

## VIEWPOINT: Geoffrey Wardle

# Done properly, mixed-use development brings intensity and diversity

Historically, all development was mixed-use. Residential, agricultural, commercial, and manufacturing uses occurred in close proximity. People lived and worked in the same place. Economic considerations and limited transportation options inherently produced compact and mixed-use development. Transportation improvements and modern zoning facilitated suburbanization and the separation of uses. Uses were separated in reaction to negative conditions found in urban centers.

Governmental policies, demographic changes, and modern planning encourage mixed-use development today, which is nothing more than the inclusion of different types of land uses in the same project. Mixed-use development may be vertical with ground floor retail, and residential or office space above, as is common in historic urban centers. It may also be a more horizontal type of development found in less dense areas where diverse uses are encouraged in close proximity to each other.

Mixed-use development encourages efficient use of land and infrastructure. When land values increase, mixed-use development permits certain types of development that would be uneconomical for single-use projects because of the costs associated with construction and infrastructure. A stand-alone retail project that may not generate sufficient rents to justify the project may be possible with the inclusion of office, residential, or public components. A larger, more intensive mixed-use project provides a larger base to support such investment.

Mixed-use projects more efficiently utilize infrastructure. Utility relocation and expansion can be very expensive. Sharing these

costs over a larger and more diverse project results in efficiencies. Additionally, parking is never free. Surface parking lots have land costs, maintenance and operating costs, and tax and insurance expenses, which are recaptured through tenant rent. Offices demand parking during the day, Monday through Friday. Retail and entertainment uses demand

parking in the evening and weekend. The combination of office with retail and entertainment requires less land for parking than if they were single use projects.

Studies indicate that an increasing preference for mixed-use development in the United States. Everyone has a story of the quaint village, town or neighborhood that they visited on vacation where they never needed to drive. However, they may have a different reaction to mixed-use projects at home.

Mixed-use projects utilize land more intensively than occurred over the past fifty years. Density is the first and primary objection raised to any project, even one proposed in intensive commercial zones within an urbanized area. Objections are voiced in terms of height or mass or population of the project.

In an automobile-centric society, traffic and parking are also cited in opposition to projects. Mixed-use projects spread trips throughout the day. Projects in the right location with the right mix of uses can encourage trips where a car is parked, multiple activities occur, and peak hour trips are reduced. As noted above, mixed-use projects make parking more efficient, thereby re-



ducing the amount of required parking. Some mixed-use projects are legitimately criticized for their artificiality where they feel like amusement parks, with apartments grafted into a traditional mall surrounded by an oversized surface parking lot.

Effective mixed-use development must be organic, it cannot be mandated or forced. Requiring ground floor storefront on streets with minimal pedestrian activity or residential uses on high-traffic streets are a recipe for failure. Retailers need customers and customers need a place to park. Without frequent and convenient transit, most people still require automobiles.

Notwithstanding the support for mixed-use development by planners and pundits, developing successful mixed-use projects is difficult. Location and density dictate success. There are specific building code requirements for every type of use. The egress requirement for commercial and assembly uses can result in more and very large exit stairwells. The ventilation and fire suppression requirements for restaurant uses are very particular and are a challenge to integrate into a larger structure. Multistory residential development has very specific life safety code requirements. When uses are combined, building code compliance becomes complicated. Boise City has taken the time and effort to work with developers to develop appropriate code modifications to encourage mixed-use development. However, even with cooperative code officials, these code issues add expense to mixed-use projects.

Obtaining construction and permanent

financing for a mixed-use project is more complicated. Construction lenders may have an area of expertise in one type of development. Permanent lenders look for specific project type meeting very specific underwriting standards. As such, when a project has a variety of integrated uses, lending necessitates creativity and flexibility.

Financing of residential elements within a mixed-use project is also challenging. FHA requirements for residential condominium loans are stringent and FHA imposes additional requirements regarding the mixture of commercial and residential uses in a project. Compliance takes time and intersects uncertainty into a project. As a result, many developers frequently forego residential elements that would attract FHA buyers, resulting in either apartments or high end condominiums that are not FHA eligible. As a result, the residential components of mixed-use projects generally do not meet the expectations of planners or the public.

In spite of these issues, mixed-use development is proving successful in the Treasure Valley. Bown Crossing is an example of a planned commercial node, that given time and a specific mixed-use vision can be successful. The mixture of residential, retail, commercial and public uses at that site demonstrates that in the right location, a horizontal mixed-use hub can work. It requires patience, however, as the various uses have different development and life cycles.

The benefit to including office space within a lifestyle center is evident at The Village in Meridian. With the absorption of over 100,000

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square feet of office space within that project already, the demand for office space within that market is evident. The mixed-use nature of that project element means that there is more efficient utilization of the existing parking facilities, a greater daytime population for the retailers, and a true multipurpose destination all on a major transportation corridor.

The Eighth Street corridor in Boise is an example of how historic development patterns can support and integrate with modern land uses in a true mixed-use neighborhood. From the construction of the original Overland Hotel at 8th Street and Main Street, commercial, residential, retail, professional, and public uses have coexisted along this corridor. Today, Eighth Street has all of the elements that are desired in a suc-

cessful mixed-use neighborhood.

Retail and office centers already exist at BODO and Eighth and Main. Hotel and entertainment facilities such as the Grove Hotel, Hampton Inn, Regal Cinemas, Knitting Factory and CenturyLink Arena provide activity outside of traditional office hours. The inclusion of residential elements such as the Aspen Lofts and the Afton provide additional activity to the neighborhood. City Center Plaza will be completed this year and will include the expansion of the Boise Centre, the opening of Main Street Station, and the relocation of Clearwater Analytics and Boise State University's computer science program to the building. Boise's historic mixed-use neighborhood will continue to provide a variety of office, retail, restaurant, residential,

and public uses throughout the corridor. The intensity and the diversity of uses adjacent to Eighth Street means this neighborhood has almost 24-hour-a-day activity.

Today, mixed-use development can be much more difficult to undertake than single-use projects. However, it can be more efficient and beneficial to the community when it is encouraged by appropriate governmental policies and when undertaken by property owners that understand the risks and benefits to such.

Geoffrey Wardle is VP Development and General Counsel for KC Gardner Company, the owner and developer of City Center Plaza and Eighth and Main in Downtown Boise.