

**Urban Core Master Plan
Transportation Overlay District
Affordable Housing Strategy**

**City Council
Issue Review Session
March 1, 2018**



Contents



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- 1. Market Projections and Potential Growth**
- 2. Potential Transportation Overlay District Refinements**
- 3. Potential Master Plan Directions to Explore**
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- 5. What we have Heard so far**

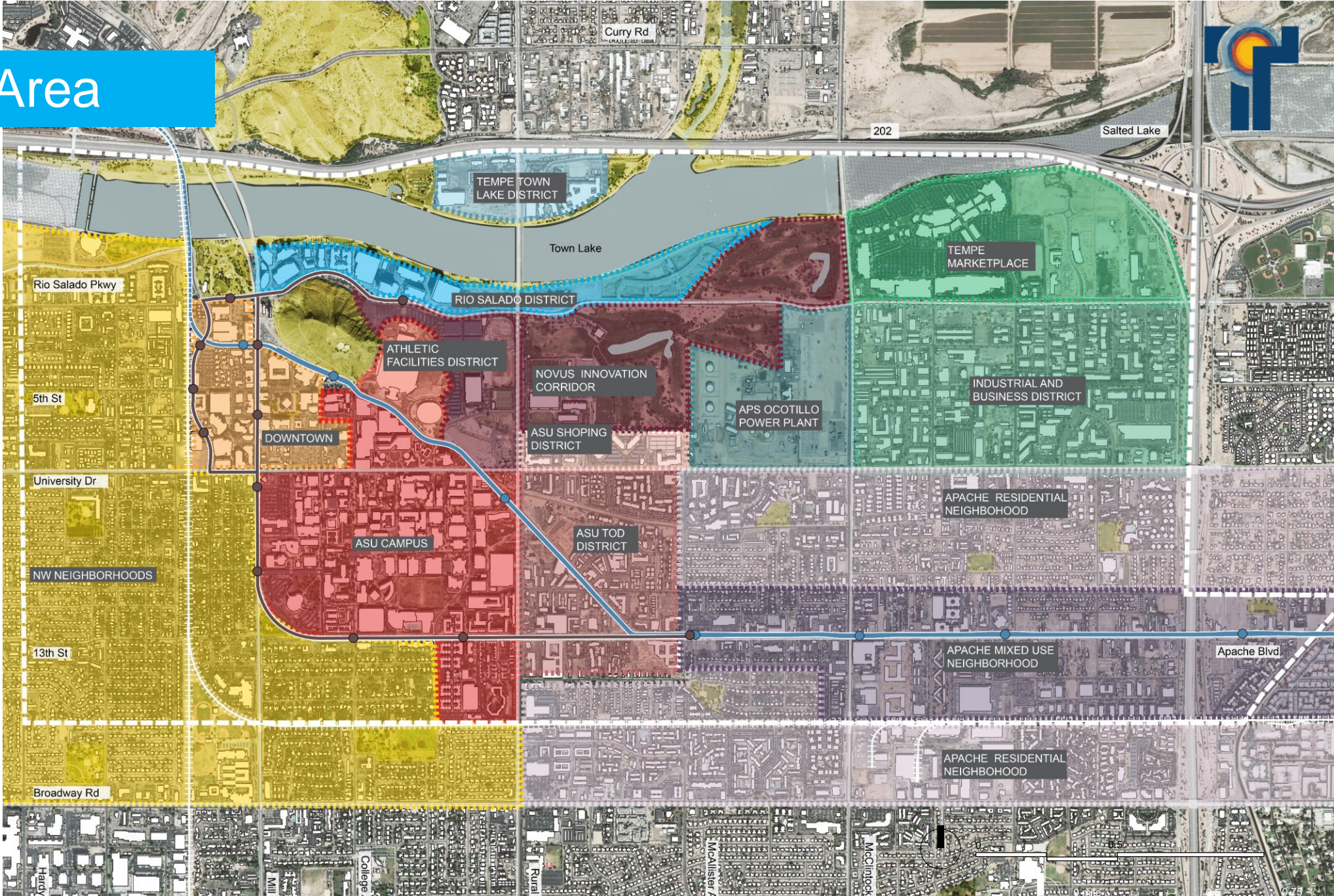


Introduction

Urban Core Area



- NW Neighborhoods
- Downtown
- ASU Athletics
- ASU Campus
- Novus Innovation Corridor
- ASU Shopping District
- ASU TOD District
- Tempe Town Lake District
- Rio Salado District
- APS Ocotillo Power Plant
- Tempe Market Place
- Industrial and Business District
- Apache Mix-Use Neighborhood
- Apache Residential Neighborhood
- Urban Core Area
- Street Car (Construction)
- Light Rail Line
- Union Pacific Railroad
- Open Spaces, Parks and Reserves





Key Themes for the Urban Core

General Plan, Transportation Masterplan, Character Area Plans

A City with Aspirations

Achieving Growth Targets

21st Century Economy

Retail Destination

Diverse Housing

Rich Culture

Major Growth Locations

A Hub Structure

Focused Density

Preserving Neighborhoods

Existing Character

Careful Transitions

Embracing Movement

Valuing Open Space

Focus on Walkable Streetscape

Highest Development Quality

Distinctive Tempe Feel



Executive Summary

1. The Urban Core has strategic assets that can change Tempe's role in the region
2. There is potential for significant growth in housing and jobs between now and 2040
3. The Transportation Overlay District (TOD) needs updating to meet contemporary needs
4. Long-term growth will be attracted to transit and other access investments
5. Any growth will need to be sensitively related to existing neighborhoods
6. Holistic planning can address connectivity, public realm, amenities and preservation
7. Suggested areas to explore for more focused study include:
 - Downtown
 - University and Mill Area
 - Apache Blvd Central
 - Apache Blvd East
 - McClintock North/ Rio Salado
8. There is opportunity to continue elevating the quality of architecture and the public realm



Discussion Questions

1. Is the projected scale of growth the right ambition for the Urban Core?
2. Does the balance of jobs and housing reflect your ambitions and preferences?
3. What other economic activities and jobs types you would like in the area?
4. What types of housing do you want to see in the Urban Core?
5. Do you agree that the range of uses within the TOD area should be broadened?
6. Do you agree that the Transportation Overlay District could have more context related requirements for different locations served by Light Rail and the Streetcar?
7. Are the locations identified for more holistic master planning the right ones – are there others?
8. What other factors should influence the identification of these locations?
9. Which locations require sensitive planning approaches given valued existing neighborhoods?
10. What other design quality factors need to be addressed?



01

Market and Growth Potential



Summary: Market and Growth Potential to 2040

1. Tempe's Urban Core has evolved into a key center of economic and recreational activity for residents, workers, and visitors in the Valley
2. The Urban Core area has seen an influx of residential units, office space and new hotel rooms, at a pace surpassing the rate of growth elsewhere in the region
3. This growth reflects national trends favoring urban centers that are vibrant, diverse, walkable and with a distinct character
4. An initial projection of potential growth in the Urban Core area up to 2040 suggests:
 - Approximately 14,300 new homes
 - Up to 16,600 new jobs
 - Between 2.1 and 3.5 million square feet of new office space
 - 1.3 million square feet of new retail space
 - 2,200 new hotel rooms



Urban Core Profile: Latest Snapshot

Population and Housing	#	Jobs and Workforce	#
Total Resident Population (a)	43,053	Total number of jobs (f)	35,130
Total Resident Students (b) (c)	26,544	Total office based jobs (g)	14,785
Number of housing units (b) (d)	17,809	Office square footage (h)	5,389,796
Resident Students in University Housing (e)	9,238	Total retail jobs (i)	2,373
		Retail square footage (h)	2,788,038

Notes:

(a) Esri, 2017.

(b) ACS 2015 5-year data.

(c) Includes residents enrolled in both public and private college and graduate school.

(d) Baseline housing count derived by applying share of households in smaller TOD Area (defined by Esri shapefile) to the larger Census Tract-defined geography, assuming similar tenure rates and vacancy rates by tenure.

(e) Census 2010. Only counts College/University Housing that falls into "Group Quarters" category.

(f) LEHD, 2015.

(g) Estimated 42 percent of jobs currently office-based using NAICS code industry breakdown.

(h) per Costar, Q3 2017.

