

Appendix i.  
Introduction to Downtown  
Design and Development Standards



**WHAT ARE DESIGN AND DEVELOPMENT STANDARDS ?**

**WHY ARE THEY IMPORTANT ?**

**HOW DO THEY EFFECT REDEVELOPMENT ACTIVITY & QUALITY ?**

# Downtown Design and Development Standards



## Defined ...

**Design Guidelines:** Formal set of guidelines (with oversight by a board comprised of area stakeholders, neighborhood representatives, and design professionals) for use by investors doing projects within priority areas. Guidelines address character and quality levels and frame discussions with staff.

**Design Standards:** Formal set of standards (either administered through an appointed design review committee and/or municipal staff) for development which specify certain character and quality levels for built and natural environments.

**Development Standard Waivers:** During approval processes, cities may grant waivers or variances for items including height limits, setbacks, density, lot coverage, rear access, etc.

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## **Redevelopment challenges ...**

- Difficult to assemble sites able to accommodate development
- Comparatively high land costs (to fringe locations outside the core)
- Often require more complex financing package
- Infrastructure is likely aged and limited
- Lot tend to lack appropriate depth and curb cuts are often frequent
- Lenders perceive project risk to be greater and markets narrow
- Rental rates I sale prices during early phases tend to be lower while costs tend to be higher

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## Redevelopment truths ...

- For the reasons state above ... projects tend to be at a competitive disadvantage
- Public and private partnerships are essential in order to prove-up market opportunities
- Success depends on equalization of economic risk and reward
- Private investment will only occur after the public commits ...

.... by “readying in the environment for investment” and one way they do that is by raising the bar and enforcing it consistently.



# Top myths about design and development standards and guidelines...

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## **Myth No. 1:**

Developers don't want to be told what to do.

In a survey of developers, when asked their opinion of design and development standards, they responded ...

“we prefer that standards be in place, since we are guaranteed that our investment will be protected; but only if they are consistently applied.

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## **Myth No. 2:**

Design and development standards will impose additional costs that will render projects financially infeasible.

**Ninety (90) percent** of early redevelopment projects report an average economic “gap” (difference between forecasted revenue and projects costs) of **30%** ... with and without the presence of design standards.

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## East Colfax Avenue – Main Street Zoning Case Study

Denver, CO

- A sample development proforma was prepared for use as a comparative tool to evaluate development alternatives and the impact of select variables on project feasibility;
- Select **variables** (lot size, FAR, parking ratio and type, use program, land cost) were identified by the stakeholder group and **tested** during the meeting to understand their impact on the feasibility of a range of development concepts;
- **More than 80 proformas were prepared.**



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## **East Colfax Avenue – Main Street Zoning Case Study** cont'd Denver, CO

Strategies which improved project economic feasibility included:

- adjustment in parking ratio and cost based on the assumption that at least a portion of the parking would be provided at a node;
- increase in FAR to a certain point;
- reduction in land cost assuming a price write-down;
- balanced use of bulk plane regulations; and
- financial incentives.

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## **Myth No. 3:**

Government should leave the market alone. It will take care of itself.

**Actually, this is a fact!**

Without design and development standards, developers will build for the market you have, not the market you hope to have. (Think: Lowest common denominator.)

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## **Myth No. 4:**

Design and development standards will protect a community from what they don't want and guarantee what they do want.

Design and development standards should only be prepared with an understanding of real estate finance, development and industry trends. Without this, you won't be able to design your way out of reality.

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## **Myth No. 5:**

Developers, especially nationally-recognized commercial developers, have their own designs and can't be influenced by local standards.

If a developer wants to be in a market badly enough, they will adjust their design, if functionally sound, to comply with local standards. Cities should, however, be prepared to participate at some level in order to minimize risk.

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## **Myth No. 6:**

Standards and guidelines create an additional layer of “government” that can be addressed by more restrictive regulations.

Regulations tend to be written to guard against the “worst possible outcome,” while guidelines and standards tend to encourage the “best possible result.”

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## **Myth No. 6** cont'd:

Standards and guidelines create an additional layer of “government” that can be addressed by more restrictive regulations.

While still ensuring compatible uses, guidelines focus more attention on physical aspects of private buildings that impact the quality of the public realm, such as building height and placement, and where the parking goes; in addition to encouraging walking and biking.

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## **Myth No. 7:**

Building design has little to do with how much, where and why people shop.

What makes a potential shopper more likely to enter a store?

Believe it or not ... architectural features that attenuate the path from public to private spaces, such as sidewalk dining, benches against facades, placards and merchandise in the frontage zone, entry alcoves flanked by display windows, roll-up and other wide-open warm-weather facades, arcades, window counters and window bars (the drinking kind), and upstairs balconies or other overhangs.

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## **Myth No. 8:**

Winston Churchill had no idea what he was talking about.

Active facades provide the street with interest and energy. To ensure active facades, standards should specify percentages of openings, encourage rhythm, and limit repetition.

Retail uses in active facade zones should have openings a minimum of every 60% of frontage, or a window or door every 10 feet every 10 feet or less, in addition to few, if any, blank walls.



