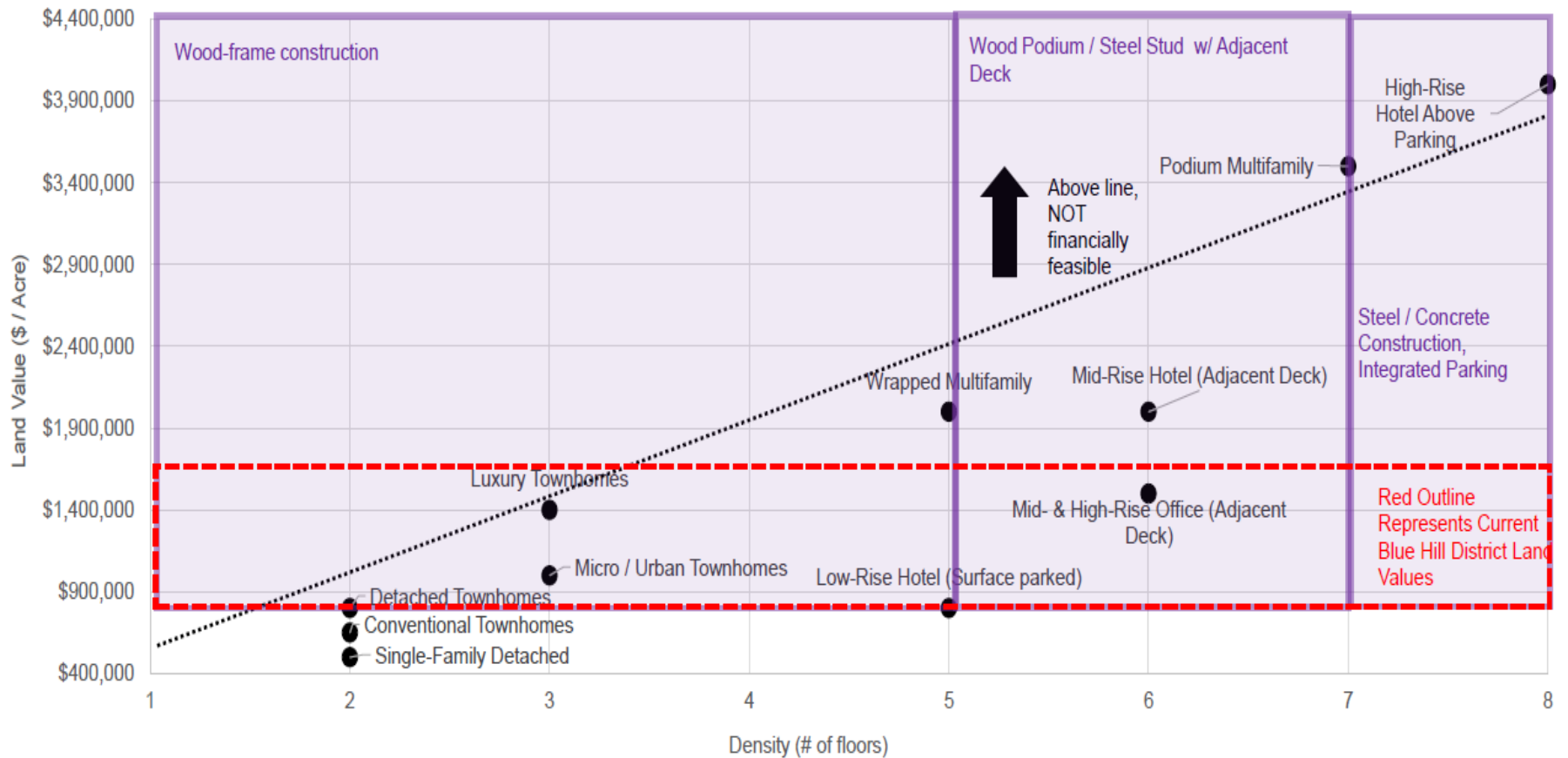


Blue Hill District Market Implications for Zoning

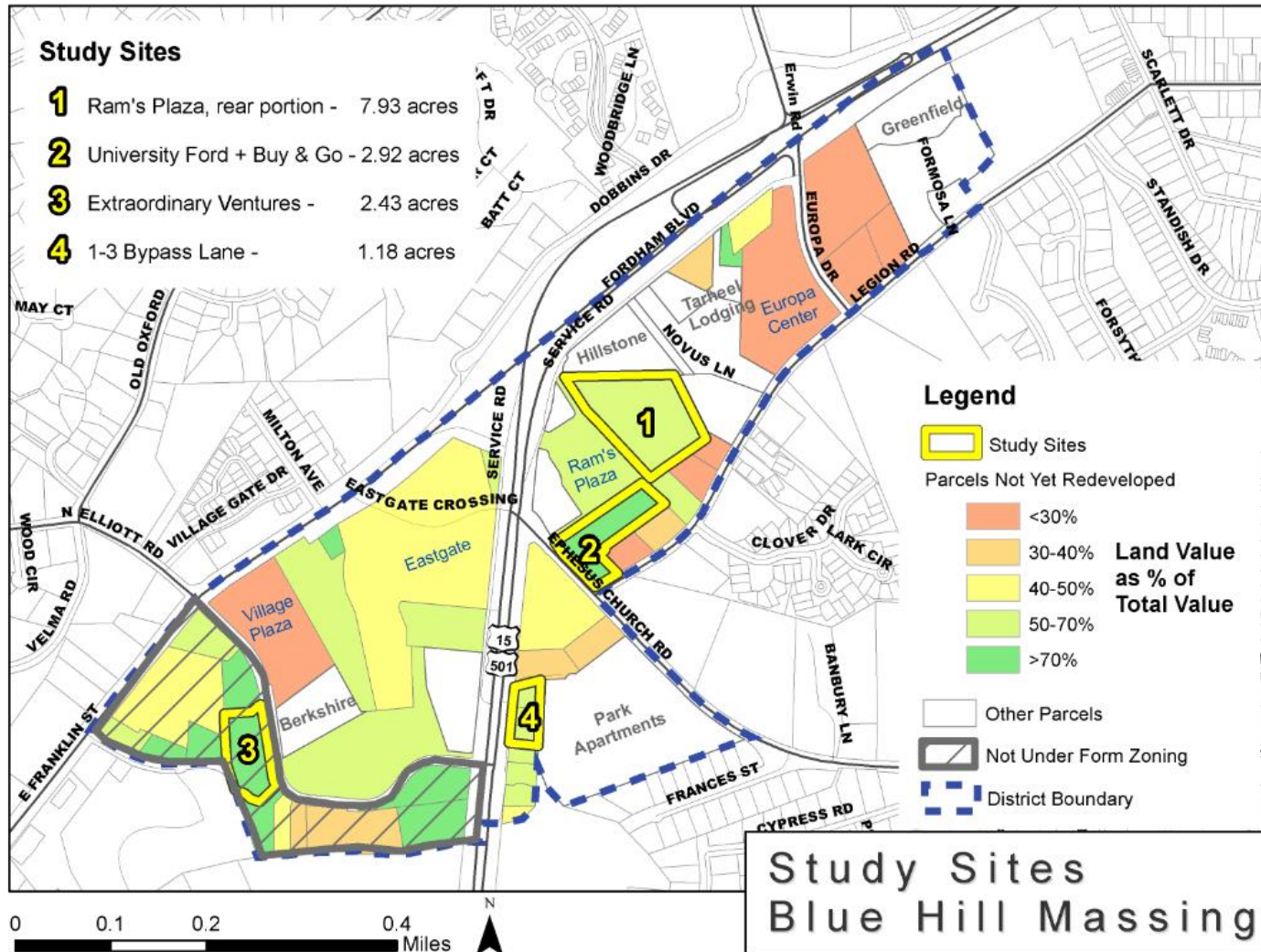


FEASIBLE DEVELOPMENT TYPE OVERVIEW





BLUE HILL DISTRICT





MINIMUM VIABLE DEVELOPMENT SIZE

- Minimum viable development size varies
 - Land values vary from \$800,000 - \$2M/acre
 - Market supported land uses range from supporting \$25-27 in land price per gross SF
 - Construction, site, and soft costs range from \$134-250/SF depending on construction type (not including uses the market rents don't currently support like steel/concrete on top of parking podiums)
- \$800,000/Acre land
 - 30-40,000 SF office
 - 120 parking space deck
 - 1.2-acres
- \$2,000,000/Acre land
 - 80,000 SF office
 - 280 parking space deck
 - 1.2-acres

20,000 SF
Office
floorplate x 2
floors



20,000 SF
Office
floorplate x 4
floors





FEASIBLE DEVELOPMENT TYPE OVERVIEW

- Land values too high for:
 - Single-family detached homes
 - Entry-level townhomes
 - Surface parked commercial uses
- Current market values make construction on top of parking financially unfeasible
- Depth of office market limited, and rents do not support development on land priced above \$1M
- Development types that will generally work:
 - Wrap multifamily buildings of scale (150+ units)
 - Mid-rise hotels with adjacent parking decks
 - Mixed-use buildings with high concentrations of residential and wrapped decks
 - Luxury townhomes
 - Micro/urban townhomes

