

Reinvesting for the Long-Term



MAY 13, 2010

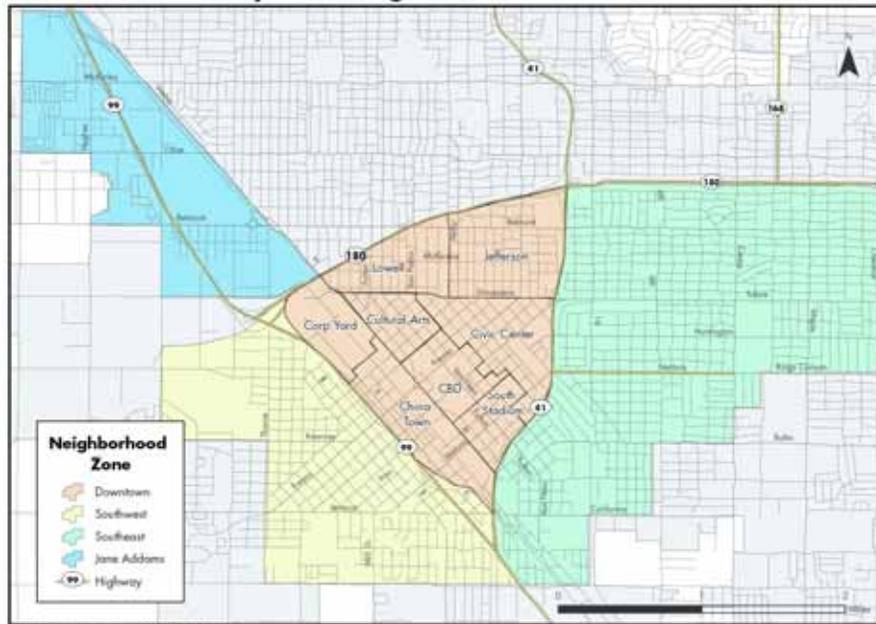
**DENA BELZER, PRESIDENT
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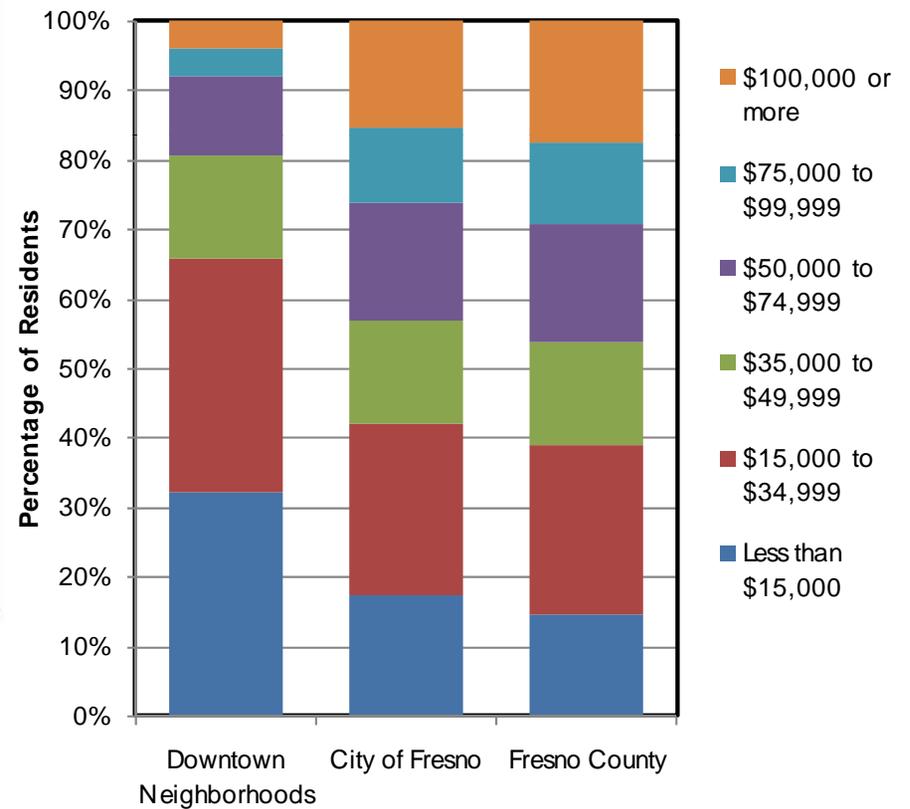
The Downtown Neighborhoods are Some of the Poorest and Most Disinvested Anywhere in the US.



Central Fresno Study Area Neighborhoods



Income Distribution of Residents



Millions of \$s in City Resources of gone into the Downtown



And Yet, The City is Broke and The Downtown Still Struggles



According to a 2008 Economic Impact Analysis of the Fulton Street Mall, the Mall is currently generating less than 6 percent of its potential economic value.



So, if “Catalyst Projects” Aren’t Working, How Should the City Invest in Neighborhoods?



Funding Sources And the “Market Continuum”



Infrastructure
Parks
Community facilities
Transit facilities

Public (City/RDA)

Mixed-income housing
Parking garages

Public – Private
Partnerships

Market-rate housing
Retail

Private Sector



Streetscape Improvements

- Associated with a **28%** increase in home value.
- Business districts report a **9 – 12%** increase in consumer spending.
- New tree plantings are associated with **9%** increase in home values.



