

Growth, Transportation, and the Issues Ahead of Us -- September 19, 2005

Transcript – Scott Polikov, keynote

Thank you very much for your hospitality. My wife PJ is with me and this is our first visit to this part of the country and it has been wonderful. We spent a nice day yesterday driving throughout the region, and had a great meal up in the mountains. I also really appreciate the numerous mayors, commissioners, and COMPASS staff and Boise State folks that have spent time with us to give us the candid insight about the challenges and opportunities that you all face. I agree with Mayor Bieter: I think you all have one of the great places in the United States. It is a real gem here. I am honored to be a part of the opportunity to try and preserve what you have.

Thank you Matt [Stoll] for a thorough coverage of my background. I really want to stress that my background is probably split about half and half with the public sector and private sector. I think that is important because if there is any one theme you leave with tonight, stick with your public/private partnership philosophy that the *Communities in Motion* and *Blueprint* is setting in terms of your long-range strategies. I understand the bottom line and I thought the timing was really positive for Miss [Cynthia] Sewell's article [Idaho Statesman, September 18, 2005 -- *Best-laid growth plans often just gather dust*].

The article really reinforced everything that I have been looking at in preparation for your event. I am glad to see that you are really focusing on implementation. I thought the article was a positive one too because I think it contrasts from what I can tell where you have been and where you are going. Dust on the shelves is universal. I think wherever you are in the United States, for years and years, many folks have been frustrated by dust on the shelves. I can't imagine that the processes you are going through now that you are going to have the same result, because you are focusing mostly on implementation. The fact that you are looking at a visioning process all the way through implementing code changes means you are going to get there no matter what. Now it is just a question of what do you want to do when you get there? That is what you are here for tonight.

Being from out of town let me just say, how can you do anything but select the scenarios you develop. I just can't imagine that you would stick with the Trend and just let things happen to you, as opposed to taking advantage of the tools you have and the leadership you have. What I like about *Communities in Motion* and *Blueprint* is that they are not vague. They are very specific with a path towards implementation. The article talked about continuity of leadership and that being a problem. We are in America and this is a democracy. We actually do vote people in and out and that is just the way it is. That doesn't mean that the folks that are no longer in office don't continue to participate. If you stay on the course of regionalism it doesn't matter if you have turnover. So stay focused on regionalism—I think that you are on the right track I think that you have already answered that criticism.

Enforcement. Without getting into the details of the relationship of the comp plan and the zoning process and the state enabling statues and all of that, think of the issue of enforcement as something that you are already on a different track—that is stakeholder ownership. If the players, obviously everybody in this room is a player you wouldn't be here....if the players buy into what you are doing then enforcement is not really the question anymore. It is taking the time to figure out how to do what you want to do. A lot of criticisms you have already resolved through this process. The final one though is the big challenge and that is the one of how you are going to pay for this—I want to focus on a concept in my presentation, the concept of value capture. It is not a new concept. It is just my version of how to package some of these ideas.

I want you to focus on the concept of value capture as we go through the presentation. I will leave some time for question/answer as we lead into the café process. I think the key is the integration of your scenarios that you are developing, code revisions, financing strategies, the market, and public/private partnerships in order to link transportation and land use. The bottom line: How do we link transportation land use? The concept of value capture for me should talk to you from wherever you are coming from. It may be a quality of life issue; it may be a bottom line funding issue. I am going to talk basically about these different concepts as I go through this presentation. Leveraging investment in regional transportation infrastructure, from those of you I have talked to and from the COMPASS Board meeting I

went to today, is a question festering regions across the United States: How to best invest limited funds for more demand than we have money to pay for in terms of mobility and infrastructure.

Urban design makes transportation options viable. Mayor Bieter's graphic really underscored that. How do you get from 125,000 acres to 42,000 acres? I am assuming that is new development. How are going to facilitate a swing of 70,000 acres?

Transit Facilitating Transportation choice at the community level. When I use the term transit I talk about transit not in the sense of rail transit or buses, but also cycling, the urban design of the neighborhood, sidewalks, and those sorts of things: the convenience of getting around through means not just by getting into your car. I am not an anti-car person. Half of our business is project management of [new] highways. We do toll roads, we do financing of highways, it is a core part of what we do. I like to think in terms of transportation choice, so when I talk about [transit], that is what I am talking about.

Housing-type variety creates move-up sustainability. This is the issue. I don't care how great we design the neighborhoods, [or] how much money is invested in the roadways and highways. As far as I am concerned, if we don't create new neighborhoods like the ones we used to develop and the ones that you have around here...we toured a number of great neighborhoods around the region...we spent a lot of time of looking at your neighborhoods. What is the one single common factor for those [older] neighborhoods that I think a lot of times you don't see in new development today: housing type variety, it's the notion that when you move into a neighborhood you can move up without moving out. Wouldn't it be great if you actually [can] live in the same neighborhood where you were born and you got your first job, you have a family, or you stayed single and started making more money and wanted to move to a bigger house; and [then] you are downsizing. [On the other hand], because now your kids are gone and they are no longer in college and you have more free time and more money, you have to move out of the neighborhood.

I will tell you a quick funny story. I represented a town of South Lake in the [DFW] Metroplex which is near the DFW airport, if you are familiar with the North Dallas Fort

Worth area. South Lake is a very wealthy community, ½ acre lot minimums, \$500,000 to \$1,000,000 homes everywhere, a very successful community. Except for most of the tax base; most of their land area is developed out, they only have about 600 acres left for development along the [main] highway corridor. Most of their land is ½ acre and 1 acre lots. Well, that housing is not paying for the services needed to maintain the basic functionality of the city.

I was facilitating a citizens committee because they are actually fighting whether to allow town homes into their town square. I will show you the town square which has been one of the more successful new city hall mixed use developments in the country. They are actually fighting whether or not to allow residents to live in town square. We came in to help them work on that, and I will never forget the president of the school board turned to the city councilmember who was running on—if I offend somebody here I guess I can do that because I am from out of town—on a “no apartments” platform. She said to the city councilmember, we are going to have to modify, and this is typical Texas too, the South Lake Women’s Club by-laws. The councilmember looked at the chair of the school board and said “why?” [The President of the school board] said we have so many women that are members of the club who are [nearing] retirement age, they [have] money they want to spend, they want to travel and get out of their large lot homes, and they want to live in a town home, but we don’t have town homes, or anything else in South Lake [other than large lot apartments].

[Accordingly,] a lot of people are leaving town but they want to stay members of the Women’s Club and the by-laws say you have to be a resident. So you know you find the problem where it finds you: I thought that [the bylaw issue] wasn’t real compelling to me but for the women of South Lake it was a big deal. I am serious about that; it was a real issue for them. I really want to hit home on this point: think in terms of creating neighborhoods where when it is time to change what kind of home you want to live in, if you choose to stay in the neighborhood, can you?

