Grand Boulevard Initiative

Economic and Housing Opportunities Assessment

SamTrans Board Meeting - January 12, 2011

This presentation is based on the work of Strategic Economics (www.strategiceconomics.com/what.html) and Freedman, Tung + Sasaki (www.ftscities.com/index.html).
The Assignment

The Purpose:
Making the Case for Transformation of the Corridor into the Grand Boulevard

The Analysis:
• Estimate Potential Growth on the Corridor
• Profile Transformational Projects
• Measure the Fiscal and Other Benefits of Transformation
• Visualize and Study the Physical Implications of Transformation

The Grand Boulevard Vision

“Walkable” Mixed-Use
“Complete Streets”
Land Use Intensification
Enhanced Transit Service
Growth Scenarios Forecast Substantial New Housing & Employment on Corridor

The Corridor Can Accommodate Future Growth

- Estimated household growth would require between 900 and 2,200 acres of land assuming net density of 45 du/acre
- Future development will likely occur at a range of densities
- The corridor can accommodate significant employment growth.
- Estimates of underutilized properties on the Corridor range from 2,200 to 7,000 acres
Visualizing Future Growth

- Land capacity > amount of land required for infill
- Can be achieved at a range of densities IF essential support services are well planned

20-25 DU/AC - 2+ stories, attached townhomes, underground parking

25-35 DU/AC - 3-4 stories, stacked attached townhomes, tuck-under parking

70-85 DU/AC - 6-8 stories, flats over structured parking/ground floor retail

Infrastructure and Service Costs

- Smart growth can lower infrastructure costs
- O&M Costs Vary
  - Economies of scale for some services
  - Detailed analysis is needed for each project
Municipal Service and Infrastructure Costs

- O&M service costs for compact, infill development are generally lower than for low-density “sprawl” development
- Some of the incremental O&M costs incurred from new housing and businesses could be offset by the large revenue increases
- Further analysis is needed at the municipal level to accurately determine the net fiscal impact

Fiscal Benefits of Infill Development
~ $330 million - $752 million in local revenues

- $100,000,000
- $200,000,000
- $300,000,000
- $400,000,000
- $500,000,000
- $600,000,000
- $700,000,000
- $800,000,000

- Property Tax - Housing
- Property Tax - Commercial
- Sales Tax from New Household Spending
Conversion of Low-performing Retail Sites to Higher Intensity Uses Can be Fiscally Healthier

Other Benefits of Transformation

- Revitalization and value enhancement
- Time and cost savings for households and employees
- More stable communities
- Provide a variety of housing types
- Access to skilled labor force
- Sustainability, both financial and environmental
Low Density Makes Services More Costly

Amenities Improve Value, but Do Not Reduce Service Costs
Greater density reduces the unit cost of service

Visual Character Must Change to Unlock the Potential of the Grand Boulevard
Public and Private Stakeholders Must Work Together to Affect Change

- **Cities and Special Districts**: land use issues; support services
- **Transit Agencies**: mobility
- **Investor Community**: confidence in the vision; capital
- **Development Community**: convert the vision to reality

Questions?

Corinne Goodrich
Manager, Strategic Development
goodrichc@samtrans.com

ECHO Final Report:
www.grandboulevard.net/projects/echo.html