

greater downtown tod strategy



prepared for:
detroit economic growth corp.
downtown detroit partnership

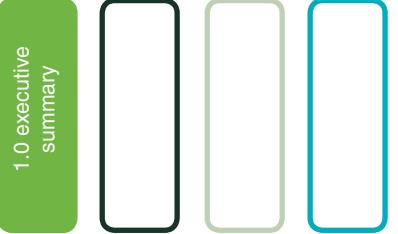
prepared by:
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december, 2011



Executive Summary

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1.0 executive summary

"I think the broader question for Michigan is, when you're competing for talent, not just domestically, but globally, the younger generation in the world is looking for quality places. A lot of those quality places would be traditional cities with their downtowns and their waterfronts and their cultural institutions, and that sort of magic mix of street life. If you don't have cities that have that, it's hard to imagine how you can compete for the talent of the world."

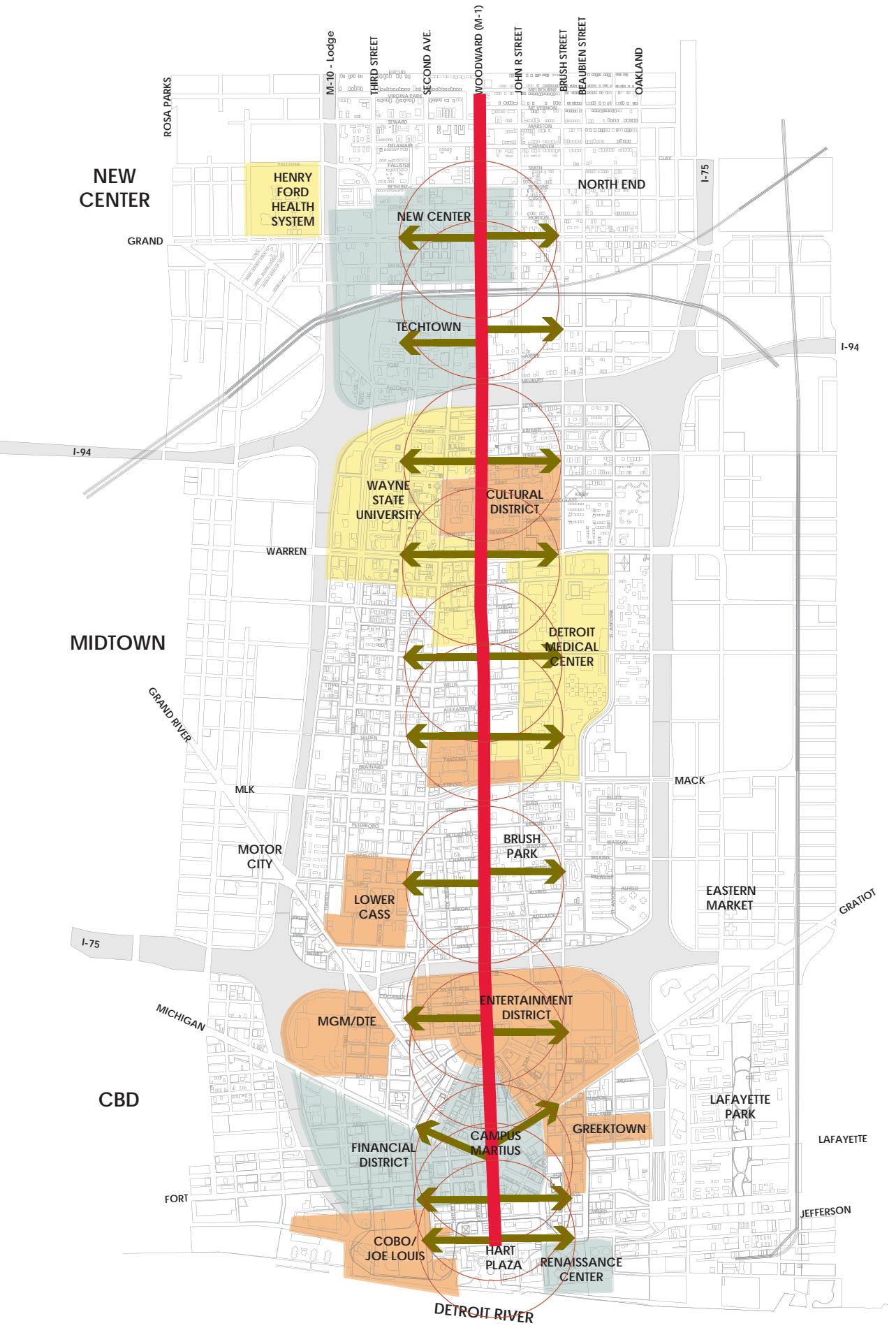
--Bruce Katz, Vice President, Brookings Institution; founding Director, Brookings Metropolitan Policy Program
<http://www.modeldmedia.com/features/BruceKatz411.aspx>