Housing -Type Variety to Create Sustainability. At first I wasn’t going to talk about this point, but I want to talk about it because you have so much beautiful land out here.

Purchase of development rights. This one I am not going to hit on too much but I think it is worth a discussion later on and this is a concept that is just now be tackled around the country which is a cousin to the transfer development rights strategy. I want to start about talking of the nature of growth itself. There is a very famous urban designer/town planner, Leon Krier. If any of you are familiar Andreas Duany, the new urbanist, Krier is really his mentor. Krier talks about there are two types of growth. There is growth by hypertrophy, which is a big word for excessiveness--the way we do our business of development and the governance of development. It leads to vertical over expansion and hypertrophy leads to horizontal over expansion. You find this development pattern, whether you like it or not you find it in most of new growth around the country today vs. growth by duplication.

Growth by duplication is really the way most of the communities you find throughout the world, [grow] whether in the Western world or Eastern world, near east the Far East, most neighborhoods, [like] Hyde Park. We went to the Hype Park festival. Hype Park grew under the concept of growth by duplication. Organic expansion through duplication. It is the concept of neighborhood. You have it here. Again you see it come back, this is Colleyville, a community in the Dallas Fort Worth area, building a new village in the heart of their community. You see a combination of old and new neighborhoods.

Plano, TX was one of the most famous suburbs that sprouted out in the United States early on. It was seen as the “bubble.” Most people don’t realize that Plano, TX was actually once a trolley suburb. Here is the original downtown the line came North 30 miles from Dallas and you had the original downtown. Once the new rail transit system became viable and on the ground you have new neighborhoods sprouting up right next to the old downtown. This is about 70 units to the acre, vertical mixed use with retail on the ground floor. By the way these apartments were all leased up before they were actually even constructed in anticipation of this, and you can see that the parking garages are hidden. If they can do it in Plano, TX, they can do it in Meridian, Boise, or Nampa. I promise you. If you want to get into comparison of property rights and the business culture, which I embrace, I think we [Texas and the Treasure Valley] are very similar communities. The success of transit-oriented development in Plano, TX to me says that under the right conditions, the right planning and the right investment, it will work.

Anywhere that you have the demand and you have it certainly here. To really understand why we are where we are and where the development drivers are today, I think it is to really understand retail. This is the transportation network that has evolved. I got this from Seth Harry, a retail consultant. It is actually reversed, this is Omaha, Nebraska, with the Missouri River coming down and normally Omaha would be going to the west so the graphic is reversed but the original downtown and the first ring suburbs, the bypass transportation system, and then your one way in and one way out of your cul-de-sac neighborhoods with the collectors into the major highways with the destination retail.

Originally you had the downtown small scale retail and our transportation system facilitated that quite nicely. Then you had the advent of the first malls. We developed a transportation system to serve those. That became the bypass mall. So the evolution of retail began to drive the transportation patterns. Again it is not a good thing or a bad thing; it is just a driver, a reality. Then our transportation system started looking like this. We started getting away from the fine grain connector streets and local streets and we had collectors and arterials. Then we had the advent of the big destination mall. Where it was all about getting people in and out of the parking lots and making sure you had enough parking for three or four days a year. Certainly the capacity issues are very real.

We have to deal with them, but the problem with this dynamic was that when we started doing this to facilitate that we forget about that. In the work that [Robert] Freilich and Karen [Doherty] are doing with your Blueprint... and re-thinking this again in your long range plan...you are thinking about it. I think that it is important to understand what the drivers are. Retailers, they follow the path of least resistance. If you make it easy for retailers to come in and make money in a different environment or a different pattern then they will and I promise you, and they already are. For a long time they said that we are not going to do two stories, well they are doing them all over the United States. Crate and Barrel, they don't do a new store unless it is two stories anymore. Target, 20 % of all of the new Targets are going to be two stories for example. Be thinking in terms what those drivers are. I am not anti-destination retail. I like the boxes, and in fact I am going to talk to you about how to take advantage of them. The bottom line is the primary reason for today's built

environment is conventional zoning of one-dimensional streets that in many ways have grown out of getting many ways have been getting people to destination retail and also jobs. The drivers are more so, on the retail side. I want to quickly go through the issue of zoning and explain to you again what these drivers are so when we get into some of the solutions you will have a handle on some of the relationships.

Typical zoning today many of you or most of you know this, the primary issue is use. Is it a café, is it a dress shop, is it an office, is it housing, single family apartment. If it is residential what is the density?...if it is commercial what the floor to area ratio is, how much volume of building are we going to actually put on the sight and everything beyond that is off-street parking? A lot of times the off-street parking issue drives density or use if there is not enough available parking off-street to do that. There is almost no room for the issue of design and neighborhood design and relationships in this process. Our codes, wherever you are in the United States, the nature of the regulatory system today is essentially driving that trend scenario and you have lost control.

Maybe I am not telling you anything that you don't know but it is important to hit on this to really understand it. So when you talk later on what your preferences are be thinking in terms of what the factors are and how those preferences come about or what needs to be changed to make them a reality. We have really in many regards; I am not saying throw out zoning because there is still a need for it but the reasons for the separation use of zoning in many regards is no longer relevant. Heavy industry, health conditions, crew transportation and diversity, let's be honest when I talk about diversity. Whether we are talking about ethnic diversity, whether you are talking about class, money, you see people raising hell about the \$250,000 subdivision moving next to the \$400,000 subdivision but if you go to a dinner party my guess is the people that probably the people that live in the \$250,000 homes are behaving better than the people living in the \$400,000 homes. So what are the folks in the \$400,000 homes worrying about? It is just insane that we are fighting over this. The bottom line is what is the impact of what we have left ourselves with in terms of our [current] system?

Well, it is difficult to do mixed-use, it is difficult to achieve density, and to me density is not a bad word. I know that it scares people; it is a question of what you do with it. Connectivity is difficult, transit is almost impossible and diversity and folks let's just cut to the quick. Let's put your real estate hat on. Pretend if you are not a developer you are one right now. What is the highest value real estate in the world? What is the nature of it? It is those great streets with the café's and all of the eclectic stuff and the cool little town homes where you go three blocks over, you know I am thinking Georgetown [next to Washington, D.C.].

The high priced real estate is real estate that is eclectic, it's fun, and it's colorful. Now, that is not for everybody and some people don't want to be there, but a lot of people do and they will pay big bucks for it. Sometimes they will pay a lot more for the land than the building. Maybe we're cutting off our nose to spite our face when we want to have things all of the same. I will tell you what, if you look at the studies now whether it is the Urban Land Institute or the Congress for the New Urbanism; it's the neighborhoods and the communities that are employing the notion of having diverse incomes, having diverse housing types, diverse uses. Premiums are being paid for those neighborhoods as opposed to the monoculture of what we have been doing for the last 20 years. Again, I am not saying it is bad, but I will bet on; well let's just say it is a niche. Let's say that the demand for living in those types of eclectic diverse mixed use walkable neighborhoods is 25% of the market. Right now we are maybe delivering 1-2%. If I am a developer I would bet on that 20% spread. Why not?

