Redeveloping the East End – Catalysts for Sustainable Transitions

HARRISBURG LIVING INITIATIVE
Redeveloping the East End – Catalysts for Sustainable Transitions

Sponsors

- Buffalo Bayou Partnership
- Greater East End Management District
- Lovett Commercial
- Metropolitan Transit Authority of Harris County
- New Hope Housing,
- Harris County Precinct 2
Redeveloping the East End – Catalysts for Sustainable Transitions

Panel Chair
Gary Altergott – Morris Architects

Panelists
Bart Barrett – Wood Partners
Justin Boyar – HFF
Bill Fulton – Kinder Institute
Ron Lindsey – RDL Associates
Eta Paransky – EP Consultants
Abbey Roberson – HOK
Sherry Weesner – Scenic Houston

Writer
Kyle Shelton – Kinder Institute

Presentation Assistant
Oliver Sanchez – Tramonte + Johnson
# Redeveloping the East End – Catalysts for Sustainable Transitions

## Stakeholder Participants

### BUSINESS OWNERS
- Joe Meppelink
- Frances Dyess
- Jonathan Grenader
- Craig Rohden

### GOVERNMENT OFFICIALS
- Andy Icken
- Geoff Carleton
- Jennifer Ostlind
- Cheney Mireles
- Karla Cisneros
- Rep. Carol Alvarado

### NEIGHBORHOOD STAKEHOLDERS
- Juan Hernandez
- Albert Martinez
- Rafael Acosta
- Eric Ibarra
- Elvira Gomez
- Guadalupe Salinas
- Juanita Martinez
- Alexis Martinez

### INSTITUTIONAL STAKEHOLDERS
- Dr. Irene Porcarello
- Anton Sinkewich
- Nory Angel
- Rick Garcia
- Ernesto Maldonado
- Diane Barber
- Ernesto Maldonado
- Jack Massing
- Michael Galbreath

### NEIGHBORHOOD RESIDENTS
- Bolivar Fraga
- John Jacob
- Steve Parker
- Karen Niemeier
- Mary Margaret Hansen
- Anne Whitlock
- Carla Hulsey
- Jessica Hulsey
- Melissa Noriega
- Sylvia Medina

### AFFORDABLE/WORKFORCE INVESTORS/FINANCE EXPERTS
- St. Apts
- Lance Gilliam
- Mack Fowler
- Chris Akbari
- Robert Fiederlein
- Jim Noteware

### COMMERCIAL DEVELOPERS
- Tony Padua
- Stephen Pheigaru
- Alan Atkinson
- Mark and Peter Licata
- Erin Dyer
- Frank Liu
- Taryn Sims

### MARKET RATE INVESTORS/FINANCE EXPERTS
- Jonathan Brinsden
- Laurie Baker
- Ben Johnson
- Ray Miller

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ULI Houston | Technical Assistance Panel
Harrisburg Living Initiative
OVERVIEW

BACKGROUND:

THE URBAN LAND INSTITUTE, A NON-PROFIT ORGANIZATION THAT PROMOTES LEADERSHIP IN THE RESPONSIBLE USE OF LAND AND IN BUILDING THRIVING COMMUNITIES, HAS BEEN INVITED TO CONDUCT A TECHNICAL ASSISTANCE PROGRAM. THROUGH LOCAL TECHNICAL ASSISTANCE PANELS, TEAMS OF ULI MEMBERS VOLUNTEER THEIR TIME AND EXPERTISE TO GIVE OBJECTIVE AND INDEPENDENT ASSESSMENT AND MAKE RECOMMENDATIONS ON AN ARRAY OF LAND USE CHALLENGES – FROM NEIGHBORHOOD AND DOWNTOWN REVITALIZATION TO ECONOMIC DEVELOPMENT AND DISASTER RESPONSE
OVERVIEW

WHO IS THE SPONSOR:

A COALITION OF PUBLIC AND PRIVATE, NON-PROFIT AND FOR-PROFIT ORGANIZATIONS. THE PUBLIC PROCESS IS OPEN TO ALL WHO ARE INTERESTED IN PARTICIPATING. THE PURPOSE OF THIS DISCUSSION WITH STAKEHOLDERS IS TO GIVE THE PANELISTS INSIGHT INTO SPECIFIC QUESTIONS IN ORDER TO DEVELOP PRACTICAL RECOMMENDATIONS.
PANEL ASSIGNMENT

TO RECOMMEND MEASURES THAT CAN CATALYZE MORE COHESIVE REDEVELOPMENT THAT INCLUDES HOUSING TO SERVE A RANGE OF INCOMES AND OTHER SERVICES WITHIN THE DESIGNATED STUDY AREA
PANEL ASSIGNMENT