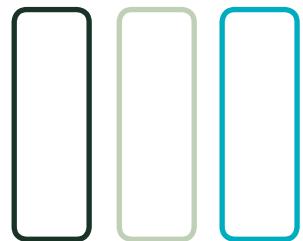
The Opportunity

In recent years, Detroit has seen a confluence of will in the public, private and philanthropic sectors to reshape the city into a place that is not only sustainable, but competitive with other world cities. Major initiatives from the HUD-DOT-EPA Partnership for Sustainable Communities to the philanthropic sector's Integration Initiative and New Economy Initiative to the private sectors Anchor Investment Strategy and Webward 2.0 to the City of Detroit's Detroit Works Project are focusing on building stronger neighborhoods and creating jobs. Woodward Light Rail, with its place as a permanent piece of infrastructure along the central spine of the city, is the centerpiece of this wave of thought, action and investment.

Woodward Light Rail will permanently connect the major regional destinations, employment, educational and medical centers in the greater downtown area with neighborhoods, improve access to jobs and services for residents along the corridor, and offer a new opportunity to live in a walkable environment. With a direct link to 125,000 jobs, 275,000 residents, destinations attracting 15 million annual visitors and 15 distinct neighborhoods that include several National Historic Districts, cultural destinations, schools, places of worship and community institutions, the Woodward Light Rail corridor represents an opportunity to rethink how people move in Detroit—between home, work, shopping and recreation.

Right: Diagram showing east-west connections to neighborhoods, districts and destinations off of the Woodward Light Rail line in the Greater Downtown.





This investment in light rail on Woodward Avenue represents much more than a better way to get from point A to point B. When successfully planned and executed, Woodward Light Rail will be a catalyst for neighborhood/city building and placemaking initiatives, including:

- Creating a catalyst for job growth in the Woodward Corridor
- Establishing the Woodward Corridor's role in the region as the best transit served area and urban/walkable place to live
- Enhancing the Corridor's economic vitality through the growth of its greater downtown core and revitalization of its many diverse neighborhoods
- Enhancing the Corridor as tourist destination and a regional gathering place
- Beginning the dialogue between the many residents, businesses and stakeholders for whom the Woodward Corridor is part of their daily lives and creating new partnerships between them
- Serving as the example or template for additional light rail corridors in the City and the region

In short, Woodward Light Rail is an opportunity to reposition the Woodward Corridor and the City of Detroit as a contemporary, healthy and livable urban center that inspires residents, workers and visitors alike.

A Collaborative Approach

The success of the Woodward Corridor TOD Strategy is predicated on the collaborative cooperation of a diverse range of participants that share the responsibility for shaping the vision for the corridor and in creating a positive community impact in response to the light rail investment. The TOD process is being led and informed by the Greater Downtown Planning Group made up of participants representing the City of Detroit, the funding community, the businesses, neighborhoods, and institutions from the Detroit River to Eight Mile Road and the general public. Together, the Planning Group will collaborate with a team of professional planning, design and financial consultants whose charge is to develop a planning framework that encourages increased transit ridership and sustainable, equitable development for the Woodward Corridor community over the long term. The overarching goal is to leverage current planning and development initiatives as the foundation for future development and public infrastructure improvements that collectively focus on improving the quality of life in the Woodward Corridor.