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## **Objective of design and development standards ...**

.... Protect an area's character by ensuring that new investment enhances the existing built environment, and provides a minimum level of design appropriateness.

Rather than being an obstacle to quality building design, guidelines should be treated as a design framework within which skilled design professionals can respond creatively.

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**Standards should be used to inform and direct, but not stifle creativity.**

Standards should build a framework within which builders, developers, and the public sector can actively encourage revitalization, while being secure in the knowledge that individual contributions will reinforce the whole.

They should distill regional and local character and materials and use them to ensure that existing buildings can best express the character of a place.

## Appendix 2

### The Value of Good Design and Recommended Development Standards or Guidelines

Ricker | Cunningham

#### The Value of Design Standards, Narrative

While it is undeniable that a well-designed building, or community garden, or roadway median is pleasing to the eye, they provide more than aesthetic appeal. Investment cultivated by development guidelines also provide communities with economic, social and environmental benefits. Guidelines and standards, appropriately "sized" to the environment, often result in higher rent levels, lower maintenance costs, enhanced regeneration and increased public support.

The experience of many, if not most, communities that have advanced similar redevelopment initiatives, has shown that higher standards of development must be established early in the process so that past investment is protected, and future investment is consistent. While it may seem counter-productive to require heightened levels of improvements in an area where conditions are languishing and investment is episodic, they are understood to be essential by both developers and lenders as assurance of consistency and protection for their investments.

If, during the early phases of the redevelopment effort, standards are found to contribute to conditions which render desired projects financially infeasible, the City, as that entity with the largest and longest-term interest in the area, should coordinate the provision of resources to fill economic "gaps." As important as standards are, so too are the partnerships formed to minimize investment risk and push development forward. While public participation in private projects are somewhat inevitable near- and mid-term, they are less common as market conditions reach a state of equilibrium whereby project revenues are sufficient to cover project costs.

The following conclusions regarding the impact of design informed by regulations and standards are based on review of empirical information published by professional organizations, educational institutions, and experts in the fields of design and development. Estimates of how much "value" could be realized by the city of Marshalltown once it establishes and enforces design protocols for the Downtown District could be fairly easily quantified should these figures prove meaningful for discussions with its leaders, property owners, and other community stakeholders.

#### Value Defined

Good urban design can confer two distinct forms of benefits - direct benefits (usually economic) that accrue to those responsible for investing in development (public

or private sectors) and indirect benefits (social and environmental) that accrue to others and society at-large. These two forms of value can be further distinguished between value that has tangible financial consequences, and therefore measured through monetary worth (exchange value), and value that is more intangible and does not lend itself to direct financial measurement (value in use). The latter value is important, but difficult to quantify.

For the purpose of this report, economic viability (or value) is defined as development that is economically feasible and which remains so over the long-term. Social benefit (or value), in this context, is development that responds to broader public objectives and concerns, and which benefits from the support of the community. Finally, environmental support (or value), is development that delivers more energy efficient, robust, ecologically supportive, and less polluting patterns of urban form. Benefits identified in the discussion here are also presented in [Table 1](#).

Ways in which quality design adds [economic value](#) include:

- producing higher returns on investment (rental returns and enhanced capital value)
- elevating developments above local competition
- responding to tenant demand
- delivering more leasable area (higher densities)
- reducing management, maintenance, energy and security costs
- contributing to a more content and productive workforce
- supporting the human element in mixed-use developments
- creating an urban regeneration and place marketing dividend
- providing an “address” or identity and elevating perceptions
- opening up investment opportunities
- raising lender confidence in development opportunities
- attracting a broader range of monies to finance projects
- expediting the public sector's return on investment

Ways in which quality design adds social and [environmental value](#) include:

- creating well-connected, inclusive and accessible places
- delivering mixed-use environments with a broad range of facilities and amenities
- supporting context-sensitive development
- enhancing a sense of safety and security
- returning inaccessible or dilapidated areas and amenities for public use
- boosting civic pride and enhancing civic image
- creating more energy efficiency and less pollution
- protecting an area's urban heritage