This is what America is facing today. We are so locked in on the specifics of zoning that this is in Waco, TX, which is a fairly stable part of the world. You have got I-35 on one end, Austin, San Antonio, the other, Dallas Fort Worth with 170,000 cars a day. 170,000 cars a day drive by this building. It has been sitting there for years empty. Why, because it is locked into what it is. It was designed under a single use classification discount store. It was designed to look like a discount store, and no body is going to scrape in the money and re-zone it. God forbid you have to re-subdivide. That is a whole different story. My point it is like an insect in amber. That is loss value capture. That is what our zoning does today.

This was a room store in South Lake. The Room Store is a purchase store in the classification of retail but the developer put only so many on-street parking spaces to facilitate a furniture store. Anything other than a furniture store within retail classification requires more on-street parking spaces. This building sat empty for over a year because the politics of getting a variance on the parking was much more difficult than the owner of the building was willing to go through. Even though this is one of the highest retail corridors in Texas in terms of sales, this building set empty for a year and a half. It was under parked under the conventional zoning. The bottom line is today roads are designed just to deliver cars to parking lots. I implore you, when you go through the process of implementing your code changes, you're zoning changes, and you have got to change your subdivision standards. You have got to make sure that the design of the streets and the relationships of the streets to the buildings marries up the strategy that you are developing in your scenarios and the strategy that will be reflected in the implementation of your zoning. It's not just zoning, it is zoning and subdivisions.

The Freilich firm knows this, which is what we mean by unified codes. Make sure that the subdivision standards in terms of the design of the streets and the urban design of the area matches the goals that you want to achieve for your zoning and your plan. Streets and building form character of town square which is a new, it was essentially a mall that was married up to the development of a new city hall for a community that never had a city hall. There are many of these new growth areas like that. I just saw the new city hall for Garden City today. Well that is a street. Crate and Barrel is a high dollar destination traffic. That is a street, that is a street people can actually drive by but it is designed such that people can actually sit out on the café spend money and walk across the street to Crate and Barrel. I am not saying we can't have these, but if this is all that we are developing then we are missing the boat.

What I have been suggesting is what you already have been talking about in many senses but I want to hit it home for you and giving you tools for implementation of what I call the form-based approach. It is a term that is being used around the country, there is other descriptions, but basically it is a notion that the regulatory system and our philosophy of the development community is based more on the form of the development but not the use--

use is secondary. So the hierarchy—as opposed to use being the driver, density and off-street parking—it's the urban form; and what I mean by urban form is the building is built to the street by this distance, the street is so wide, the sidewalk is so wide, it functions to serve both the pedestrian and the car. Parking is located in a way that it slows the traffic but also to provide accessibility. The street becomes a place, not just a mobility facility. That is what I mean by urban form. Use relationship, we are not suggesting to throw out the notion of regulating use and there are certain things that you don't want to do. You don't put ground-level residential on Idaho Street in downtown Boise. That is a bad use relationship to other uses on the street and density and parking. Critical issue. You don't get away from density but you make sure as you plan that you have the infrastructure to support it.

This approach treats its benefits almost the opposite of what our conventional zoning does. Mixed use is a benefit clustering connectivity transportation choice, great streets, and functional architecture. What do I mean about functional architecture? Well you have got a lot of it here. This is what I mean by functional architecture. This is not functional architecture if it is not a 7-11. Once it stops being a 7-11 it's a dollar store, it is not a dollar general but a dollar store, at best. Nobody wants that around them. I would be willing to live around the corner of that 7-11, I promise you.

That is Boston, Beacon Hill, how many uses has that 7-11 been over history. You know this is nothing new. Originally we were concerned about the functional architecture, does the building properly address the street, what is the width of the sidewalk, what's the design of the street in relation to the building, it is scale appropriate for the street, for the surrounding neighborhood. So we really don't care whether or not it is a 7-11 and what I would like to do is put the planning and zoning commissions out of the zoning business that in fact which just finished a code, and I will show you it in a second. Once you are entitled for uses you never go back for re-entitlement. If you have got the appropriate urban design and you want to change the 7-11 to a dress shop or to a clinic and you have got the proper building code met, you go get your certificate of occupancy and you move onto your next use. It gets the regulatory system out of the business of micro managing. For me from a conservative perspective that is efficiency and that leads to value capture. Its loss value to re-plot, re-zone, and fight of the neighborhood crap because now we don't know what that is going to be

after the 7-11 goes away. But this costs more money to build but it is like anything. It costs more money to go and get your graduate degree but do you make more money long term, absolutely. Are we still going to have some of this? Sure. I am not suggesting that you make this illegal, what I am saying is let's make it easy to do this again.

[Birkdale Village] is one of my favorite projects. I actually have not been there [but] I want to go. This was done by Shook Kelly, great architecture planning firm, in Charlotte, North Carolina. [It's a] very successful project, mixed-use, boutique retail about 170,000 square feet of retail. The anchor is a theatre. Here is the highway, you drive in here and there is on street parking and then there is teaser parking and then there is a series of turn in right in and right outs to two story decks that are not attached to the buildings so you don't have fire code problems. It is the cheapest parking deck you can build. You have got accessible parking, you have got two story and one story flats apartments for rent here. You have people that work here, you have got young professionals, and this is 45 miles from downtown Charlotte. You actually have a cool bohemian culture building up here, cool funky shops as well as high end boutique shops because you have a mix of different residential markets in this area and so for me and then you have got some office uses on the back side. You have got your conventional parking from the highway so when somebody drives by they see in an instant it is easy to get in and park. You have got your service parking and we are not getting away from that. Once you get in here and hid the parking decks and it was designed so people can come down out of their apartments and walk out through causeways into the main street with the retail on the ground floor. Charlotte right now, two years ago, Charlotte was looking at 70-80 cents rent for foot, so 1,000 square apartments are \$700-800. These apartments if you could get into one were renting about \$1.30 per foot. To me that suggest pin up demand, again this just notion of the codes facilitating and the developer and the design facilitating the parking demands, mixed retail and residential. Apartment's folks, \$1.30 a foot in a \$.70 market.

This is a project called the Market Common along the Orange Line, the Metro Line in Washington, D.C., another one of my favorite projects. I used to live in this neighborhood. I have spent a lot of time studying this project, this is about 400,000 square foot of retail on about 2 acres, something like that, 3 acres and about 130 units to the acre housing. It is

about 7 stories; this is the internal part of it. It is on Wilson Blvd. which is a great street, good access and it is about a block over from the Clear Metro stop. On the outside of this they have residential that is built to commercial code, it meets the ADA so that if you want to convert to commercial to residential you can. See there is no stoops so you don't have and ADA problem. The reason they did that was that on the side street someday there is going to be demand for professional offices, accountants, psychologists, but the market is not ready yet. It was coded and designed such that when the market is there these residential units can be converted. These little details make a big difference. I promise you if we could tele-transport a hundred years from now, this is going to be a great place to be. The question I have it the apartment complex we are putting over here because no body else wanted it, is the strip mall that we are putting down there because we finally can figure a place to put it, is it going to be here in 100 years?