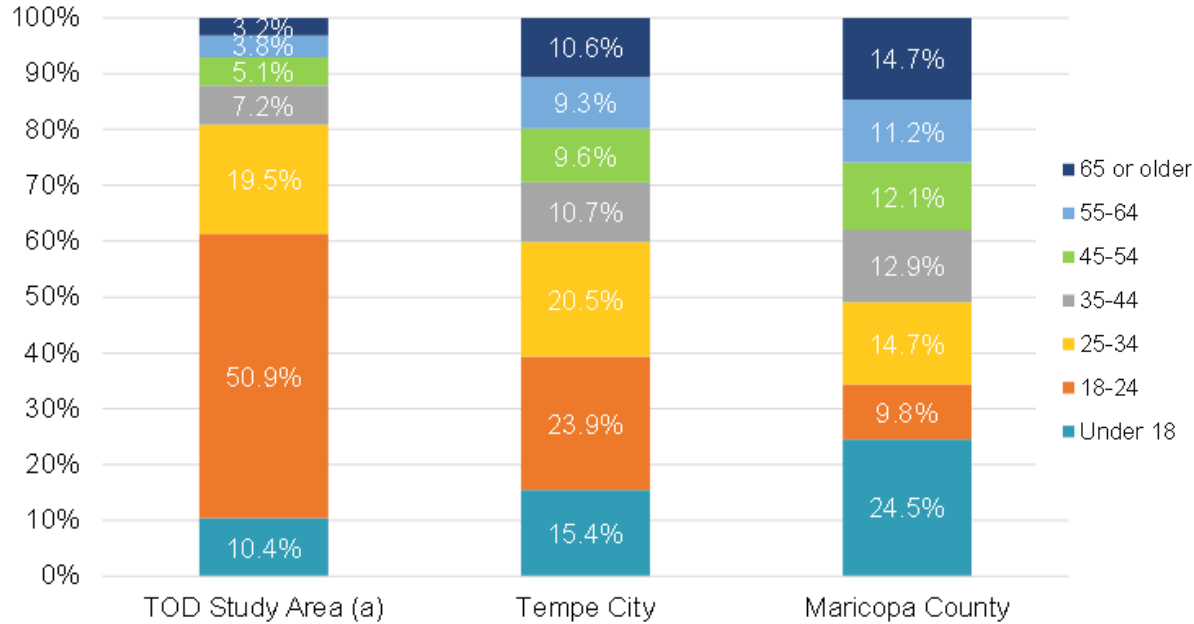
(i) LEHD, 2015. Does not include jobs in Accommodation and Food Services category.



Study Area Population Characteristics

Age Distribution

Significant Impact of student population in the Urban Core



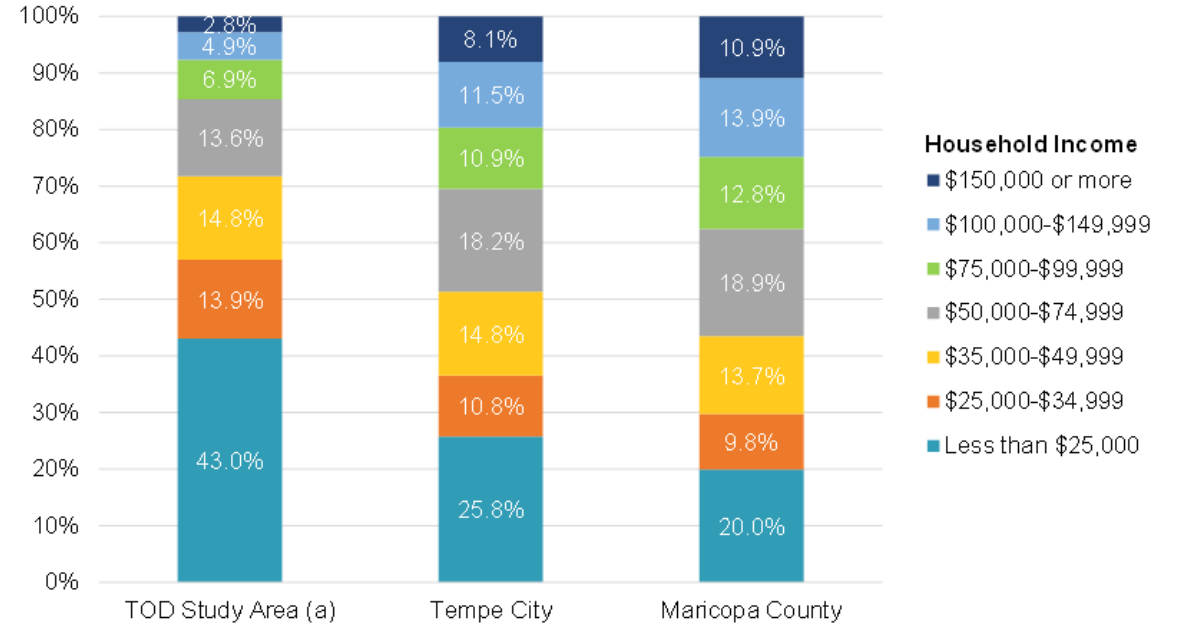
Notes:

(a) The Tempe Downtown and Urban Core Boundary as defined by the City of Tempe.

Sources: Esri; BAE, 2017.

Household Income

Student and younger population reflected in lower household incomes



Median HH Income:
\$29,998

Median HH Income:
\$48,662

Median HH Income:
\$58,632

Per Capita Income:
\$17,332

Per Capita Income:
\$28,257

Per Capita Income:
\$29,120

Notes:

(a) The Tempe Downtown and Urban Core Boundary as defined by the City of Tempe.

Sources: Esri; BAE, 2017.



Recent Population and Employment Trends: Since 2010

Population (2017)

Study Area: 34,263 to 43,053	+26%
Tempe: 161,722 to 182,149	+13%

70% of Study Area growth: ages 18 to 35 years

Much, but not all, is student resident growth

- 42% between 18 and 24
- 28% between 25 and 35

Students have high churn as individuals, but a continuous presence as a group

65% increase in Senior residents - 6% of all growth

Jobs (2015)

Study Area: 32,191 to 35,130	+ 9%
Tempe: 163,723 to 180,790	+10%

Notable growth:

Accommodation/Food	+1,758
Fire and Insurance	+1,170
Management	+1,106

Notable losses:

Educational Services	- 1,137
Manufacturing	- 830

Urban Core Real Estate Performance

2008 to 2017

Significant multi-family housing unit growth: + 53%

Slower growth in residential rent per sqft.

Higher residential vacancy than Tempe and Maricopa County

Office has seen significant growth, a new regional role for Tempe: 5.4 M sqft. market

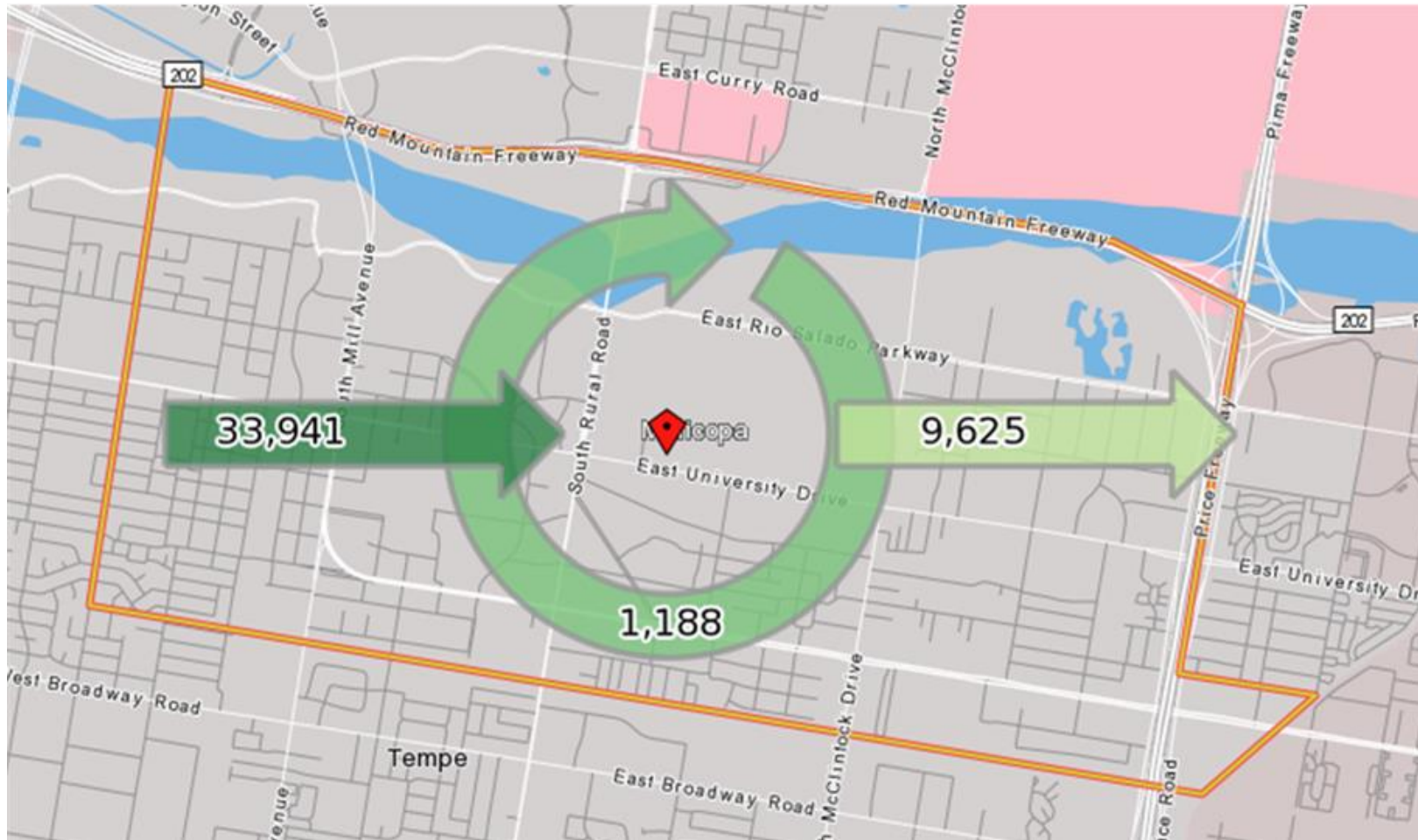
Stable retail inventory performs well – low vacancy rate

Significant land price premium in Urban Core area





Commute Patterns



Source: LEHD On the Map, 2015.