• LEVERAGING THE EAST END MASTER PLAN, STRATEGIC VISION, MOBILITY STUDY AND LIVABLE CENTERS STUDIES, BUFFALO BAYOU MASTER PLAN, AND METRO TOD REPORT ON THE EAST END, WHAT DOES THE PANEL RECOMMEND AS A BALANCED APPROACH TO RESIDENTIAL, RETAIL, INSTITUTIONAL, AND OTHER USES THAT INCLUDES MORE DENSITY AROUND RAIL STATIONS WITHIN THE TARGET REDEVELOPMENT AREA?
PANEL ASSIGNMENT

- WHAT ARE THE POTENTIAL BARRIERS THESE PLANS MUST OVERCOME?

- WHAT INCENTIVES ARE NEEDED TO PROMPT SUCCESSFUL DEVELOPMENT?

- WHAT ADDITIONAL FUNDING SOURCES & PARTNERSHIPS ARE AVAILABLE TO ENSURE PLANS ARE REALIZED
OPPORTUNITIES

LOCATION

LIGHT RAIL

UNDERUTILIZED LAND
OPPORTUNITIES

CULTURAL ASSETS

BUFFALO BAYOU

INSTITUTIONAL INFRASTRUCTURE
CHALLENGES

PERCEPTION OF THE AREA

MARKET DEFAULTS TO TOWNHOMES

LACK OF RETAIL

PRESERVING NEIGHBORHOOD FABRIC IN THE FACE OF CHANGE
MARKET POTENTIAL

2 ZONES

1. BUFFALO BAYOU / NAVIGATION CORRIDOR

2. HARRISBURG / EAST END LIGHT RAIL
MARKET POTENTIAL

BUFFALO BAYOU / NAVIGATION CORRIDOR

CULTURAL ASSETS
  RESTAURANTS
  NAVIGATION PROMENADE
  CHURCHES & PARKS

RECREATIONAL ASSETS
  BAYOU
  HIKE & BIKE TRAIL
  CONNECTIVITY TO REST OF HOUSTON

VIEWS OF DOWNTOWN

CHALLENGE: MISSING INFRASTRUCTURE
HARRISBURG CORRIDOR

1. PROXIMITY TO EMPLOYMENT CENTERS
   1. DOWNTOWN: 150,000 JOBS
   2. POH: 55,000 JOBS
   3. TMC: 105,000 JOBS
   TOTAL: 310,000 JOBS

   PROXIMITY TO EDUCATION (UH, TSU, RICE, SOUTH TEXAS COLLEGE OF LAW, UHD)

2. LIGHT RAIL CONNECTIVITY

3. IN PATH OF GROWTH

4. LARGE PARCELS AVAILABLE

5. LAND PRICE

6. CULTURAL AMENITIES
MARKET NEEDS

1. SUPERMARKET

A. RESIDENTS
B. DEVELOPERS
C. FINANCIAL COMMUNITY / INVESTORS
D. LOCAL BUSINESS
SUPERMARKET NEEDS

1. ROOFTOPS
   A. #
   B. INCOME LEVEL
   C. RADIUS

2. NEED TO INCENTIVIZE MULTI-FAMILY DEVELOPMENT
MARKET POTENTIAL

TRANSIT ORIENTED DEVELOPMENT

1. NATIONAL DEVELOPMENT MODEL
2. LIVE | WORK | PLAY
3. FASTER COMMUTES
4. ENVIRONMENTAL SUSTAINABILITY
RECOMMENDATIONS

- CONSOLIDATED VISION

- CREATE THE HARRISBURG LIVING INITIATIVE TO PROMOTE HIGH DENSITY & TRANSIT ORIENTED RESIDENTIAL DEVELOPMENT
DESIGN

PLANS AND VISION

• Leverage past studies
• Need consolidated vision moving ahead
• Prioritize future projects

REINFORCE AND LINK ASSETS
ACCESS TO EAST END IS CHALLENGED
FUTURE DEVELOPMENT
DESIGN

REINFORCE AND LINK ASSETS
DESIGN

PLANS AND VISION
REINFORCE AND LINK ASSETS

ACCESS TO EAST END IS CHALLENGED

• Heavy Rail Lines
• Consider wayfinding and additional branding
• Continue to upgrade pedestrian corridors and the public realm