Maybe, maybe not, it is probably going to be scraped three or four times. This is value capture, it has got the same uses that are coming into Boise, Treasure Valley, Meridian, Nampa region, but they have patched it and designed it differently. You have a process in place to do this, I am just showing you some tools that you can utilize to implement it. This is the magic of this project. This is about a 100 year old single family home, behind the project in Arlington, Virginia, if anybody is familiar with Arlington, Virginia there is no tougher neighborhood pro-activism environment in the United States. It is a very well governed, pro-neighborhood community. What they did was when they designed this if you are standing on this front yard and looking to the back side of the project you don't know that its there. They have a pocket park and you look across the streets, these are brown stones, these are new, see they picked up the old stone treatment architecturally from the house and these brown stones by the way are selling \$350 a square foot. Attached single family is what we called them. You walk through this passage way, you are coming through here, see you are looking back in the neighborhood, then there is an alley in the project. One side are the garages that serve the town homes and on the other side are the service garages for the retail and you walk through passage way and boom you pop in there. This and this are maybe a hundred yard a part. You go from 4 units to the acre to 140 units to the acre. You know lot of people want to live there and you know why they want to live there because they were selling those suckers if you can get into them for \$350 a foot. I

understand nice housing around here is selling about \$150 a foot and people are saying my god that is expensive but \$350 a foot.

This is Kentlands [Montgomery County, Maryland] and it is probably the oldest and most mature, most complete new urban community. I try and stay away from jargon, you are not going to hear me talk about New Urbanism, Smart Growth, blah, blah, and those are political terms. I am just showing you the elements of what we are talking about. You can draw your own conclusions about the other terms. I do want to use the term New Urbanism in once sense. This is Andreas Duany's community that he designed as a New Urbanism community. This is the major arterial on the main drive coming in. This is the big box area of the destination the big box retail. I put big box in quotes because pejorative term. The nine story 600,000 square foot Macy's in Manhattan, nobody calls that a big box, that is a huge big box. If it is stand alone and it is not related to anything and it has the lights and the blight and all of that which we associate with big box but we got and shop there anyway then it is a pejorative term. The point of this is that this is the town center retail, the small mom and pop retail that floundered and the story of this is that the developer went bankrupt because he had a deal to sell this and the guy he had it under contract with went belly up and they didn't get this destination retail in place and he couldn't keep cash flowing the deal. Now it is very sight and successful community, but the town center retail was really not working at all because there just wasn't enough traffic coming to the boutique retail, the small local retailers don't have the budget nor do they have the access on the highways to attract enough destination retail.

Once these boxed opened up the town center retail just boomed. So what I would recommend is look for ways to marry up your destination retail, figure out a way to encourage if it's a destination retailing in traffic and design your neighborhoods and your retailing area so you can actually have the small local boutique shops benefit from the destination retail traffic. Make sure it is related back to neighborhoods. Nobody should be designing these retail centers anymore with these big walls and fences so that the people who live behind have to get in the car and drive around. I mean that is just insane.

It always rains when I go to San Diego. I think that it rains one day a year but the reason and I didn't realize until I got here that this is the home of Albertson's and we saw one of their plaques up in the Shakespeare [Idaho Shakespeare Festival site on Warm Springs Blvd.] facility. Albertson's did it right in San Diego. They lined the parking lot with this instead of these separated pad sights with drive through, these are small 6,000 square foot building and the entries are in between, they are not on the outside of the parameter and they are not on the inside of the parking lot. If you are walking outside from the neighborhood in you can go in, if you are walking from the parking lot in and you can't see the parking. You have got 7 or 8 of these cool little, you know you have got Panda, McDonalds, and you have got the same retailers, the same restaurants but it is designed so that the big box and the parking does not become a problem to anybody unless you are actually driving there to do grocery shopping. People say well you can't see the grocery store. Well I promise you that it didn't take long for the folks that frequent the Albertson that the grocery store is there, especially because it is food.

I talked about this before but I want to talk about this a little bit more. Variety [of] housing types is the key. This is a new apartment complex, typical of what you see in most of the country. This is gated and it is about mile and a half down Victory, we have this on Victory Street and we did it again. The reason that we are doing this is let's call it for what it is, folks that choose to or that is there stage in life. Whether it is part of their transformation in terms of their ability to earn income or just frankly that is where they are. There are modest means and they choose to live in an apartment, or they are professional and they want to live in an apartment. We need up housing everybody here, but once this things pops up here there is no incentive for people to live here anymore and certainly you are not moving up to anything else when you are no longer ready to live in this particular housing type. We repeat this over and over and over again. Except there is an alternative, it is nothing new but again it goes back to the question of design, this is also in Fort Worth.

This is a single family home, beautiful home in Berkley Place, just south of downtown Fort Worth. Right here is a drive. Right here is a road and it is on this side of the house. These literally are side by side and are separated by a little local road. This house is beautifully located and designed and located next to a 35-40 unit apartment complex. It works very well

in this neighborhood. You see these throughout America and great neighborhoods. You have got a few in this region but not too many. I would encourage us to get back into this type of apartment living. For some people they actually want to live there. For other people why should we force them to live in only this if that is where they are in their life. The bottom line that apartment complex is a lot older than that one, but because of where it is, its scale, location, incentive for investment and re-investment in keeping it up, and so the bottom line though is it is hard to get financing for these small scale apartment buildings because securitization dynamics, underwriting. The rule of thumb is about 200 units for a multi-family project to get institutional finances and so you either need to find private placement equity or hard money financing, which is at best a difficult challenge sometimes. For those of you that are in the room that are into investing look for ways to begin to pool these types of projects together so you can hit the 200 mark or maybe there is a demand in the market for a particular type of security that specializes in financing these types of apartments. I promise you in my opinion this is probably small scale and I use the word urban in a sense to say Hyde Park or downtown Boise, not in terms of Manhattan. Small scale urban apartment living is going to become a bigger and bigger demand item. Throw out affordable housing for a second and the concern about class. You have a cohort that is moving through the housing market.

The baby-boom empty-nesters, they are the largest single cohort in population ever in the history of the United States, they are huge. The generation of cohorts behind them are much smaller, this big cohort, the baby boomer cohort, I need to break down and get some numbers and just show it. The baby boomer, empty nester cohort is in a point in life where a lot of them, they are getting ready to go do all kinds of thing. You know they want to buy a second home in the mountains, they want to move into a town home, they may want to down scale in a medium lot single family, but the demand for that cohort for large lot and medium lot and single family is diminishing and it is transferring in other housing types. The cohort following behind, they are chasing the small lot starter home; they are not chasing the big lot home. I am not sure that we are developing and delivering to the market what the demand and the variety of the market actually is. I promise you, if we have a community where we are at, look in the mirror and say what is the supply, what is the demand, what are the factors to do it right and we start to put in small scale urban apartment complexes into

our neighborhoods, both new and infill we are going to do two things, we are going to have a more vibrant sustainable neighborhood, because we are going to have a better mix of people that are long term because that housing type is good for the young, retiring, and it is good for a lot of different reasons and two tax base.