97% of **workers with jobs in the study area** commute from outside of its boundaries
46% commute under 10 miles

89% of **Urban Core area working residents** commute to destinations outside of the area

63% commute under 10 miles

Projected Growth and Potential Real Estate Demand to 2040



	<u>Current Position (a)</u>	<u>Net Growth to 2040</u>	<u>Total 2040</u>	<u>% Growth from Current Position to 2040</u>
<u>People</u>				
Population	43,053	45,978	89,031	106.8%
Households	15,187	14,328	29,515	94.3%
Jobs	35,130	16,683	51,813	47.5%
Office Jobs: Base	14,785	7,007	21,792	47.4%
Office Jobs: Accelerated	14,785	12,160	26,945	82.2%

Office Baseline Scenario 1.70% annual growth rate per MAG Employment Projections and office job share (42% constant)

Office Accelerated Scenario 2.0% growth rate - enhanced infrastructure and amenities and office job share increases to 60%)

Multiple office and employment locations expected across the Urban Core area under either scenario, including Novus

	<u>Current Position (a)</u>	<u>Demand to 2040 (b)</u>	<u>Total Buildout in 2040</u>	<u>% Growth from Current Position to 2040</u>
<u>Real Estate</u>				
Housing Units (c)	17,809	14,294	32,103	80.3%
Office Space: Base (sf)	5,389,796	2,143,321	7,533,117	39.8%
Office Space: Accelerated (sf)	5,389,796	3,574,668	8,964,464	66.3%
Retail space (sf)	2,788,038	1,370,149	4,158,187	49.1%
Hotel (Rooms) (d) (e)	4,260	2,208	6,468	51.8%

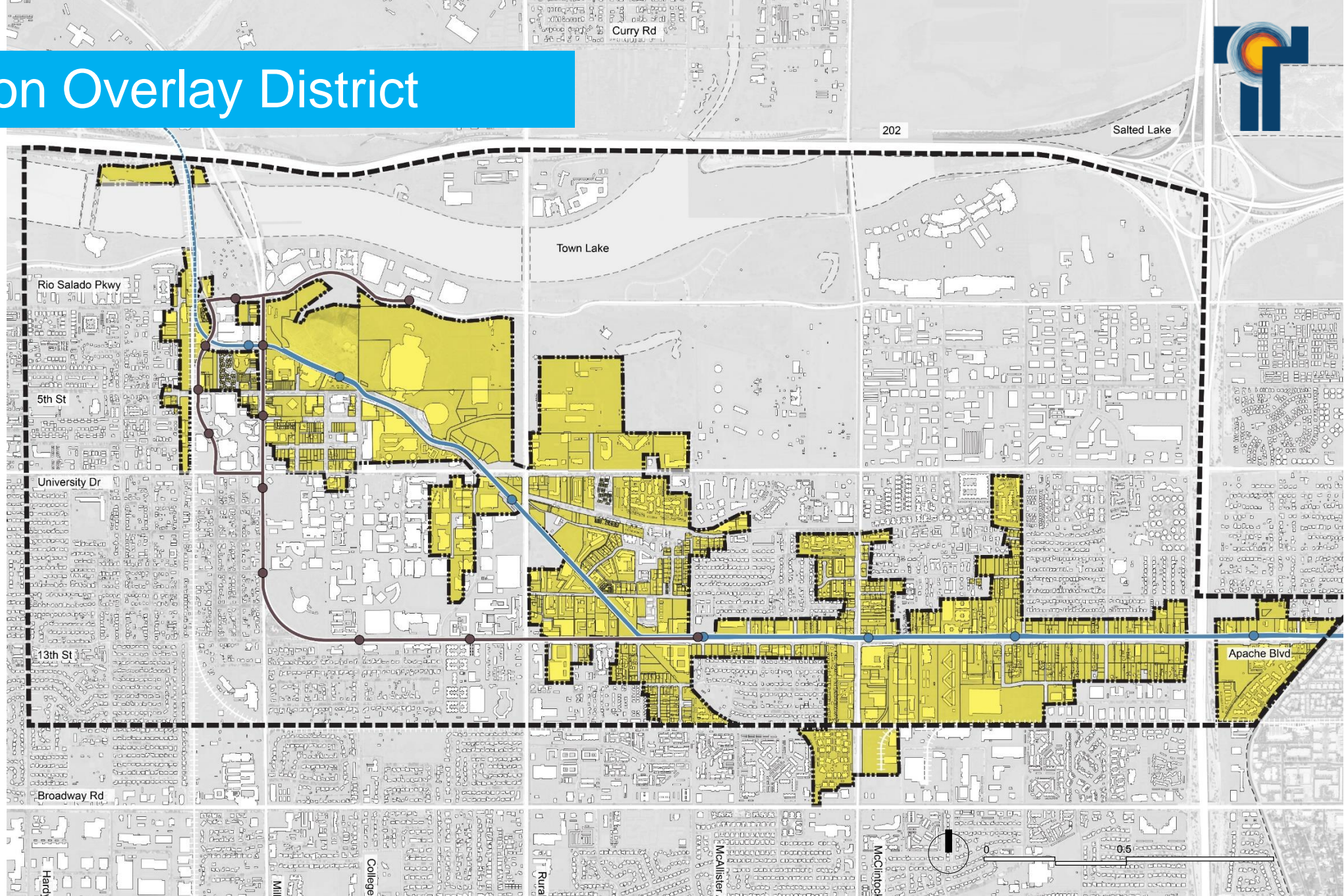


02

**Reviewing the
Transportation Overlay
District**

Transportation Overlay District

Today



-  Transportation Overlay District
-  Urban Core Area
-  Street Car (Construction)
-  Light Rail Line
-  Union Pacific Railroad



Summary: TOD Review

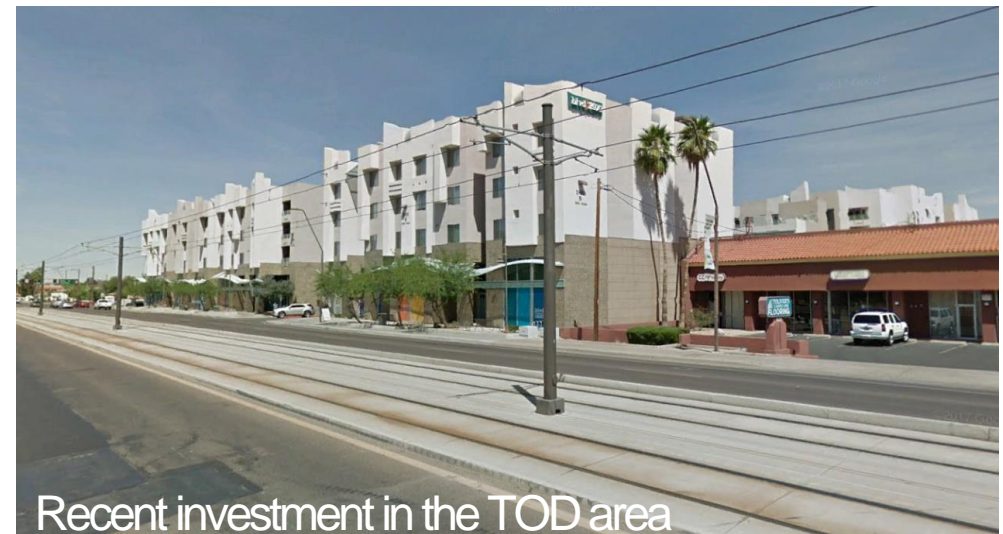
1. TOD successful in encouraging, steering and shaping a new generation of investment
2. Delivered new housing opportunities and other amenities for residents, students, workers
3. The overlay approach can be refined and updated to reflect:
 - Context specific (preservation, growth) sub-areas with local characteristics
 - Differences between Light Rail and a Streetcar transit
 - Sensitivity to the relationship of new development and neighborhoods
 - A wider array of allowable ground floor uses
 - Contemporary use formats
 - Expectations of the sidewalk and public realm environment
4. A shift from guidance to requirements is suggested