Top Five Guiding Principles Established by the Planning Group

1. A safe and clean environment is top priority
2. Permanently connect destinations to residents, employees, and visitors
3. Create walkable streets with emphasis on Woodward and east-west connections
4. Develop residential and retail options in support of complete neighborhoods and districts
5. Reinforce authentic character of existing districts and neighborhoods



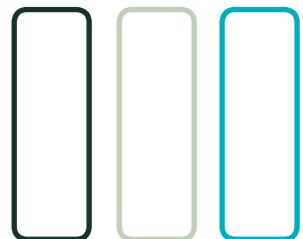
GREATER DOWNTOWN PLANNING GROUP

Organization

- Kresge Foundation
- Hudson Webber, Kresge Foundations
- Downtown Detroit Partnership
- Invest Detroit
- Midtown Detroit, Inc.
- Compuware
- Detroit Medical Center
- Henry Ford Health System
- Ilitch Holdings
- Quicken Loans
- Wayne State University
- City Planning Commission
- DDOT

- P&DD
- DTC/DPM
- DEGC

Representative
Benjamin Kennedy
U3 Ventures
Robert Gregory
Dave Blaszkiewicz
Sue Mosey
Steve Marquardt
Dave Menardo
Bill Schramm
Atanas Ilitch
David Carroll
Jim Sears
Marcell Todd
Triette Reeves
Tim Roseboom
Marja Winters
Barbara Hansen
Malik Goodwin
Olga Stella
Ron Flies



Incorporating Existing Plans and Initiatives

The Greater Downtown TOD Strategy seeks not to create another plan, but to incorporate and synthesize all active plans and initiatives already being implemented throughout the Greater Downtown and leverage the light rail investment to further accelerate these efforts. Working in close partnership with the Detroit Economic Growth Corporation, University Cultural Center Association, and the New Center Council, Inc. (the later two now merged as Midtown Detroit, Inc.), the TOD team conducted a series of one-on-one meetings with stakeholders throughout the Corridor to collect active plans and receive updates on their current initiatives. Additional plans were gathered from the consultant team's experience and network working in the Corridor. In all, 99 plans were gathered, spanning 30 years of planning efforts. These plans were then distilled into current initiatives and mapped across the Greater Downtown. Throughout the TOD Strategy planning process, TOD recommendations have been referenced and checked against current plans and initiatives to ensure their compatibility.

Greater Downtown Today: The Challenge

The greatest challenge facing the Greater Downtown today is its lack of density. The Greater Downtown has over 120,000 employees in a diverse range of employment sectors and incomes; it attracts over 15 million visitors a year to its museums, stadiums, theaters, restaurants and medical facilities; it has over 40,000 college and university students; but despite these numbers that compare favorably with cities both regionally and nationally, the Greater Downtown's residential population only stands at 26,000 residents and has in fact declined over the last ten years.

The solution to the problem is more complicated than simply adding more residents; the residential population needs to be strategically increased to create density and thus contiguous areas of vibrancy and walkability. The built environment in the Greater Downtown has evolved to privilege the automobile over the pedestrian. Because of the large numbers of commuting employees and students as well as peak demand for sporting and entertainment events, a large proportion of the land area in the Greater Downtown is devoted to parking. This has created major gaps in the urban fabric between destinations that have deteriorated the pedestrian environment to the point where even when a destination is at a walkable distance, the quality of the pedestrian-experience often

Right: Aerial photographs of Detroit, CBD, Midtown and New Center relative to University City and Center City, Philadelphia. District areas are taken over the entire district; block densities within the district can exceed 200 residents per acre. [source: city-data.com]



CBD, DETROIT: 6.0 PEOPLE/ACRE



MIDTOWN, DETROIT: 12.3 PEOPLE/ACRE



NEW CENTER, DETROIT: 8.9 PEOPLE/ACRE



UNIVERSITY CITY, PHILADELPHIA: 20.1 PEOPLE/ACRE



CENTER CITY, PHILADELPHIA: 30.0 PEOPLE/ACRE



precludes the option to walk.