Now let's go back to the South Lake example. Why would I intentionally chase away a market that has the most disposable income? The empty nester has the money and community after community after community is not delivering the housing type to attract and maintain the empty nester. The other ones that are going to go and spend in money on art and latte's, but what we are doing is forcing them to get into the car and drive down to the next community or the next strip mall that may or may not have what they want or get on a plane and fly to somewhere else and spend their money to go shopping. It is insane. For those of you who only care about money and there is nothing wrong with that and I promise you that we have all be there at some point in our lives or we are going to be there. Think about the money communities are leaving on the table by not appealing from a market standpoint to the empty nester.

Pocket parks are critical and profitable, and I am sorry I didn't get to work in the public art. That is what I love about this business is that you are always learning and the notion of the transformation of the public art, I learned something today is really parallels the transformation on architecture to urban design where public art used to be isolated and now it is really used as an integrated piece of the fabric of communities and walkability and place making and those sorts of things. At first I wasn't going to put this in but I think it is important because you might even miss it more in a part of the country like your region, Treasure Valley, than you would in other parts. We have a lot of pasture land and open land in Texas but when some of that is gone nobody cares. Unless you are talking about the Texas hill country which is very beautiful and pleasing, there is so much land and it is so wide open, around here driving and see the beautiful farms, and the foothills, and mountains and those sort of things and when stuff disappears here and you guys care and you should care.

Having that around doesn't necessarily mean that you should forget about any new developments. The point is that part of density or intensity or mixed use or walkability is having these great public spaces. In marrying those public spaces up from a design standpoint in a way that it creates amenities for people that live in those neighborhoods, so they don't have to get in their car just to recreate. I am not talking about putting in the swim center. I am talking about real public spaces. You have a lot of beautiful public spaces in downtown Boise and some old beautiful public spaces and plazas and parks from what I can tell around Boise for what we have seen. There is a perception from the public sector standpoint that they are too expensive to maintain so the cities say oh, we are not going to do pocket parks. The parks and rec director says my budget can't afford that we are going to do those big destination parks because my mowing team, you know I have to hire five times the number of mowers and blah, blah blah. Again pennywise and pound foolish, why did [Frederick Law] Olmstead work with the city of New York to put in Central Park? Well it wasn't just a quality of life issue; it was a real estate deal. Central Park paid for itself in three years. The adjacency values are the premiums. Developer friend of mine **Bill Geitema** in Dallas went to MIT, smart guy, is insane, he is the only guy I ever saw get away using the F word in front of a city council, it was amazing. I think they didn't question it because they knew he was a brain. I am not sure how smart he was after that. He didn't get his entitlement. He worked with a graduate student at MIT and they did a study, they actually ran the models and looked at lots and homes and adjacency values located, I am not just talking about swells and green space, I am talking about public spaces and passive pocket parks and useable green space. You can see the details, they examined 3200 residential sales, study houses proximity of neighborhood parks, I am not talking about active parks and large parks, but small parks like this one you see here that is in the Kentland. It is kind of a green which you can drive. Look at park characteristics so when they ran the model they were holding constant for the various characteristics and excluded parks with features that attract significant traffic from outside neighborhoods, such as softball fields, etc.

he conclusion was this was an empirical study, this wasn't just a qualitative study, is homes adjacent to parks create on average a 22% percent value premium relative to homes about half mile away. Study after study, John Crompton from Texas A&M and others have identified the distance is about 800 feet and more and more we are putting in our codes

performance standards for parks designs and pocket parks. We say you have to do a certain percentage of public space, not parks, but what we say is you have to have within a certain percentage you have to have a certain percentage of homes within a certain distance. We say, well it just depends on what the culture is and what the appetite is. We say in a new neighborhood, you have to have 70% of all lots within 800 feet of a pocket park. Let the designers and the developers and the city to figure that out. The code sets the performance standard. It is money maker from a tax base standpoint, 22% on average value increase. So the bottom line is that don't think just because you have got a wealth of natural assets that you have to forget about them in your new developments and your built environment. They are even more important and more critical. First of all you can make something that tenuous to the acre of field lot less dense than something that is four or five units to the acre with the utilization and the proper design of public spaces and pocket parks, and it is a money maker.

Public investment creates a build and hold market dynamic. The bottom line I have already talked about town square. The reason this development became the high quality development that it is because the developer was able to work through the creation of the tax increment financing district with the city of South Lake to marry up with a new city hall. There are a lot of different civic things that you can use to anchor these developments. The bottom line is that instead of looking at a two or three year development and investment horizon and flipping to one of the big developers that owns and continues to manage and suck out rents or retail, strip development and destination malls. Cooper and Sevens is in this for the long haul. On the second story you have got office and the down turn in the Dallas Fort Worth market when you were looking at 60-70% occupancy rates. They never dipped below 95%. So the point is, encourage projects where there is a dynamic of build and hold as opposed to build and flip. There is nothing wrong with flipping but if that is the dynamic driving it then urban design is thrown out the window, long term investment strategies.

Innovative financing, bottom line is use what you already have. That is a region where you have got opportunities for transportation nodes and corridors and additional investments. I talked to your governing Board of COMPASS earlier today; it is a project that we are working on in Fort Worth. It is an 8-mile toll road. You probably don't have a lot of need for toll roads here and if you do I know it is big political questions but forget the question

that this is a toll road. There are limited dollars available for new capacity highways; this a highway that we are building out of downtown Fort Worth going south. This right-of-way was opened by the family that owns this property here. What we did was increase a tax increment financing district and what that is you take the year in which the district was created and you have the value of it. Let's say it is 100 million dollars of value on the tax rolls. The next year it goes to 110 million dollars. That increment of 10 million dollars then at some percentage of that tax base in terms of they apply the tax rate and whatever it is that generates more tax revenue. Some percentage of that tax revenue instead of going to the general fund is kept back and held and spent just in that geographic location.

You can do a 50%, so 50% of that 10 million that is generated is held back every year and there is a particular lifetime. You have TIF (Tax Increment Financing) authority here and you are using TIF's for re-development and I say to use it for new development too, in terms of highways and your commuter rail. SO what we did was we created two TIF's and we sold bonds, public approved bonds for the city of Fort Worth's 100 million dollar portion of this 400 million dollar highway that the State DOT and the Toll way Authority are building. The city is going to repay its bonds with the increment that is being generated with the property taxes to repay the bonds to build the new highway.