Key Findings: TOD Status



TOD has been successful

- New growth and investment achieved
- Includes residential and commercial development
- Light rail proven as an important Tempe and regional connector
- Sense of hope, enthusiasm, and optimism for the future

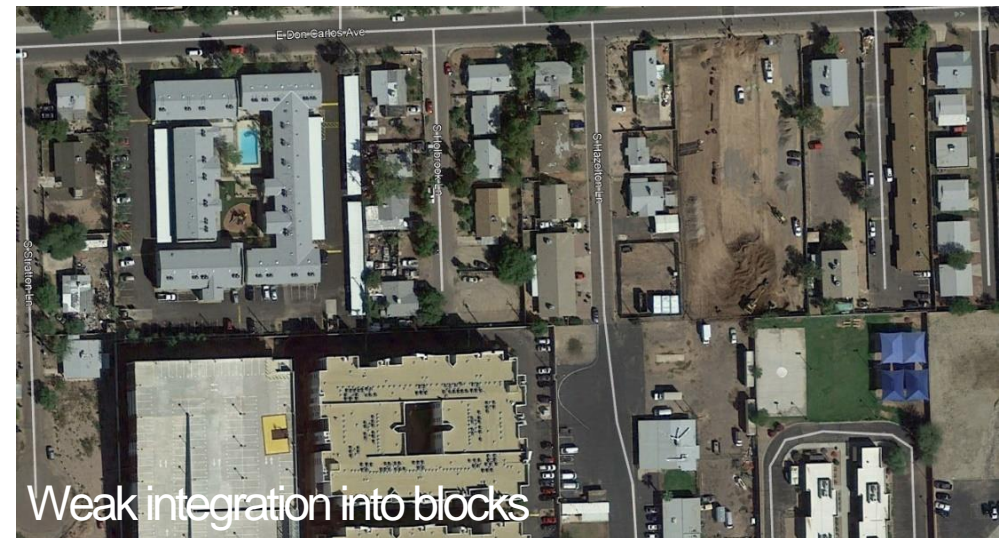


Key Findings: TOD Challenges



Neighborhood Issues

- Transitions to existing neighborhoods
- Bulk, scale, and massing of new buildings
- Pedestrian connectivity through developments
- Preserving existing neighborhood character
- Parking issues
- Commercial uses to meet neighborhood needs
- Useable open space



Key Findings: TOD Challenges



Design and Development Issues

- Some vacant ground floor commercial space
- Some frontages lack interest and activation
- Not enough shade
- Fragmented sites limit holistic approach
- Collection of unrelated vacant/undeveloped sites





TOD Recommendations: Neighborhoods

- Refine standards for transitions to existing neighborhoods
- Address preservation of valued neighborhoods
- Require/encourage connections through new development
- Offer more housing types along Apache Corridor
- Set standards for common and private open space
- Address historic preservation for key properties



TOD Recommendations: Design









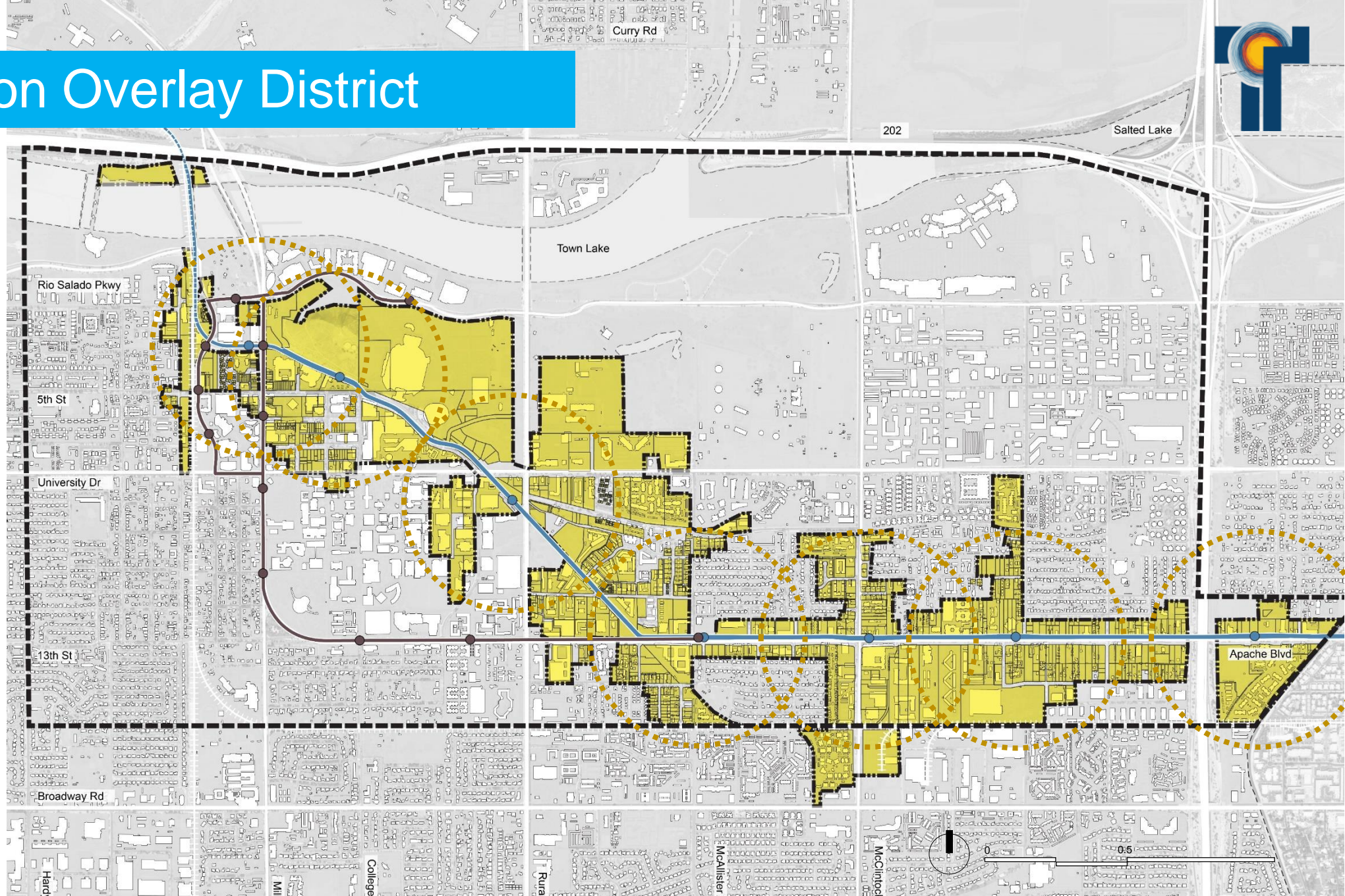
- “Get the ground floor right”
- Incentivize active street frontages
- Define permitted encroachments
- Expand allowed uses in TOD
- Add design standards for new uses
- Address relationship with valued existing neighborhoods and housing
- Transition in heights, rears and sides
- Building forward design standards – parking behind or under