The Greater Downtown TOD Strategy takes on the challenge of density as its core problem. Its basic premise is to increase the density of residents and retail amenities within the Greater Downtown in order to improve walkability, create more vibrant districts and neighborhoods and leverage the light rail investment as a pedestrian accelerator to improve access to destinations throughout the Greater Downtown.

Complete Districts and Neighborhoods

The fundamental goal of the Greater Downtown TOD Strategy is the creation of Complete Neighborhoods and Districts. Typically transit-oriented development starts with the premise to build-out parcels around the transit station. Station area plans are created to prioritize key development parcels. Instead of being parcel-based or station-centered, the Greater Downtown TOD Strategy departs from this formula by leveraging the light rail investment to catalyze growth of existing districts and neighborhoods. The idea of Complete Districts and Neighborhoods was first explored in Minneapolis-St. Paul's Central Corridor TOD Planning. They defined complete communities as neighborhoods or districts that are self-sufficient by virtue of interconnected transit and commercial environments, and are surrounded by a diversity of housing types, services, and amenities. Instead of being focused exclusively on development around the rail, it flips the focus back onto the existing fabric of the city and builds off of its existing assets rather than the rail itself; the rail is merely a catalyst. Throughout the Greater Downtown today, there are multiple unique, but interconnected districts and neighborhoods in various stages of their evolution. The Greater Downtown TOD Strategy seeks to leverage the light rail investment to further develop and enhance the character of these existing districts and neighborhoods.

A Denser Greater Downtown

The core principle of the Greater Downtown TOD Strategy is to use increased density to create vibrant and walkable districts and neighborhoods. As part of the TOD planning process, Planning Group members representing the public, private and philanthropic sectors have set a goal of doubling the Greater Downtown residential population in the next ten years from 23,000 to 46,000 Greater Downtown residents. This goal is aligned with parallel Greater Downtown initiatives such as Hudson-Webber's "15 by 15"

Clockwise from top: Additional cities that have successfully taken a district-centered approach to development: Green Line Cafe, University City District, Philadelphia, PA; Warehouse District, Cleveland, OH; Pearl District, Portland, OR; South Side Flats, Pittsburgh, PA





(15,000 new residents by 2015) and Live Midtown/Live Downtown residential financial incentives programs offered to Greater Downtown employees to move Downtown.

However, while setting targets for increased residential population in the Greater Downtown is important, the distribution of that increased population must be targeted to achieve higher densities in specific areas and thus add a critical mass of new residents to improve street vitality, walkability and subsequently spur an increase in market-rate housing values to sustain future development. Over the last ten years, the Greater Downtown has added over 4,000 new housing units. While this number is strong from an economic development standpoint, the new housing units have been spread out over nearly four square miles and have not succeeded in creating sufficient density in any one area to achieve a critical mass of residents in order to create contiguous areas of walkability.