To better leverage the development around this and you do a good job of context sensitive design. You make not think so but you are far ahead of a lot of parts of the country. I am impressed with the way you are designing you highways and roadways. You do a nice job. This is actually what this new toll road is going to look like. We have been working and so that the adjacent development that is going to come around it better fits with and see we flip flopped and put the main lanes below to keep the profile low. It costs more but at the end of the day it is going to generate more value in terms of land values, more tax base, it is going to make the TIF hum better, it is going to generate more money and becomes this nice symbiotic relationship. I think that is a strategy that I would embrace and use, to overcome the politics of TIF's. TIF's are like anything, some could be good and some could be bad. I think that is an opportunity in your investment in you commuter rail system and new capacity roadways.

Public/Private Implementation. Let me run you through a couple of quick projects and then I will ask if you have any questions. This is not dissimilar to some of the dynamics that you guys have here. This is Dallas, TX, Plano, it's the development continues. This is the Oklahoma border right here. This is McKinney, TX, it is a very fast growing community about 50,000 now and it is projected to go to about 300,000 in 20 years. This area about 5,000 acres got leapfrogged over because McKinney said we want to hold this back as our commercial tax base area but there is demand for residential. What we did was work with the economic development corporation of the city to create a 5,000 acre master plan. Not dissimilar to what you are going to be doing on a much larger scale in terms of your scenarios. The land owner of the largest piece of land, David Craig who is one of the largest developers in Collin County, North of Dallas, had purchased this land here, 1200 acres for about 21 million dollars. He had already had production builders who were ready to pay him another 20,000 an acre and he was out making a good profit. We convinced him to hold tight and go through this process, he hired Andreas Duany, my partner and I were hired back and developed a new code for this and I am just getting through the background real quick to show you why I am really pointing this out.

This plan, this was a major highway and we designed this internal parkway to be anchored by new mixed use neighborhood centers in transitioning up in a single family. SO it wouldn't just be strip development here and single family development here. So there would be this relationship. We actually did a fiscal impact analysis to show residential can have a positive tax base if it is used, mixed and designed properly. So we overcame that dilemma or should it be commercial or residential.

Another false dilemma like "growth, no growth" -- and we actually then you can see how the master of the code is different in this urban area-- and kind of the destination box area in the transition of single family. You can see it was designed, 4-6 stories and why I point his out, see you can see the highway right there, you can see this parkway that comes through and splits and then will come back together as the new parkway. This money to pay for this parkway was awarded by the MPO under competitive program that I talked to the COMPASS Board about today earlier. Without the 2.5 million dollars to do this, David Craig would have never had the money to implement this really new town. He never would

have been able to carry the cost of debt long enough to do this. So that jump started the project. Today, he has got something new; well I want to show you something else that is interesting.

This TPC course, this PGA golf course that he invested in with him, we convinced them to not privatize the edges, make it an amenity and to put the club house next to the town center. What he did was focus on destination traffic. I think it's false to think you have got to get the rooftops in then you can get the great retail. What he did was said, let's get in the new Cooper Aerobics Center, a ball fields where they have got the new Texas league, there is a bunch of other stuff there and by doing that and he is going vertical with this town center which will be right across the street from the clubhouse. By doing that you can now see the first neighborhood here, these are 6,000 to 10,000 square foot lots with some town home lots. This neighborhood right here, these are small lot, single family with town home lots. Here is the math, four years ago he had offers on the table for \$50,000 an acre from production builders and he actually almost threatened to sue us because he said give me the zoning or that is a lot of money for single family development.

A couple of months ago he sold the last 50 lots of the 350 lots just in this first neighborhood for \$300,000 a lot, 6,000 square foot lots for \$300,000 a lot. He has projected in ten years his tax base in this now 2000 acres will be 3 Billion dollars, 30,000 jobs, and 30,000 people. Now he ended up going to GMAC financing and he borrowed \$89 million, his carry at one point was \$40,000 a day. How was he able to take the time to put together a strategy because the city essentially acted as a mater developer, they put 200 separate parcels, 5,000 acres so if there is predictability of development next to him he knows the quality is there. They waived the impact fees because he would have been upside down already. They helped jumpstart the major arterial and then he was willing to go to the market and borrow \$90 million, he has no debt in this project today and there \$0.25 Billion of value on the ground. Four years earlier he was going to sue the city and economic development corporation because he had offers of \$50,000 an acre. He is selling single family lots for \$600,000 an acre. My point is that through the partnership with the city and the community, he was able to harness the growth that was inevitably going to be there anyway.

The final project that I want to show you and the demographic is very high, in Collin County North of Dallas. To me the dynamic there is not the demographic it's the velocity of growth. I think that you have the demographic in this region, to harness not to dissimilar that kind of dynamic. If you want to implement the scenarios, it can't be just an overall strategy it has got to be finding the right parcels of land, finding the right investors, the right developers, finding the right transportation facilities, marrying them up through your planning process and through your implementation you have got to continue this planning process at the County and Municipal level. Creating those partnerships and helping the developer to do the right thing. More tax base, more money.

Leander, TX is 40 miles north of Austin. This is I-35; we are blessed with railroad right-of-ways, similar to what you have here. Leander is 17,000 people today; it is probably going to be 60,000-70,000 people in 15 years. It is very similar to the growth dynamic you have. The transit authority is finally implementing rail transit, using existing railroad right of way coming into central Austin, into downtown Austin. What we did is, the mayor called us and we put together the 7 major land owners including the old downtown which is really very sparsely populated with some single family and some old buildings that had been converted. It is very modest and low key and they have been trying to redevelop for a long time. In a 2000 acre plan what we did was we actually said okay trends development vs. this strategy instead of three units to the acre single-family, maybe some strip commercial along the exiting highway that comes up, by the way the railroad is going to stop, the rail transit stops right there, this is a new toll road. Most of this is green field but it is next to the existing downtown.

We did a fiscal impact analysis that assumed density is no greater than 60 units to the acre around the rail stop area. Florida area ratio is no greater than 1.0, which is a lot less intense than you have in downtown Boise in many locations. We projected conservatively trends development vs. under this scenario a billion dollar increase in tax base for 2,000 acres. The city said we can do a 50% refunding TIF. We will refund up to 50% of all the major wastewater and infrastructure if the developers agree to throw into this deal. So what we actually did is we put together a partnership with the landowners, the transit authority, city, county and by the way the State DOT have the highway that is going to be redeveloped and

the toll road authority so they can redesign the roadways so that the design of the cross section of the roadways, marries up to the urban village land uses. Because if you have got high capacity arterials with traffic going through 50mph you are not going to get café development. You are not going to get 20 bucks a foot. If you are going down Idaho Street, 50-60 mph nobody is going to sit out there and hang out. We did a market study and this change in dynamic the harnessing the growth of a different pattern, low and behold, look at that there is those empty nesters, those... [End of tape].