Transportation Overlay District









Today

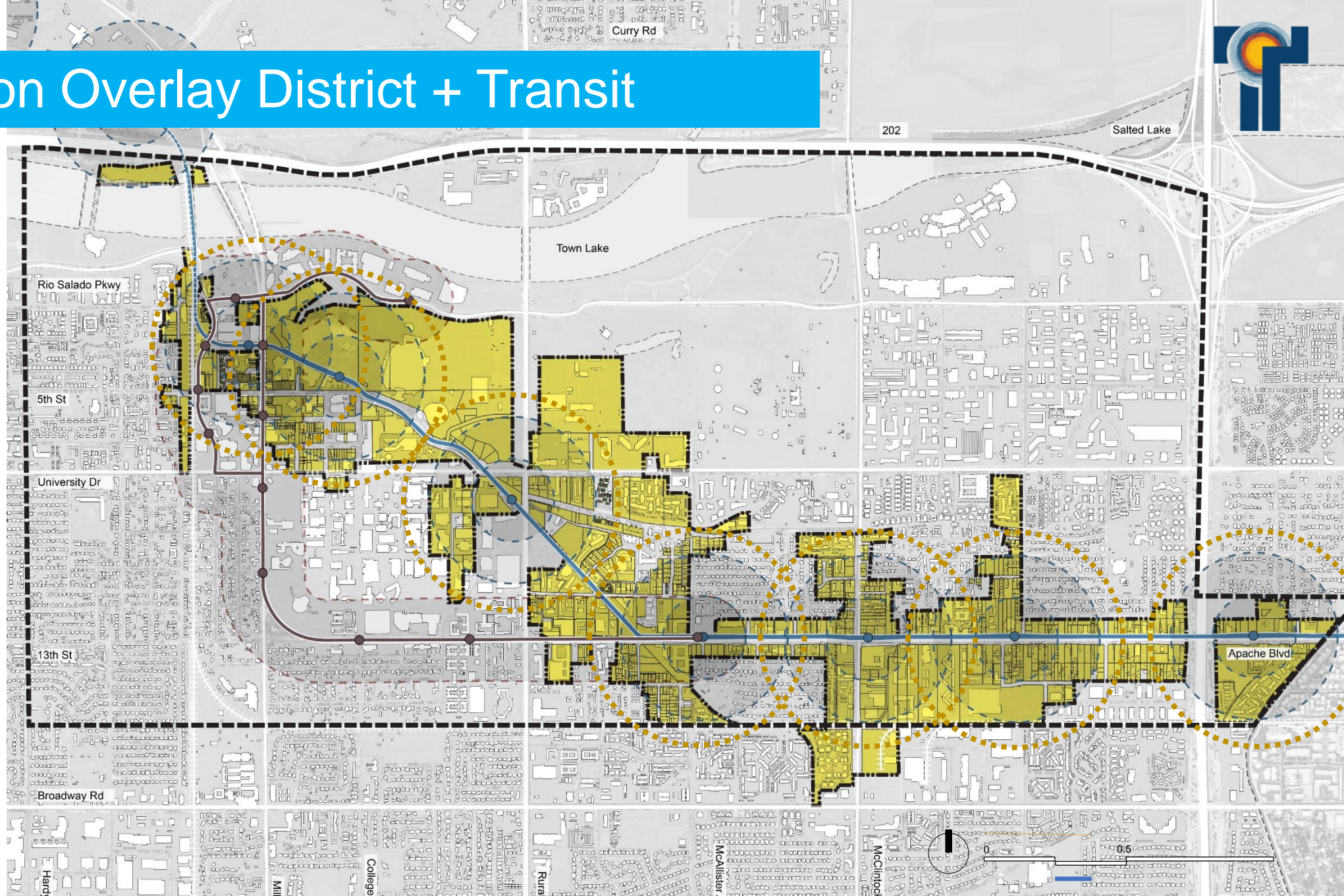
-  Existing TOD Station Area – 1950' Approx.
-  Transportation Overlay District
-  Urban Core Area
-  Street Car (Construction)
-  Light Rail Line
-  Union Pacific Railroad



Transportation Overlay District + Transit

Recommendation:
Review TOD
Boundaries and
Focus Areas

-  Existing TOD Station Area – 1950' Approx.
-  Light Rail TOD Focus Areas
-  Streetcar TOD Focus Areas
-  Transportation Overlay District
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03

Potential Master Plan Directions to Explore



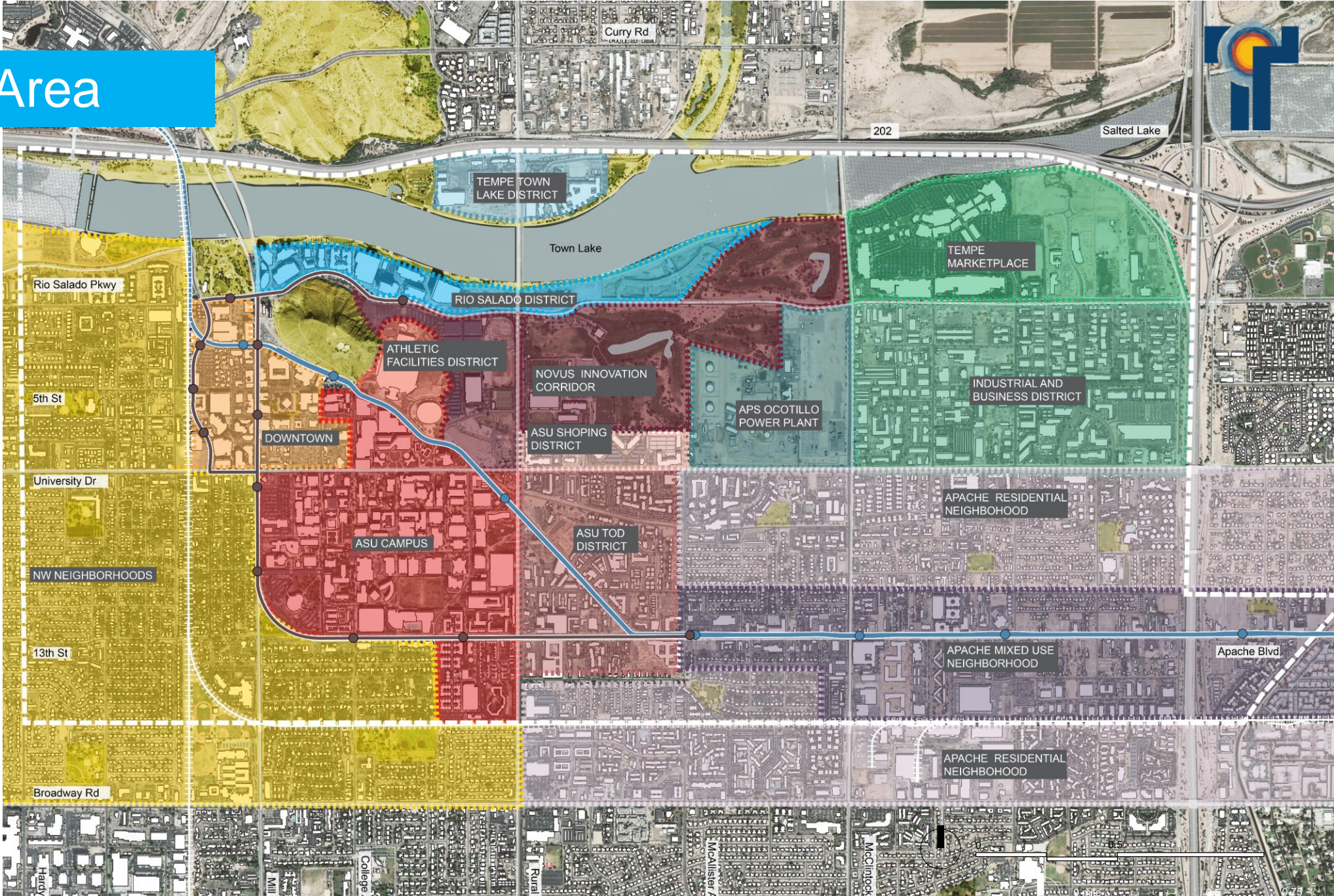
Summary: Potential Masterplan Directions

1. Tempe's major proposed developments will influence the structure of the Urban Core
2. There are multiple locations across the Urban Core that could attract growth by 2040
3. This includes office, housing and retail development across several locations
4. Key assets which can attract this investment by 2040 include:
 - Light Rail stations and Streetcar stops
 - Transportation corridors and bus transit services
 - Bike and pedestrian corridors
 - Land with potential for additional or new activities by 2040
5. There are potential areas to focus future master planning and urban design efforts
6. Growth will need to be sensitively related to the preservation of existing neighborhoods
7. A holistic approach will address preservation, connectivity, public realm, and amenities
8. High quality buildings, amenities, community services and public spaces can be created

Urban Core Area



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- ASU TOD District
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Urban Core Neighborhoods