Greater Downtown Transit-Oriented Development Strategy

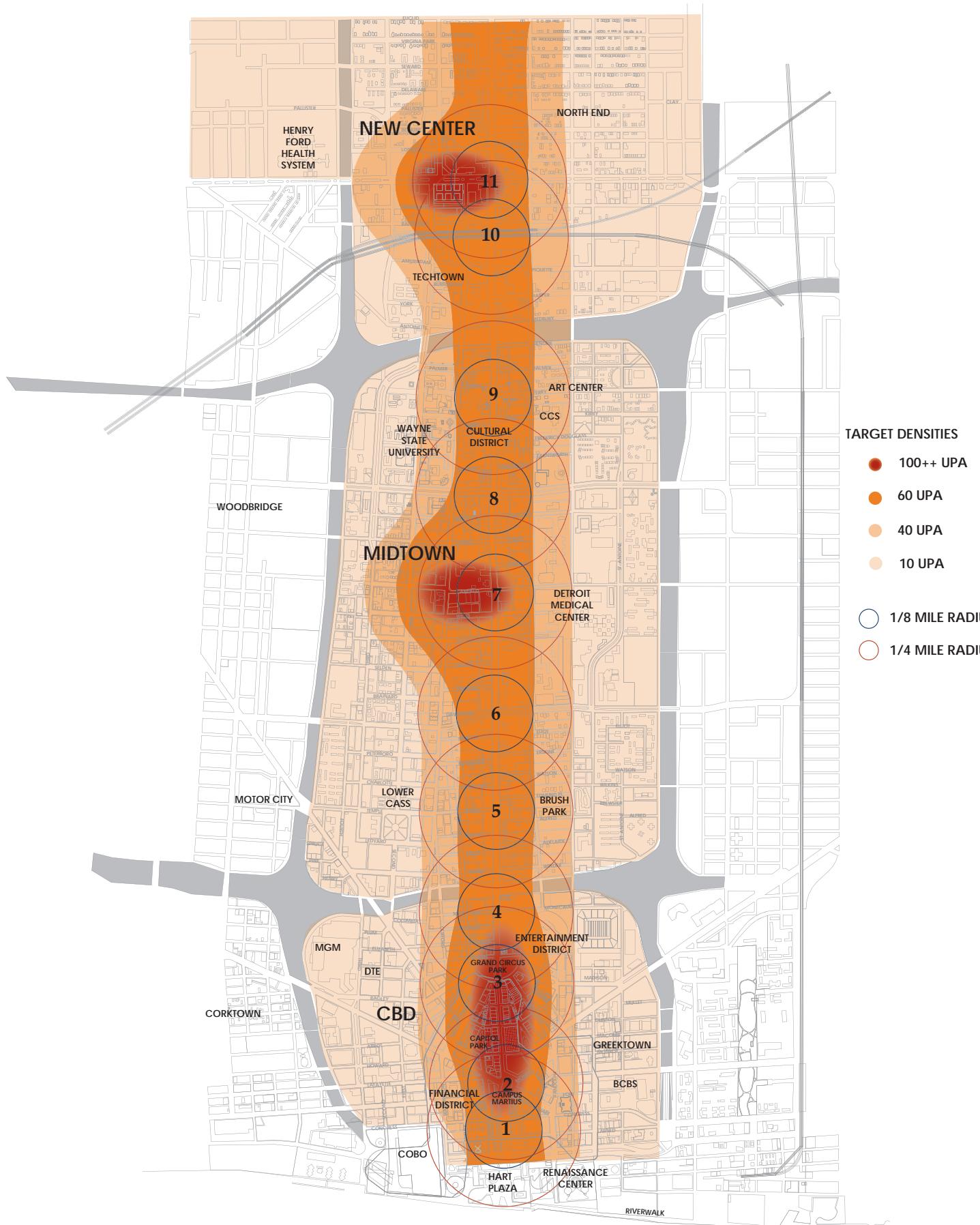
The two major objectives of the Corridor TOD Strategy are:

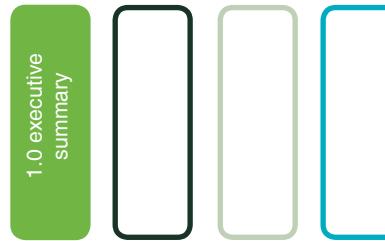
1. Focus development to create density in three Core Districts: CBD, Midtown and New Center. Develop each Core District starting with the District Center, then build out from the Center per the recommended phasing.
2. Provide infrastructure to connect all other districts and neighborhoods back to the District Center and Woodward Light Rail. Use these infrastructure investments to leverage future development after the build-out of the Core District.

Building Three District Centers

In order to create a critical mass of residents, the TOD Strategy seeks to focus residential development in three core districts: CBD, Midtown and New Center. Surrounding each of these core districts are smaller neighborhoods and sub-districts. For example, within the CBD, neighborhoods and sub-districts include the Financial District, Greektown, MGM/DTE, the Civic Center and the Entertainment District. Development phasing should begin at the center of the three core districts. District Centers were determined by a wide variety of factors including existing residential population and retail amenities, proximity to job centers, recent development momentum, planned and pipeline future development, proximity to public space, centrality within the district, proximity to Woodward and Woodward Light Rail,

Right: Map showing target residential development densities throughout the Greater Downtown, focusing the highest residential densities in three District Centers: CBD, Midtown, and New Center.





potential for walkability, TOD-friendly land ownership, favorable zoning and existing fabric suitable for higher density mixed-use development. The three District Centers are located as follows: in the CBD, on Woodward from Campus Martius to Grand Circus Park; in Midtown, on Canfield between John R and Cass; in New Center, on West Grand Boulevard between Woodward and Henry Ford Hospital.