If you use the transportation system to create and expand markets for everyone so it is easy to continue to get into downtown Boise and it is easy to get back out and you have cool places to go visit in all of the region and everybody goes and spends their money and works throughout the region, then the synergy works. It is not an either or.

The market study showed that you are going to attract those empty-nesters, high dollar folks, so it is not just tax base value but what it also means is that you can attract a higher level of retailers come in because you have changed the demographic a broader range. We did a plan at a charrette, and I don't need to go through this in much detail but the reason that I am showing you this is you can see the intensity around the toll road. We used Andres Duany's smart code; we use a bunch of different codes. Which ever code you use make sure that when [Robert] Freilich develops the codes here make sure the urbanism, the design elements are in place. It is not just the use; it's the urban design elements. What ever you use it doesn't really matter. The bottom line is it's the place making elements in the code that are critical and what we ended up with, it we have the train station, we have got this connection going up to the toll road and the problem with the toll road was it is going to create this big barrier so we designed it to depress the toll road like the Ponte Vecchio... we get this bridge...they did up in Columbus.

They capped the bridge, the toll way authority has joint development authority so we said to the toll way authority was work with us. They are building the toll road, when they put the main lanes in a few years we said depress them to better connect both sides and then how are we going to pay for that. Well you participate in the development around it and that will create more revenue and you can help pay for the depression which creates higher values

and higher and better uses all the way around. It is a symbiotic relationship. The old downtown and the redevelopment of that and then you have got this critical connection spine and this is where you guys are having a really hard time.

Which major arterials, which principal arterials are we going to invest in, well invest in the ones where the land use strategies and the partnerships are coming to the table and saying you know what it may not be on this scale to this level of detail but we are going to better spend our money on this principal arterial and how this principal arterial is connecting all of this and so now what we did, we have got a partnership where this connection here and this connection here which connects the state highway, the new toll road, and the major east/west and the transit stop, these two piece right here is about \$4 million worth of investment. They made the case that the MPO should spend their \$4 million there and there is an application pending and I will tell you how the story turns out later. It is a better use of the money here because this is going to leverage a billion more in tax base and bring in 30,000 people into 2,000 acres as opposed to these less sustainable patterns. The reason I show that to you and it can be done here and it is being done in all the other fast growing place where you have got these partnerships growing and emerging, the bottom line is if you marry up the transportation investment with the land use with partnerships with the private and public sector that is the key. So make the code changes mandatory for specific geographic areas by public/private partnerships facilitating planning and infrastructure investment. We can argue this all day long.

There is going to be some critical locations its an alternative district it is not going to be used. The other thing is you may not want to change all of the existing codes because you don't want to take on all of those sacred cows. There maybe some places in each of your communities where it just makes since to say okay, in this area we are going to change the rules of the game, zoning subdivision for everybody. You get the landowners to all buy into it and rising tides lifts all boats. As you go through this planning process and do your code implementation, look for some of those places. For redevelopment, use alternative codes, that is really critical. We did a different strategy in the downtown area in Leander because you don't want to make folks that are in existing areas necessarily force them and price them

out because what that does is stumps the market and you actually end up with neither. You price people out but you don't get the redevelopment you need.

Integrate a range of housing types by place making to sustain projects. What we have convinced the communities that we have been doing code work on is we actually require new developments to actually have minimum mix of housing types. Say you have 7-8 housing types that are required that the developer put in at least 4-5% minimum of 7-8 housing types. There are different ways to cheat it through performance standards.

We applaud pocket parks etc, throughout the development so people don't have to drive for daily recreation. Utilize public incentives, civic anchors for example to encourage a build and hold dynamic so that enhance place making can be realized. As you are looking at new libraries, hospitals, expansions of universities, new city halls, on and on, think in terms how you can actually leverage the private sector.

I saw a great example of that today. When PJ and I were amazed when we walked out of the new Ada County Courthouse that you have got that space on the ground floor for retail, some day that is going to be high dollar high rent retail on the ground floor in that new building. That is a fabulous building by the way. That is a micro example of the kinds of strategies that I am talking about. Leverage the investment of the public sector civic assets to harness the place making of the private sector.

Facilitate value capture at key transportation nodes and centers through tax increment financing to pay for major arterial roadways and rail transit. If you read Freilich's reports he talks about this, this is critical. If you start doing this to me you can put some money on the table and it may change the political environment locally and maybe even at state legislature. So you can start looking at some additional funding options so people aren't afraid of new revenue mechanisms. They can actually see that those mechanisms are going to make more money for everybody and this is the reality that we live. I understand this is coming from Texas. Start with something that you can do now. You have money; it's just that you don't have it captured. [Value] capture it through your land use and then pump back into your transportation.

You are already set up to do it with your county highway district, utilize these various value capture strategies to facilitate the purchase and development rights of adjacent farmland. Nobody is really doing this; why don't you guys be the first? I saw a beautiful place, Harris Ranch; I was impressed with what was going on. I understand you have a transportation problem because that one road coming back through that beautiful Warm Springs; you got to get the bridge done. I understand that problem. There are some beautiful pastures out there that should be preserved, well if some of those pastures that owned by the family if there are some other landowners and there is some value for them to be preserved. If the public sector is going to facilitate the higher intensity development out there and everybody is going to make more money, then why don't you give the guy that wants to keep his farm going instead of saying just for the good of everybody just keep farming. Why don't we figure out a way to take the increase profitability the adjacent development and pay him to continue to farm? It is not a transfer of development rights you are actually purchasing his development rights. I think we can come up with mechanisms to do that, you guys are the perfect situation to do that and if you can do it you will put yourselves on the map, not just in the United States but in the world because to me that is the critical strategy.

There is just not enough money to go out there and buy enough conservation easements from the public sector. The transfer development rights is a dicey deal because you really have to contain in a finite world if you can politically get away essentially as much as you want and notwithstanding save the infill problems you have in the neighborhoods but in the green fields areas. What are you really giving somebody if in the long term the developer or the long term money interest can get what they want anyway in terms in the intensity development they want to do? So offering them transfer development rights is really, well it has just not been working. I think the concept of purchase development rights is something that we could all work together on, I am not talking about me necessarily but I am saying, look at it as an opportunity. That is all I have...any questions?

Audience Member: Do you now if you talk privately to our political leaders, and legislators, just try it yourself, they will privately have said to me, well let me put it this way, from there response they do not indicate that they have confidence in this process, privately. Also there

is no implementation authority that COMPASS has, they can't lobby the legislature, it is strictly as I understand advisory situation and if I understand this correctly also, COMPASS exists to satisfy a federal government requirement, that in order to get highway dollars, locally we have to have this association. So when we participate in these things we legitimize the process, but it may not result in what we think we want. I like this valley and I have been here for 27 years and I am telling you now that if you just take care of it when it is in your backyard it is not going to get done.