**Table 1: Quality Design by Value Category**

	Economic Value	Social Value	Environmental Value
<b>Financial Tangibles</b>	<ul style="list-style-type: none"> <li>Potential for higher land values</li> <li>Higher sale values</li> <li>Increased funding potential (public and private)</li> <li>Higher rental returns</li> <li>Increased asset value (on which to borrow)</li> <li>Reduced running costs</li> <li>Maintenance of value/income</li> <li>Reduced maintenance costs (over life)</li> <li>Better re-sale values</li> <li>Easy maintenance if high quality materials</li> <li>Reduced security expenditure</li> <li>Reduced running costs (energy usage)</li> <li>Reduced public expenditure (on health care/crime prevention/urban management and maintenance)</li> <li>Increased economic viability for neighbouring uses/opportunities</li> <li>Increased local tax revenue</li> <li>Reduced travel costs</li> </ul>	<ul style="list-style-type: none"> <li>Regenerative potential (encouraging other development)</li> <li>Better security and less crime</li> <li>Less pollution (better health)</li> <li>Higher property prices</li> <li>Less stress (better health)</li> <li>Reduced travel costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy consumption</li> <li>Reduced resource/land consumption</li> </ul>
<b>Financial Intangibles</b>	<ul style="list-style-type: none"> <li>Potential for greater security of investment depending on market</li> <li>Quicker permissions (reduced cost, less uncertainty)</li> <li>Distinctiveness (greater product differentiation)</li> <li>Allows difficult sites to be tackled</li> <li>Better developer reputation (increased confidence/ 'trademark' value)</li> <li>Future collaborations more likely</li> <li>Enhanced design professional reputation</li> <li>Increased workload and repeat commissions from high quality, stable clients</li> <li>Competitive investment edge</li> <li>Higher quality longer term tenants</li> <li>Happier workforce (better recruiting and retention)</li> <li>Better productivity</li> <li>Increased business (client) confidence</li> <li>Fewer disruptive moves</li> <li>Increased occupier prestige</li> <li>Increased city marketing potential</li> </ul>	<ul style="list-style-type: none"> <li>Reduced public/private discord (more time for positive planning)</li> <li>Greater accessibility to other uses/facilities</li> <li>Increased public support (less opposition)</li> <li>Increased cultural vitality</li> <li>Better quality of life</li> <li>More inclusive public space</li> <li>A more equitable/accessible environment</li> <li>Greater civic pride (sense of community)</li> <li>Reinforced sense of place</li> </ul>	<ul style="list-style-type: none"> <li>Less environmental damage</li> <li>An ecologically diverse and supportive environment</li> </ul>

Source:  
Commission  
for  
Architecture  
and the Built  
Environment,  
London.

Those  
Who  
Benefit

Design and

development guidelines and standards benefit nearly everyone involved in the production and use of improvements in the built environment. The discussion below summarizes some of these benefits, and [Table 2](#) provides an overview by entity.

- **Lenders and owners** benefit through favorable investment returns and accelerated lease-up activity.

- **Developers** benefit by attracting investors and growing their company image.
- **Designers** benefit through a built environment that reflects their talents and values.
- **Property owners** benefit from high-profile tenants paying higher rents.
- **Community members** benefits from the fiscal advantages of successful development.
- **Public authorities** benefit by providing well-designed, economically and socially viable environments.

The role of the public sector is crucial to the delivery of value through quality urban design, extending well beyond administering regulations, and through their ability to ensure the disparate parts of an area are intrinsically linked. Providing leadership in design by local authorities is one of the most certain ways to overcome challenges presented by multiple owners, with a variety of investment goals, co-located, and forced to share facilities.

Good design offers the opportunity to give something to community and public interests, as well as to private investors. Urban design, like architecture, is a public activity, with impacts felt in the public sphere and often well beyond the site boundaries. The public sector primarily sees development as a way of furthering the public interest – raising local tax revenues, creating other investment opportunities and supporting public services and those sectors of society poorly served by the market. The private sector is broadly influenced by the demand for particular forms of accommodation, the cost and availability of financing, by the physical structure of the environment and by the ability to secure all the necessary regulatory approvals without undue delay.

**Table 2: Quality Design by Entity**

Stakeholder (commercial property)	Primary Motivations	Concern for Better Urban Design
<b>1. Private Interests</b>		
<b>Landowners</b>	Maximising returns	Only in-so-far that profits are not diminished and other holdings are protected
<b>Funders (short-term)</b>	Good financial security, risk against return	Only if higher risk is balanced by a higher return
<b>Developers</b>	Buildable, marketable, profitable, quickly delivered,	If better urban design adds to either marketability or profitability
<b>Design professionals</b>	Meets brief, satisfies client, individually designed, innovative	Depends on training, but too often concerned for building design at the expense of urban design
<b>Investors (long-term)</b>	Good liquidity, easy/cost effective to maintain, profitable over the long-term	If a market exists and therefore if design adds to profits and reduces running costs over time
<b>Management agents</b>	Management efficiency	Only that increased costs are reflected in higher fees
<b>Occupiers</b>	Value for money, flexible, secure, functional, correct image	In-so-far as better urban design creates a more efficient work environment and is affordable
<b>2. Public Interests</b>		
<b>Planning authorities</b>	Protects local amenities, meets planning policies, respects broad public interest, low environmental impact	Highly concerned, but frequently unable to articulate requirements or concerned to the extent that wider economic and social goals are not compromised
<b>Highways authorities</b>	Safe, efficient, adoptable (roads)	As long as functional requirements are met first
<b>Fire and emergency services</b>	Accessible in emergencies	Little direct concern
<b>Police authority</b>	Designed to prevent crime	As far as better design improves image and reduces crime
<b>Building control</b>	Designed to protect public safety	Little direct concern
<b>3. Community Interests</b>		
<b>Amenity groups</b>	Contextually compatible in design and uses	Highly concerned, but often broadly conservative in outlook
<b>Local communities</b>	Reflecting local preferences and protecting property values	Highly concerned but would often prefer no development at all

Source: Commission for Architecture and the Built Environment, London.