Source: Rice Station Area Plan, Urban Strategies Inc, 2008



Open Space

- Proximity to neighborhood parks associated with a **7 – 13%** increase in home value.
- Proximity to neighborhood playgrounds translates to a **3%** increase in home value.
- Proximity to a greenbelt translates to a **4%** increase in home value.

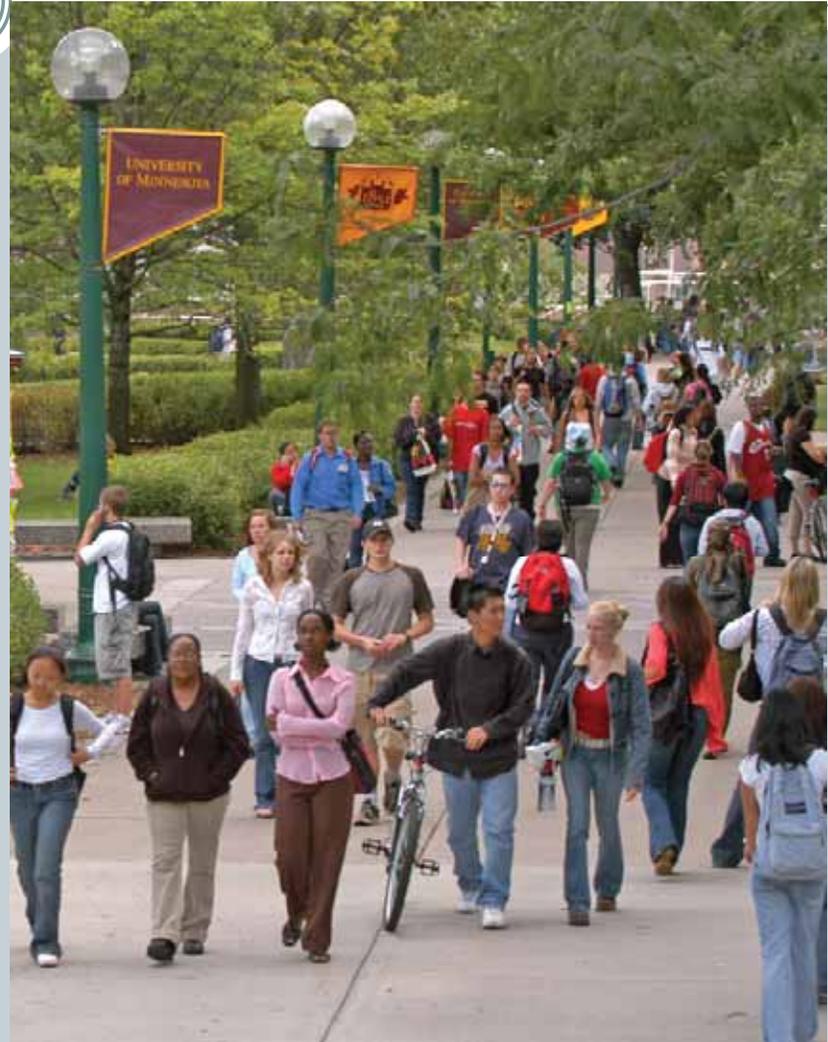


Source: Snelling Station Area Plan, Urban Strategies Inc, 2008



Walkability

- Retail or office properties with a Walk Score of 80 are worth **54% more per square foot** than those with a Walk Score of 20.
- An additional one point increase in Walk Score was associated with between a **\$700 and \$3,000** increase in home values.



Source: University of Minnesota Master Plan, University of Minnesota, 2009



Commercial Infill Development

- Homes in proximity to commercial corridor in “excellent” condition command an **11 – 32%** price premium.
- Homes in proximity to urban retail amenities such as movie theatres, specialty grocers, book stores and wine bars are estimated to command a **3 - 30%** price premium.



Source: Lexington Station Area Plan, Urban Strategies Inc, 2008



Site Remediation: \$105 million

- Redevelopment of brownfield sites led to a net increase of **3 - 11%** in nearby housing prices.



Source: Saybr Contractors, Inc, <http://www.saybr.com/page3391.asp>



Proximity to Transit

- Proximity to transit is associated with a price premium of **2 – 32%** for single family homes.
- Proximity to transit is associated with a price premium of **1 – 120%** for commercial real estate.



Source: Downtown East/North Loop Master Plan, IBI Group, 2003



Moreover...



Reducing crime in neighborhoods can increase property values by as much as \$8,000



What would Strategic Public Investments Do for the Downtown Neighborhoods?



Estimated current property values: \$ 12 million

A 3 % increase in values could generate an additional \$37 million in total value.

A 20% increase in values could generate and additional \$250 million in total value.



4 Recommendations



1. Coordinate across City departments to prioritize investments and set up the rules/criteria.
2. Provide RDA and City funding in infrastructure improvements to enhance quality of life and “unlock” potential for development
3. Limit “project-based” investments to ones that generate good-quality jobs, mixed income housing, neighborhood services/amenities
4. Continue to educate citizens and City staff about the benefits of infill development Downtown



DISCUSSION