Scott: Sir, let me respond to your question because I think we are running late and you have made a really good point, let me respond to your question. It is what it is we have a federal system that requires local approvals of federal dollars for transportation. You don't need the legislature to do anything to make it work. You may need something tweaked to enabling legislation but the bottom line is that if you harness the interest of the community and the interest of the public sector and the interest of the investing development community and you all can figure out how to build higher value, higher quality places and everybody benefits from that, then you are going to do it. That is not a regulatory issue, that is a cultural issue, a political issue, a process issue, and that is a capitalism issue. Make it easy for people to make money on the things that you want and you will get there. That is the point I was trying to make with some of those examples.

Matt: I would like to open it up for one more question and then we are going to break.

Audience member: Thank you for bringing up the issue of transit planning and form based codes. That is actually something we have been working pretty diligently on over the summer. The question I had, you did talk quite a bit about transit oriented development and there is quite a bit of research out there that says TODs (transit-oriented development) can't really function unless you have fixity of rail route. Can BRT (Bus Rapid Transit) function to provide the same kind of surety for investors for both the primary and secondary real estate markets?

Scott: I have thought a lot about this and I don't think there is enough experience out there with Bus Rapid Transit to know yet, I think that in certain places, bus rapid transit can work

if there is the predictability so it overcomes the notion that from the real estate perspective that it is not going to go away. I mean people invest in real estate around rail stops, not bus stops, unless you are in such high intense areas that you can't function like the east coast in certain urban areas without bus systems. For me I don't sell Transit-Oriented Development based on mobility because you are going to improve mobility somewhat with the ridership on rail but not that much. It is a real estate question. It really is. You can't park every car that you need to, to create these high quality mixed use great places. You have got to have some walking, some transit to make it work. So at the end of the day investment in transit properly done, properly located and properly married to the real estate strategy and I use the term real estate, not land use, but real estate, properly done is going to make money.

The more money you can make doing that the easier it is to get in place the kind of development that you want as a community. It is not for everybody but we are not talking about doing Transit-oriented development in all of the Treasure Valley. Just do it in part of the area, creates some of those great vibrant nodes, which leaves more money to actually service, provide and maintain the lower density, rural communities that you still want to see. If you try to do low density rural, actually a lot of it is suburban candidly the new development it is not rural. You are never going to generate enough revenue long term to sustain it and pay for it and people frankly want choice, so have some of that, trans oriented development, but plan it properly so that you harness the land use. There are a couple systems that failed to do that, Denver and St. Louis are good examples. They came back and revamped their land use strategies and they are now very successful. So discuss rail transit in my opinion and bus transit to feed into it, based on the development impacts, not necessarily the mobility impacts.

Audience Member: Given the examples that you presented, I am still a little unclear with regards to, as property values increase as they necessarily will how does the affordable housing component of a mixed use neighborhood preserved?

Scott: I did not address affordable housing in a technical sense in terms of the definition, the federally defined term as we know it. I think what I did was address regionally priced housing, so that you put enough additional supply in the market that the cost of housing.

Here is the difficulty, as we make it more difficult to develop we make in a sense are not providing enough supply to meet demand and so all housing prices go up and so it makes the affordable housing problem even greater. I think that is a separate issue that needs to be tackled in the context that I have described. Mayor deWeerd and I were talking about this and I think the key is that you don't put it all over here. Think about a way for the developer to make enough money for them to sprinkle in affordable housing into the neighborhoods, so if you drove into the neighborhoods you have no clue who is a market rate renter and who lives in affordable housing.

A lot of times people change stations in life, I think that is the answer. Find mechanisms to facilitate that and the kinds of strategies that I described I think is a better environment to facilitate that because you already have got mixed income and mixed housing environments and so to put in true affordable housing as defined where the public sector actually helps and provides assistance to buy down the cost of housing is easier because it becomes transparent and then it becomes sustainable. This is something that has been done in other parts of the country successfully. The key is that you want it transparent, you don't want people to go into a neighborhood and say that is affordable housing. That is my answer and that is a whole different topic but I think there are compliments here.

Audience Member: Why don't we start at the beginning rather than in the midst? In the future, okay let's go back to the beginning, there is a problem with the air here already, we know that, so why don't we ask the legislature to do something like vehicle emission test for the state instead of make county fight county about whether they are going to have a test or not when we know there is a problem with the air quality. Why don't we work on the air quality for one thing? There are a million things that seems to me that should be done before this level of stuff goes on because we are already not happy here and one of the big things that I think we could do with obesity as the basic problem in America or one of the basic problems in America is start with communities that can walk. We need sidewalks; we need all of these other things before we need more cars, or more whatever's. We need to make our community livable right now, actually for our health sake. If we could put on a campaign for instance and be the first city in America to work on obesity by building

sidewalks, by walking, making kids walk to school. Have you seen school yards that most of it is parking lot. I mean something I wrong basically with how we are leaving.

Matt: I certainly appreciate those comments; fundamentally what you have lined out is exactly what we are doing. One of the core components of the Community Choices Plan is looking at connectivity, providing transportation options to all people regardless of the mode. It doesn't necessarily have to be the motor vehicle, doesn't necessarily have to be a high speed rail, or a bus but also looking at bikeways, pathways, sidewalk, etc. In terms of the air quality issues, there is two adopted maintenance plan that are demonstrating compliance with the health base standards we are looking and constantly evaluating what the impact of the motor vehicle is, upon the air quality in the valley. Part of that key component is what sort of roadway system you have design for the next 20 years. This is one of those initial steps, unfortunately it sounds like it but fortunately from a lot of other folks you can't just bulldoze away the development we have right now and say let's start with a clean slate. We have to work with what we have and plan out into the future.

Scott: Mam, I agree with 100% with what you said and actually you are probably one of the few regions that is going to the core of the problem in terms of obesity and air quality. If you implement the road you have started down in this process, you are going to change fundamentally the core problems that cause obesity and air quality problems. People walk in neighborhoods if we are not developing neighborhoods in our new growth areas, and when I say neighborhoods I am not talking about subdivisions. I am not trying to knock subdivisions but the point is a neighborhood where you don't have to get into your car for everything that you do. I am already preaching to the choir. The bottom line is what your leadership is doing and inviting you to participate in cultivating new leadership and evolving neighborhood leadership is the next time you're concerned about a townhouse project or the next time you are concerned about a mixed use project, you are concerned about anything but single family development. IF the body of politics stops everything but single family development and destination malls and strip malls then you are making it more likely than not that you are increasing the obesity problem, the air quality problem because people have to drive for every trip. So basically what you are doing is going to the heart of the problem.

You are starting where you need to be starting. In my opinion, I think that you are absolutely right but I think it is right here in front of you and I think that the solution is here.

Matt: We are going to have to wrap it up. Scott will be walking around during the community café's discussion so he can answer questions. We will also have a ten minute break where Scott will be available to answer any questions. Take a break, we have got some food, then we will be starting back at 7:34. Again, Scott thank you for coming, we appreciate it.

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