Registered Areas – Homeowner

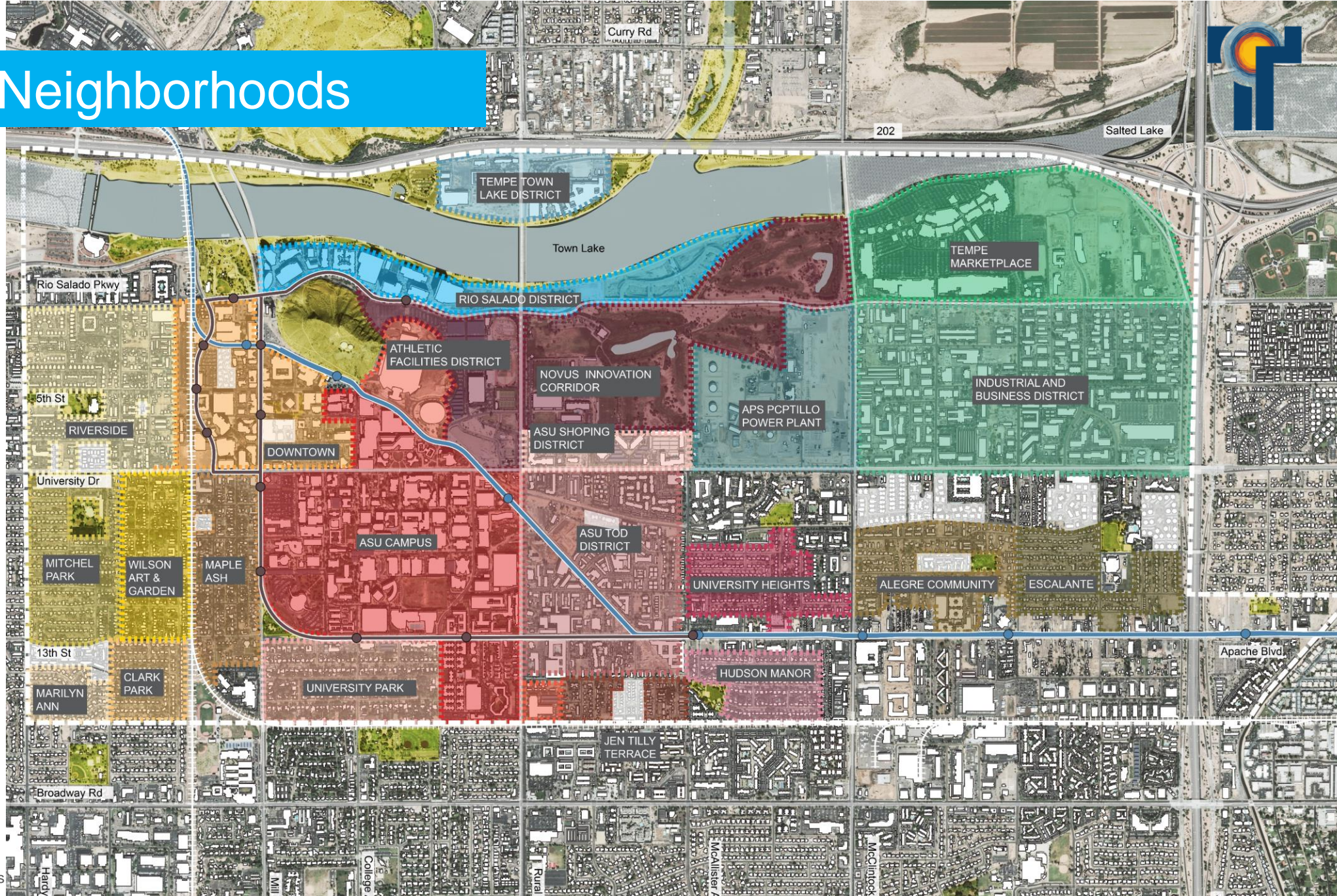


Non-Registered Areas

- Tempe Town Lake District
- Rio Salado District
- ASU Shopping District
- Novus Innovation Corridor
- APS Ocotillo Power Plant
- Tempe Market Place
- Industrial and Business District

Registered Areas

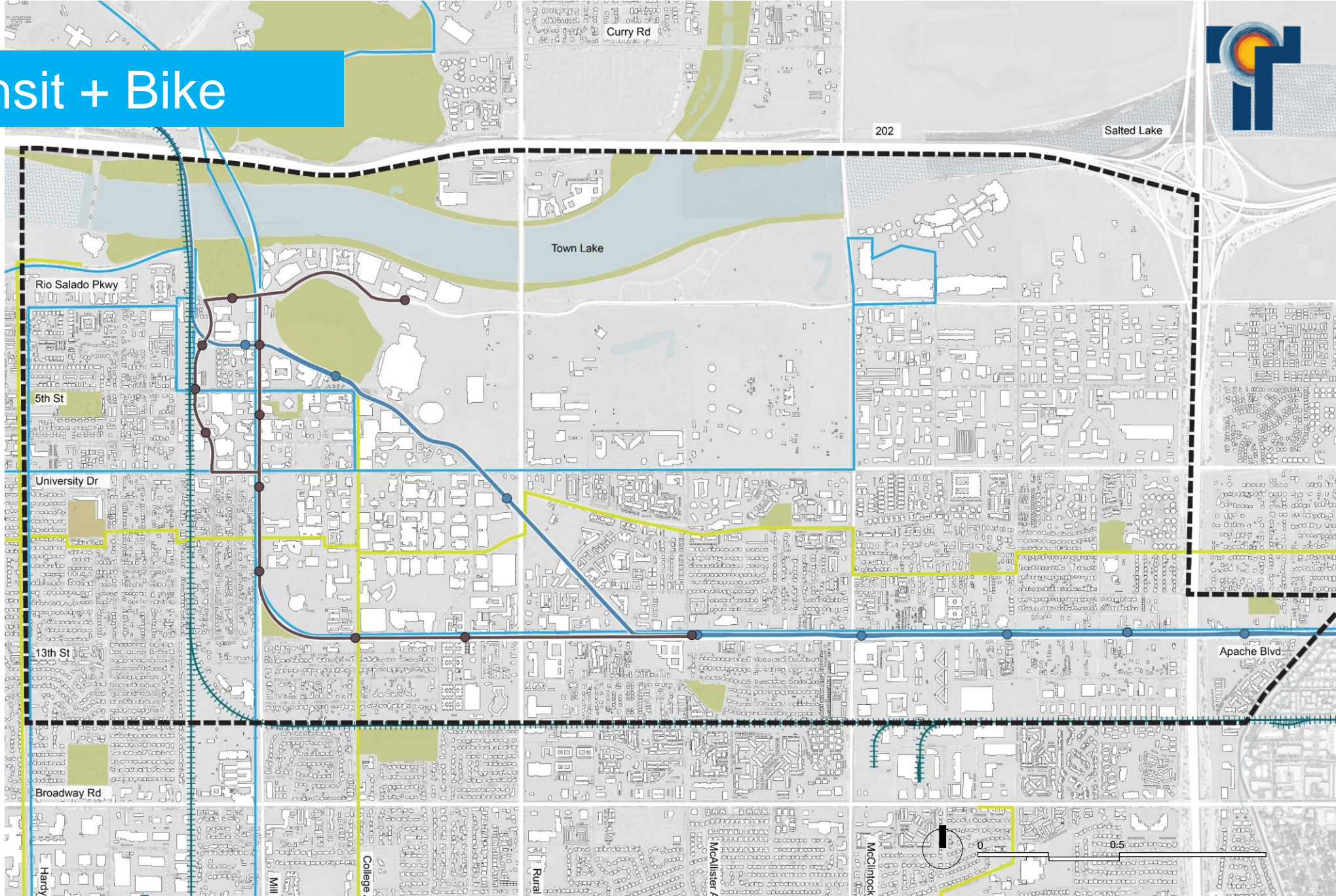
- Riverside
- Mitchell Park
- Wilson Art & Garden
- Marilyn Ann
- Clark Park
- Downtown
- Maple/Ash
- ASU Athletic Facilities District
- ASU Campus
- University Park
- Jen Tilly Terrace
- University Heights
- Hudson Manor
- Alegre Community
- Escalante
- Urban Core
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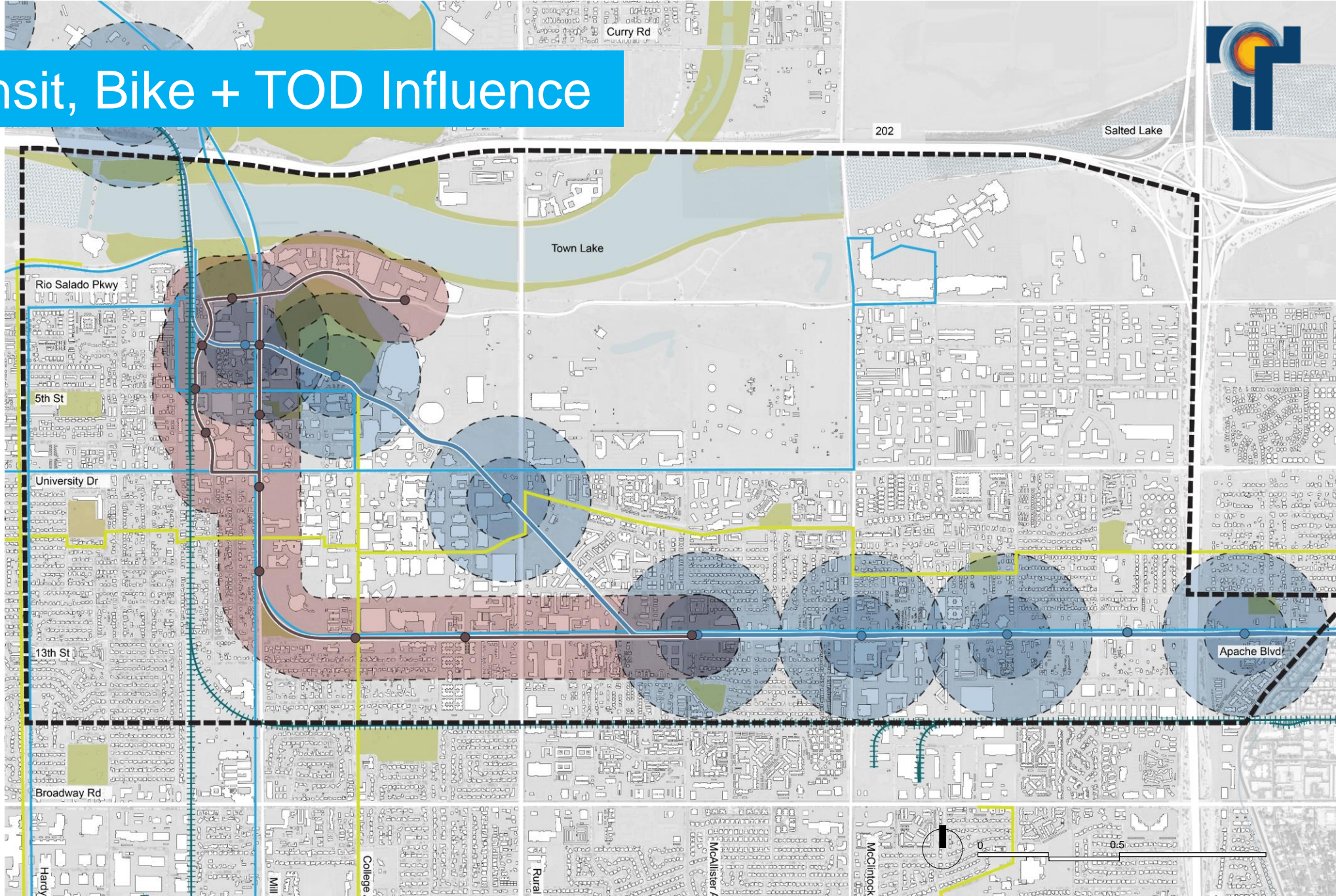
Existing Transit + Bike