FUTURE DEVELOPMENT
DESIGN

PLANS AND VISION
REINFORCE AND LINK ASSETS
ACCESS TO EAST END IS CHALLENGED

FUTURE DEVELOPMENT

• Model after Downtown Living Initiative Plan (design guidelines)
• Consider reduced parking requirements around transit stations
Program Purpose

Create an area wide 380 agreement to promote economic development and stimulate business and commercial activity by providing economic and other incentives for new, pedestrian friendly multifamily residential mixed-use development

Proposal based on Recommendations of:

- Use the Downtown Living Initiative as a guideline
- Greater East End Livable Centers Master Plan
- East End Livable Centers Studies
- East End Mobility Study
- Buffalo Bayou Master Plan
- METRO: Transit Oriented Development Report: East End Corridor
An economic study of the target area needs to be conducted to determine the exact metrics of the Harrisburg Living Initiative. An example of a comparable living initiative is as follows:

**Initial Program Terms**

Financial Incentives offered for the lesser of:
- 4 years; or
- The first 2,500 multifamily residential units

The Second Program Term will incorporate a workforce housing component
How it works

An example of a comparable living initiative is as follows: Developer of residential mixed use in accordance with the guidelines receives a reimbursement that is the lesser of:

- $15,000 per unit; or
- 75% of the tax increment received by the Harrisburg TIRZ paid per unit for 15 years from project completion
- 75% of the incremental GEEMD assessment paid for 15 years from project completion
IMPLEMENTATION

Administration

The Harrisburg Living Initiative will be approved by the City and administered by the Greater East End Management District. GEEMD has the staff in place to and relationships with the current stakeholders.

Other benefits to developers and residents

- Improved streetscapes: enhanced sidewalks and pedestrian realms
- Public transit including bus and light rail
- Access to existing bike and pedestrian trails and the Buffalo Bayou
- Infrastructure and utilities throughout the area
Financial Outline

Funds are provided by the tax increment received by the Harrisburg TIRZ. The income and costs below are estimates. The actual numbers will be determined from the recommended feasibility study. The estimates are based in the following assumptions:

Housing initiative generates 2,500 Multifamily units, primarily along the LightRail line. The units generated by the housing initiative will spur a grocery anchored retail project of approximately 100,000 SF. The infrastructure improvements near the bayou will support 1,700 Multifamily units and 990 single family units.
Three main sources of tax increment are:

Increment resulting from Multifamily projects proximate to the light rail. $ 250m
Increment resulting from retail projects proximate to the light rail. 15m
Increment resulting from residential development proximate to the bayou. 403m
$ 668m

Annual tax increment. $ 4m

Two main areas of cost:

Housing initiative. $ 37.5m
Infrastructure supporting residential development near bayou. 43.6m
Total cost. 82.1m
HOW DO WE LEVERAGE THE EXISTING PLANS THAT ARE ALREADY IN PLACE

- CREATE A “SINGLE VISION”
  - CARRIED OUT BY GEEMD

- DISTILL PLANS AS RELATED TO STUDY AREA
  - USE IT AS A MARKETING TOOL

- DETERMINE STARTING POINT
  - TARGET INCENTIVES
WHAT ARE THE POTENTIAL BARRIERS THESE PLANS MUST OVERCOME?

PERCEPTIONS:
- NO COMPS FOR DEVELOPERS
- UNTESTED MARKET
- EDUCATION IN AREA / AVAILABLE SCHOOLS
- CRIME (MISPERCEPTIONS)

BAYOU LOCATION IN RELATIONSHIP TO RAIL LINE
– ACCESS POINTS
WHAT INCENTIVES ARE NEEDED TO PROMPT SUCCESSFUL DEVELOPMENT?

- TARGETED BY LOCATION AND TYPE
  - 1ST: TOD MULTI-FAMILY MARKET RATE DEVELOPMENT
  - 2ND: % REQUIREMENT OF WORKFORCE HOUSING

- INFRASTRUCTURE INVESTMENT INCENTIVES
  - FOCUSED ALONG BAYOU TO PROMOTE DENSE HOUSING
FINDINGS + RECOMMENDATIONS

WHAT ADDITIONAL FUNDING SOURCES & PARTNERSHIPS ARE AVAILABLE TO ENSURE PLANS ARE REALIZED

- SOLIDIFY RELATIONSHIP WITH THE CITY

- LOOK FOR PHILANTHROPIC FOUNDATIONS TO ASSIST IN DEVELOPING AND MAINTAINING PARK SPACE

- TEAM WITH METRO ON PILOT PROGRAM TO INCREASE DENSITY ALONG HARRISBURG LIGHT RAIL

- BRING IN AN EXPERT TO FIND AND RAISE CAPITAL