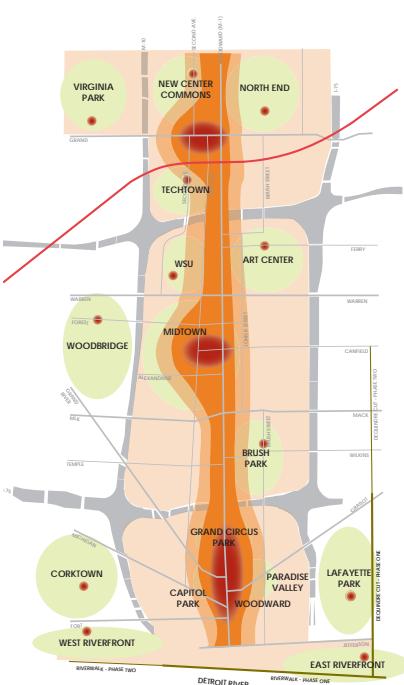
The TOD Strategy seeks to target development and create density first at these three District Centers. Density in this case means both increased residential density and increased density of retail amenities. The residential density target for the District Center is development at 100 units per acre or greater. The retail amenity density target is 8 retail establishments per acre. This would achieve a retail density comparable to competitive suburban downtowns such as Royal Oak and Birmingham.

Building out from the District Center, connecting neighborhoods

After the District Center is established, phasing for future development should build out from the District Center in order to create contiguous areas of density and walkability within the district. Areas adjacent to the District Center and all development along Woodward Light Rail should strive to achieve a minimum density of 60 units per acre within an eighth of a mile and a minimum of 40 units per acre within a quarter mile of Woodward and the District Center.

Because the core district and District Center represent the development focus of the TOD Strategy, all adjacent neighborhoods and sub-districts must be connected back to the District Center in a walkable environment or by Woodward Light Rail. This will require multimodal infrastructure and streetscape improvements along major connective streets. These connections must accommodate all modes of transit including bikes, cars and buses, but do it in such a way as to privilege the pedestrian environment. Every decision made regarding development and infrastructure improvements should be evaluated in terms of whether it enhances or detracts from the walkability of the district. Walkability is the key to building healthy districts and neighborhoods.

Neighborhoods and sub-districts should function as independent geographical areas within a larger interconnected district and thus develop sufficient neighborhood retail and service amenities and public space to sustain and grow their existing residential and employee populations. While development resources should first be prioritized for growing the District Centers, neighborhood and sub-district stakeholders should focus their resources on development that improves connectivity back to the District Center and Woodward Light Rail.



Right: Map depicting phasing of three core districts in order to create contiguous areas of density. All neighborhoods and sub-districts are connected back to Woodward Light Rail and the three Core Districts.