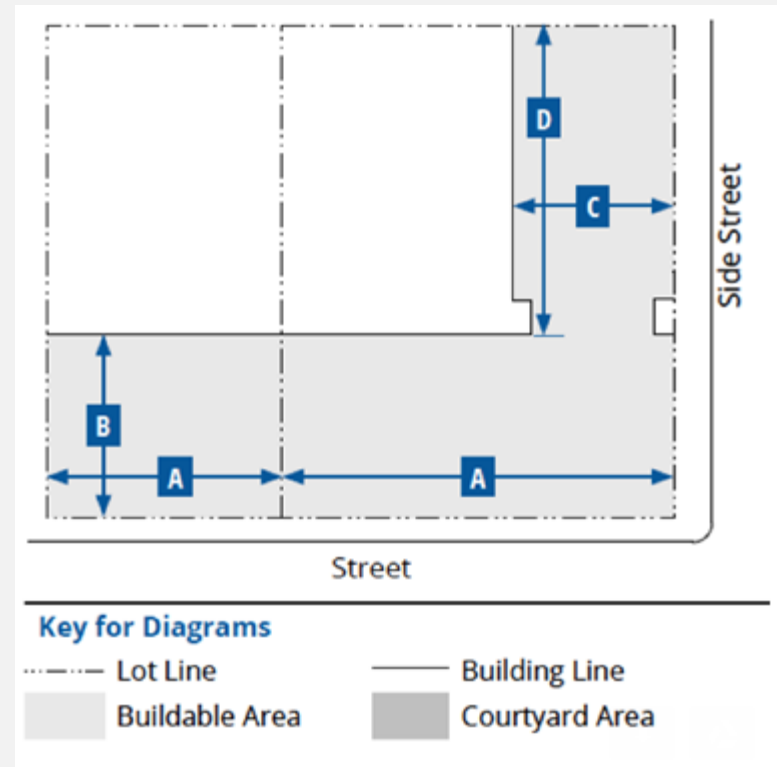




PRELIMINARY ADDITIONAL REQUIREMENTS

June Council Work Session

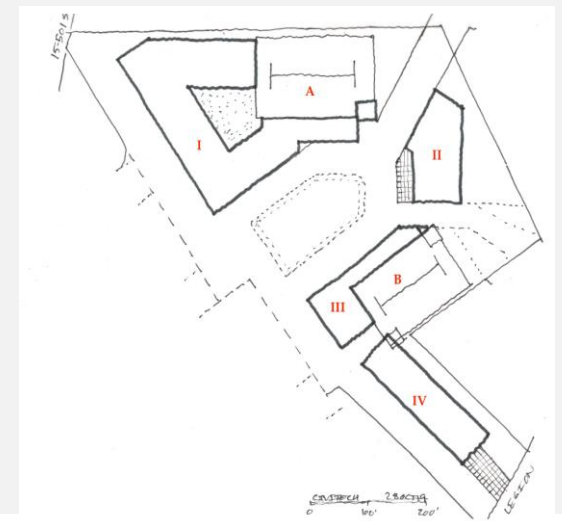
- **Maximum Building Width and Depth:**
 - **WX-5, WX-7, WR-7:**
 - 330'x200', plus secondary wing of 75'x100'
 - **WR-3:**
 - 175'x175'
- **Upper Floor Plate Percentages**
 - Continued study through this work
- **Scenarios that follow adhere to these maximum building dimensions**





RAM'S PLAZA (~1/2)