- Street Car (Construction)
- Light Rail Line
- ▤ Union Pacific Railroad
- ▬ Local Bus
- ▬ BikeIT Routes
- - - Urban Core Area
- Open Spaces, Parks and Reserves

















Existing Transit, Bike + TOD Influence

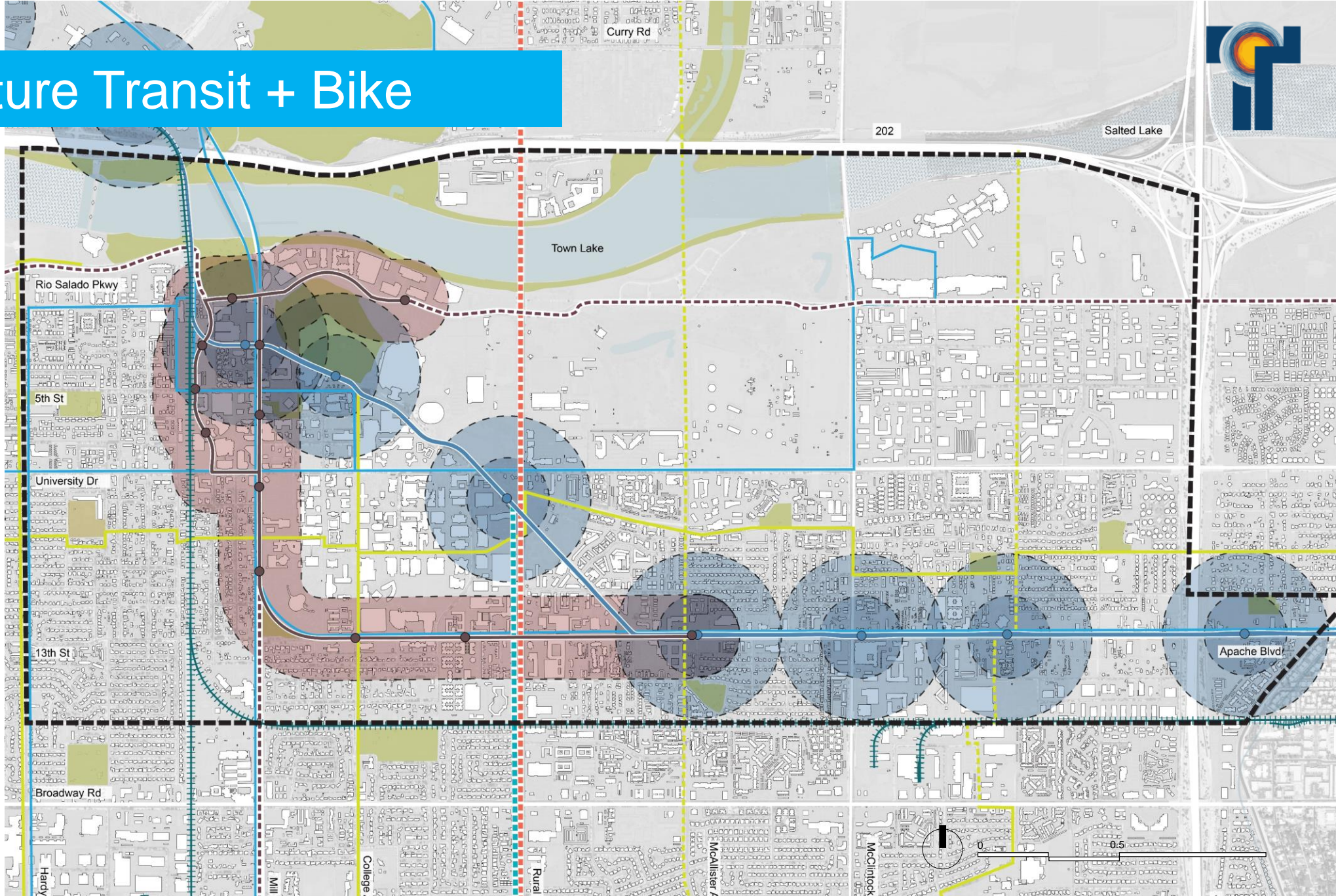


- Light Rail TOD Focus Area
- Streetcar TOD Focus Area
- Street Car (Construction)
- Light Rail Line
- Union Pacific Railroad
- Local Bus
- BikeIT Routes
- Urban Core Area
- Open Spaces, Parks and Reserves

Potential Future Transit + Bike



















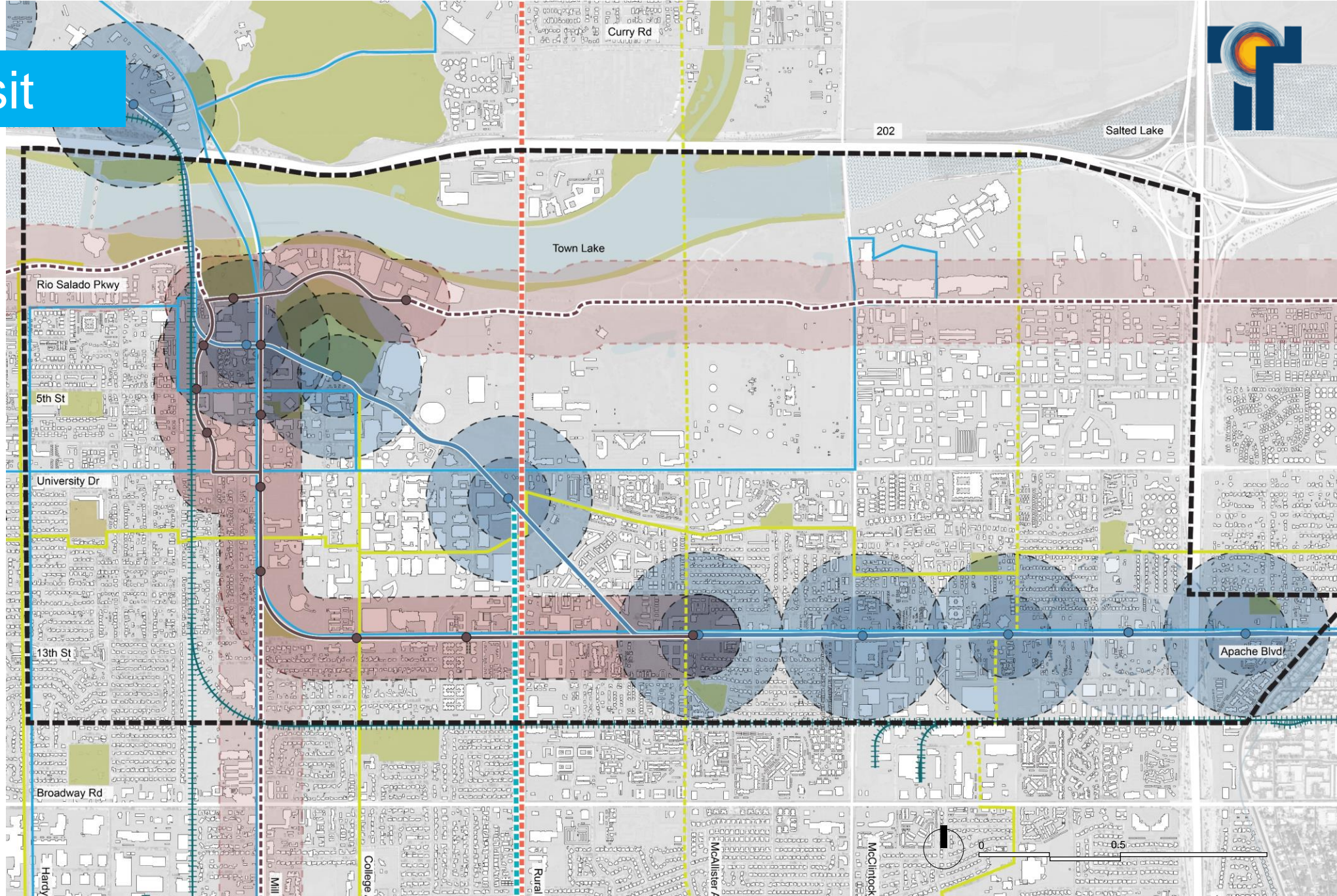
-  Potential Light Rail TOD Focus Areas
-  Potential Streetcar TOD Focus Area
-  Street Car (Construction)
-  Light Rail Line
-  Union Pacific Railroad
-  Local Bus
-  BikeliT Routes
-  Streetcar (Future Options)
-  Future Premium Bus Route
-  Proposed High Capacity Transit
-  Future Local Transit - Orbit
-  BikeliT Routes - TBC
-  Urban Core Area
-  Open Spaces, Parks and Reserves