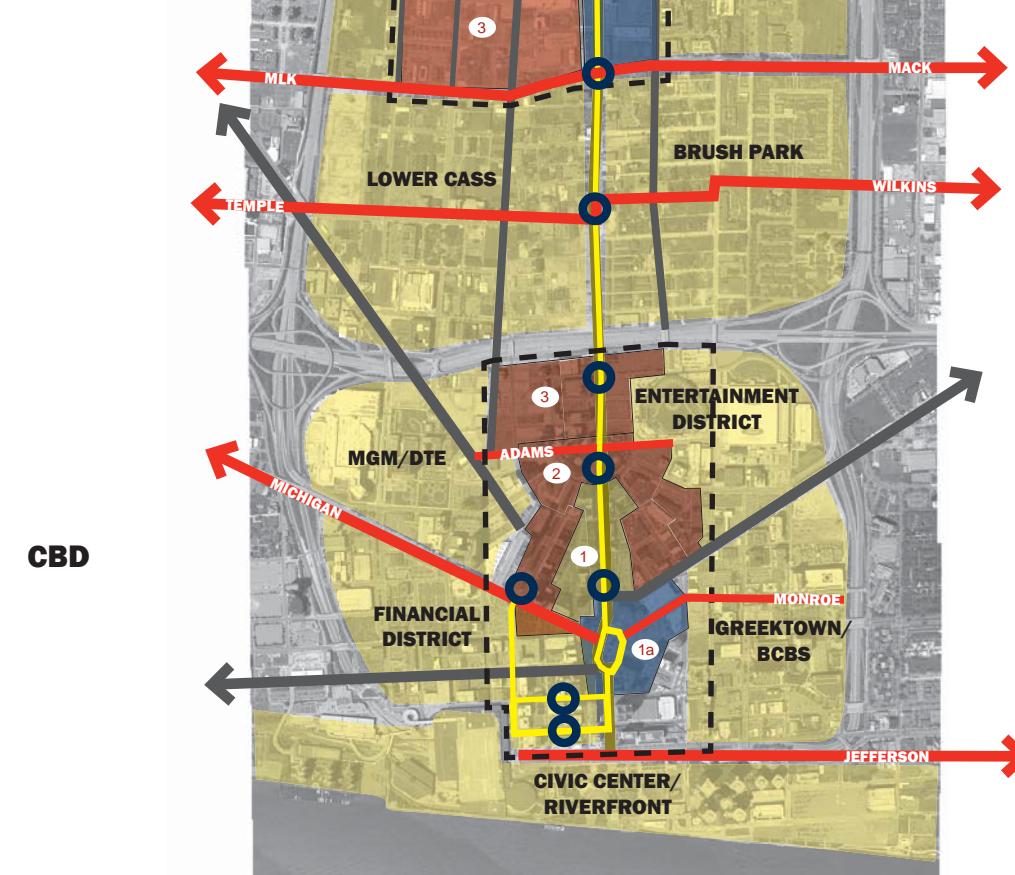
NEW CENTER



MIDTOWN



CBD

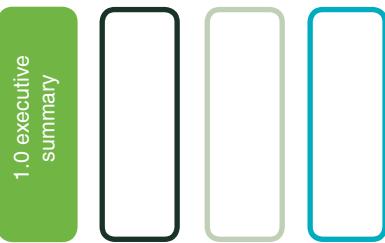


Development Zones

- Core District
- District Center
- Job Center
- Phased Development
- Phasing Priority
- Neighborhood/sub-district

Connections

- Priority Walking Streets
- Interdistrict Connectors
- Light Rail Station
- Light Rail Route



Phasing

Development resources must be prioritized and focused to create contiguous areas of density that reinforce the walkability of the district. The TOD Strategy makes the critical assumption that if development proceeds as per the recommended phasing of the TOD Strategy and is successful in creating increased density, neighborhood vibrancy and improved walkability that market-rate real estate values will increase, thus decreasing the overall development funding gap over time and subsequently the amount of subsidy necessary to undertake development.

Funding Corridor Development and Initial Financing “Gap”