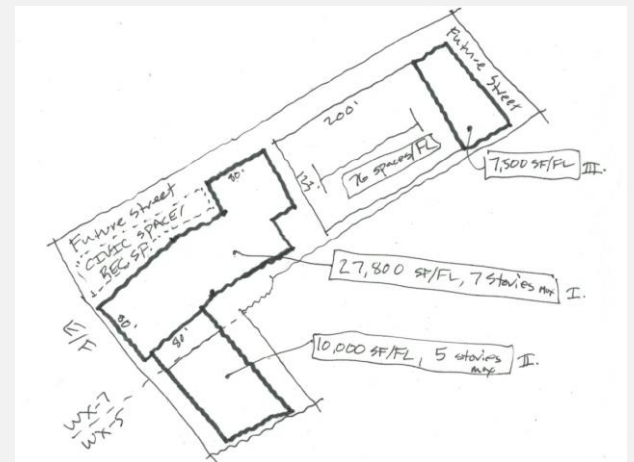
- 7.93 acres with estimated market value of \$1.95M/acre
- Total land price of ~ \$15.5M would require 900,000 SF+ of commercial space to justify – too large for market demand
- Size and economics work well for a mixed-use development of retail and multifamily under current zoning. Developers would keep it to 5-6 stories to minimize podium construction (10-15% mix required)
- Creates new civic space/park
- Enhances connectivity/critical mass to existing Ram's Plaza
- Creates ~ 384 multifamily units
- Could financially support \$2.2M in community benefits – affordable housing/green space/etc. or be decreased in scale by approximately 10%





UNIVERSITY FORD + BUY & GO

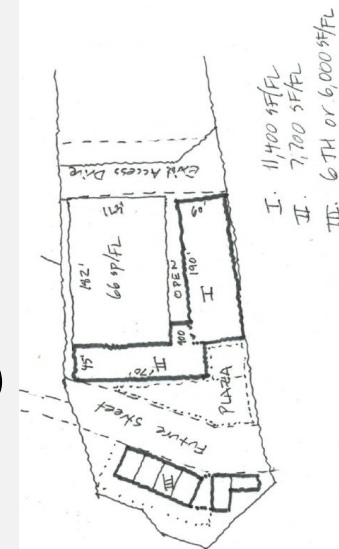
- 2.92 acres with estimated market value of \$1.5M/acre
- Total land price of ~ \$4.4M would require 300,000 SF+ of commercial space to justify – too large for market demand
- Size and economics work well for a mixed-use development of retail and multifamily under current zoning. Developers would keep it to 5-6 stories to minimize podium construction.
- Creates new civic space/park
- Enhances connectivity/critical mass to existing Ram's Plaza
- Creates ~ 190 multifamily units
- Could financially support \$5.5M in community benefits – affordable housing/green space/etc. or be decreased in scale by approximately 33%





EXTRAORDINARY VENTURES

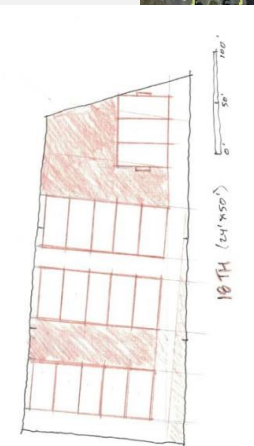
- Existing 1980s (?) office building; Zoned O&I2
- Market value ~ \$2.9M
- 2.43 Acre site
- \$1.2M/acre
- Small site limits potential for wrapped multifamily building of scale (150+)
- Office rents do not support new construction/structured parking costs on this expensive land. Would require \$30/SF+ rents or a building of 8+ stories.
- Small outparcel could be created for THs, allow for future street, and lower land basis
- Office still doesn't work, but hotel does
- Select service hotel (think AC Hotel/Hotel Indigo) would work at 5 stories ~ 170 rooms, \$200 ADR
- Little to no room for community benefits, \$800k available if 7 stories (199 rooms)





1-3 BYPASS LANE

- 1.18-acre assemblage of 3 adjacent sites
- Site too small to accommodate a parking deck
- Market land value (\$800k+/acre) prohibits surface parking of any use
- Economics limit development potential to just townhomes – also, 10-15% mix required by ordinance
- Oriented to minimize traffic impact – yields 18 units (15.25 DU/Acre)
- \$50-55,000 per raw lot
- Homes could sell for \$475,000 - \$500,000
- Little to no room for community benefits





KEY FINDINGS RELATED TO DEVELOPMENT FEASIBILITY

- **Site size/configuration and its ability to fit a structured parking deck plus building floorplate**
- **Residential products have greatest margin for supporting community benefits**
- **Too high a concentration of commercial uses detracts from financial viability; commercial has limited market depth based on current market dynamics**



NEXT STEPS AND KEY INPUTS

- Continuing study of incremental changes to massing requirements to formulate specific recommendations.

Questions:

- Should ordinance changes be aimed at making it easier to do smaller buildings, or commercial buildings? (e.g., altered parking requirements, mix of uses, upper story setbacks and percentage reductions)
- Should parking be regulated differently, i.e., location limitations, screening/lining with buildings, sharing requirements, zero minimums, etc.?
- What overarching objectives should be accomplished through this effort? Are contemplated text changes sufficient to achieve these objectives?