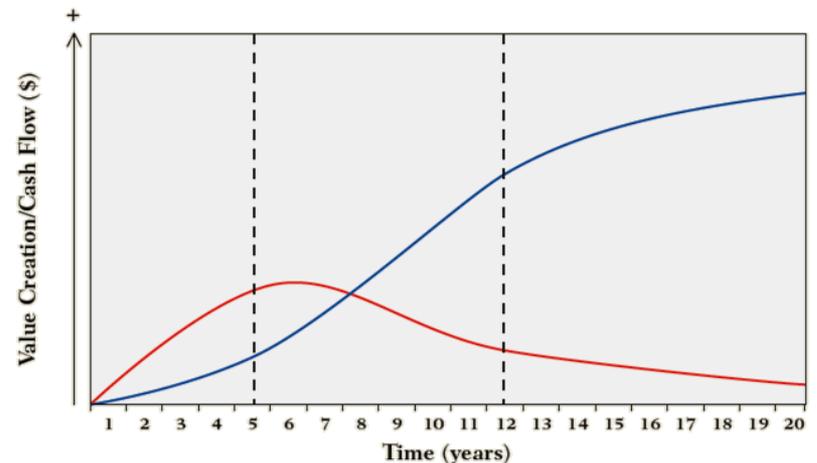
PUBLIC/PRIVATE PARTNERSHIPS – Public Investment

City needs to make business-like decisions

- Conduct due diligence process before investment is made in a project
 - Check **references**
 - Ask for **pro-forma** analysis
 - Expect a reasonable **return on investment**
 - Prepare a **business plan** for every investment made and an exit strategy in case of failure
- Stay on track for value creation and the Virtuous Cycle of Reinvestment



Financial Characteristics of Downtowns with Critical Mass (Blue) versus Suburban Development (Red)



Source: Christopher B. Leinberger, Arcadia Land Co. and Robert Charles Lesser & Co.

MARKET – Build Partnerships

Strategic Partners are already in your town:

- **Local banks will support local development, if the City does too!**
 - Local infrastructure investment
 - City gap financing
 - City good-faith and credit support for loan guarantees

- **Cities need regional support:**
 - Work with Metroplan and learn how they can help you
 - Help apply for state and federal funding
 - Potential to assemble JS projects to create a greater impact in the region

MARKET – Build on the local market

**Don't focus on what you don't have;
focus instead on what you do have!**

- **All planning processes should have market assessments**
 - Find the base absorption with the understanding that place builds greater markets for the area
 - Find your local anchors and support their success
 - Focus on placemaking where it makes sense for Market Drivers

Next Steps and Discussion

- Submittal of Final Zoning Package and Implementation Action Plan
- Implementation Training with project leads
- **Adoption, Activation and Implementation!**

- Additional Comments or Questions:

- LEVY: Robert Voyles, City of North Little Rock

Email: RVoyles@nlr.ar.gov

Phone: (501) 975-8834

- PARK HILL: Bernadette Gunn Rhodes, North Little Rock Fit2Live Coordinator

Email: Brhodes@nlr.ar.gov

Phone: (501) 975-8777



More Info: www.imaginecentralarkansas.org
www.tinyurl.com/jumpstartnlr