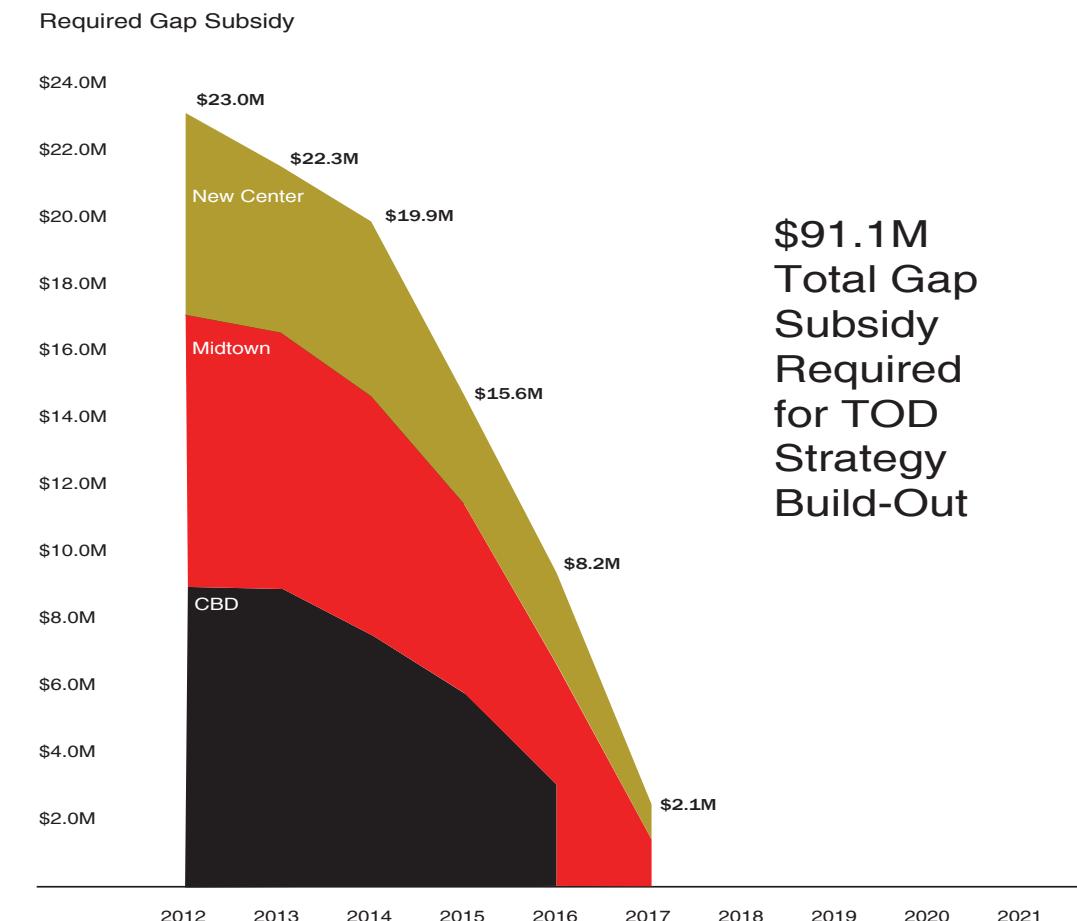
In order to meet the population target goals of the TOD Strategy (i.e. 25,000 new Greater Downtown residents in 10 years), annual residential build-out targets for each district were multiplied times the current market gap by district in order to estimate annual gap subsidy. In year one of the strategy, 300 new CBD residential units at a gap of \$25/SF produces a necessary \$9.0 million gap subsidy. In Midtown, 200 units at an average gap of \$40/SF required subsidy of \$8.0 million. In New Center, 150 units at an average gap of \$40/SF required subsidy of \$6.0 million. Total subsidy for year one build-out of 650 new units requires \$23.0 million in gap subsidy.

With implementation of the TOD Strategy, market rates should steadily improve over the next ten years, particularly after implementation of the rail, decreasing the subsidy gap to the point where development can sustain itself without gap financing (top graph p.17). At this point, one would expect the market to accelerate development for additional yearly build-out, thus increasing development targets (bottom graph p.17).

If the TOD Strategy is successful, it is anticipated that over the next six to eight years, total subsidy necessary to meet residential population and unit build-out targets will exceed \$90 million. Gap financing sources to meet these build-out targets should be identified now to ensure that financing is available as new projects come online. The estimates in this report should be used to approach local, state and national-levels of government for development tax credits, grants or appropriations as well as private and philanthropic funding entities to assist with gap financing. Adequate financing for public-private mixed-income development will be critical to the implementation of the TOD Strategy.

Four Key Principles

1. Create density
2. Finish what you start
3. Develop contiguous blocks to improve walkability
4. Keep the larger district vision in mind with each new development



Target Unit Build-out per District