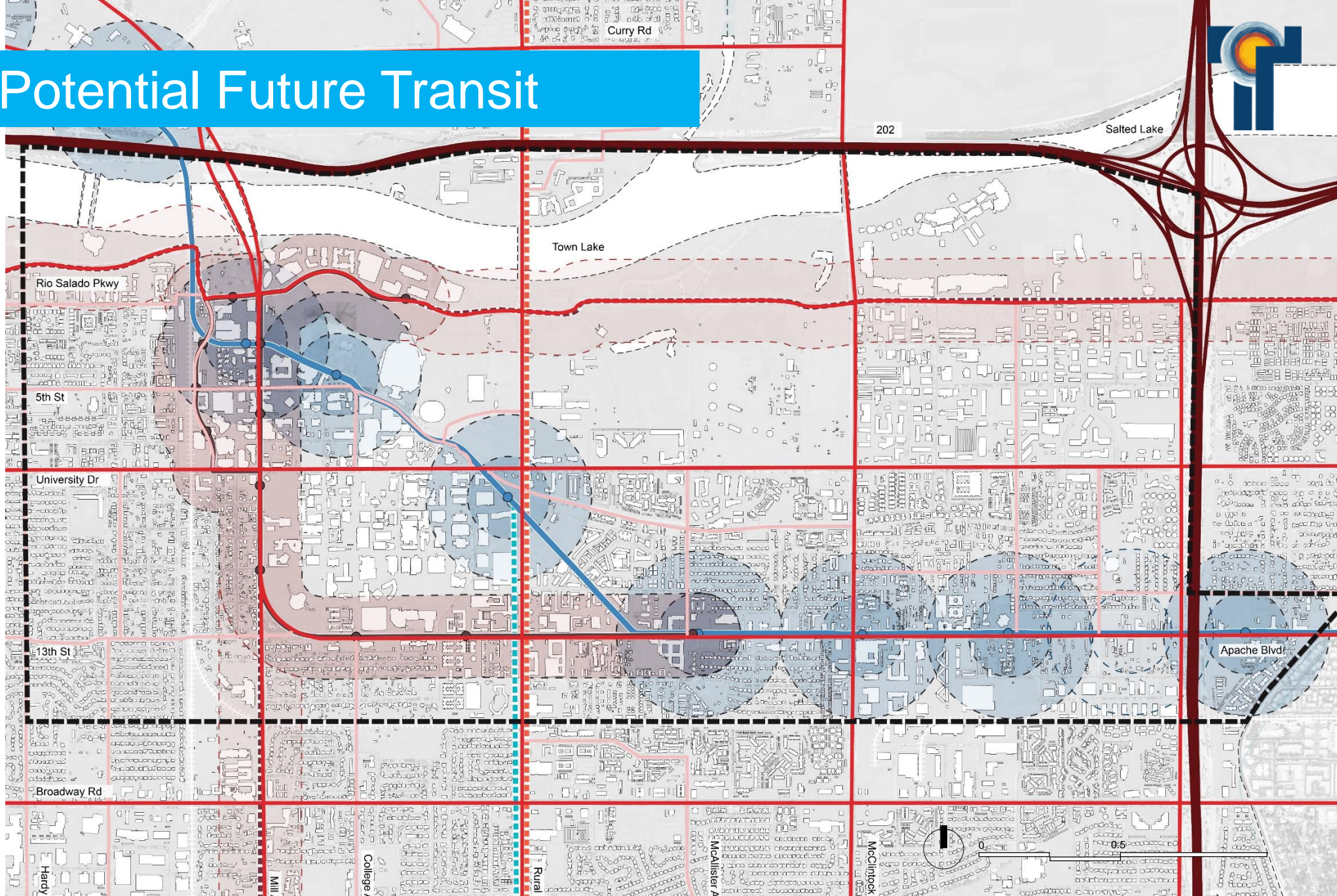
Future Transit

Potential New Stations + TOD Influence

-  Potential Light Rail TOD Focus Areas
-  Potential Future Light Rail TOD Focus Areas
-  Potential Streetcar TOD Focus Area
-  Future Streetcar TOD Focus Area
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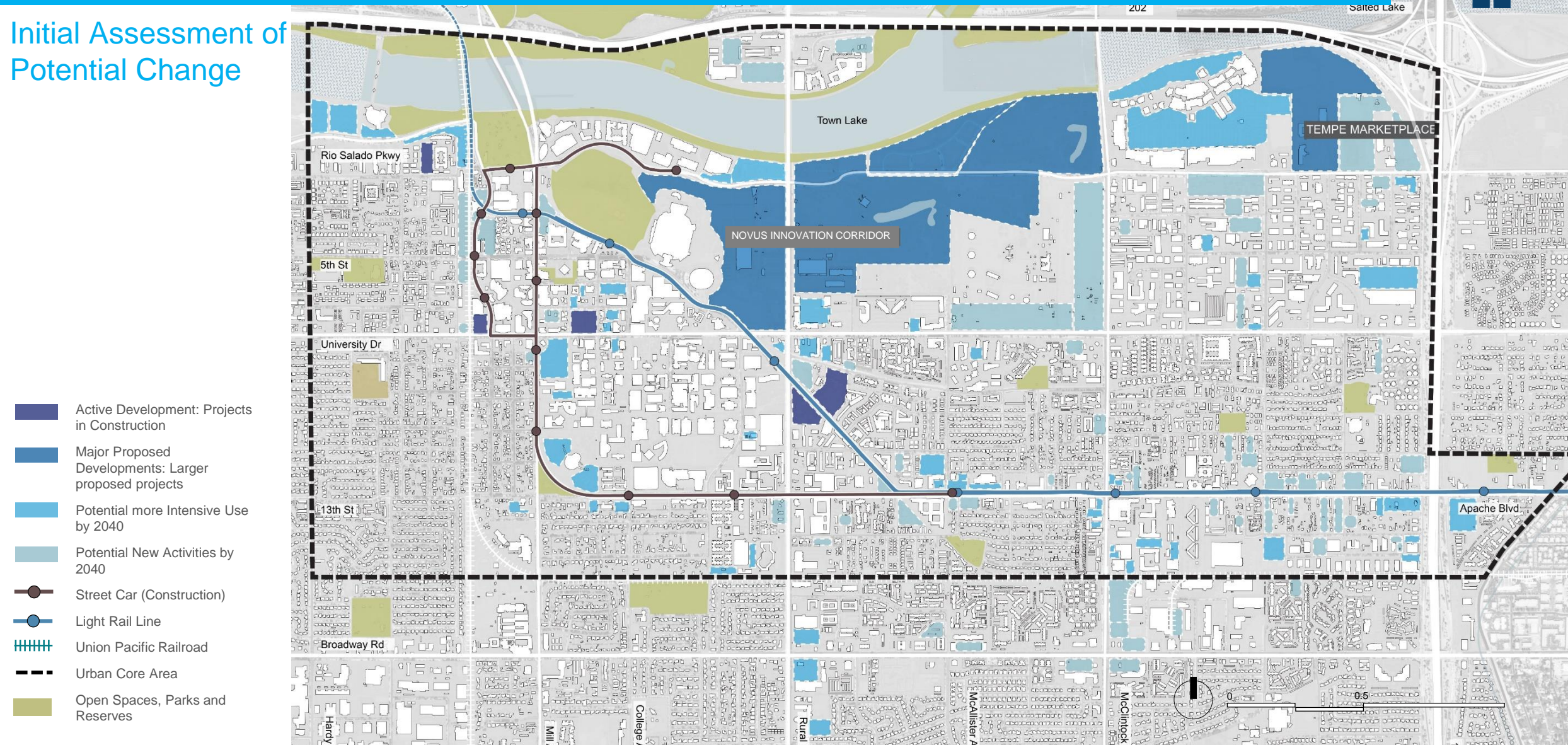
Highways + Potential Future Transit



-  Freeways
-  Arterial Streets
-  Collector Streets
-  Light Rail TOD Focus Area
-  Future Light Rail TOD Focus Area
-  Streetcar TOD Focus Area
-  Future Streetcar TOD Focus Area
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-  Future Premium Bus Route
-  Proposed High Capacity Transit
-  Urban Core Area

Potential Development + Change Locations by 2040

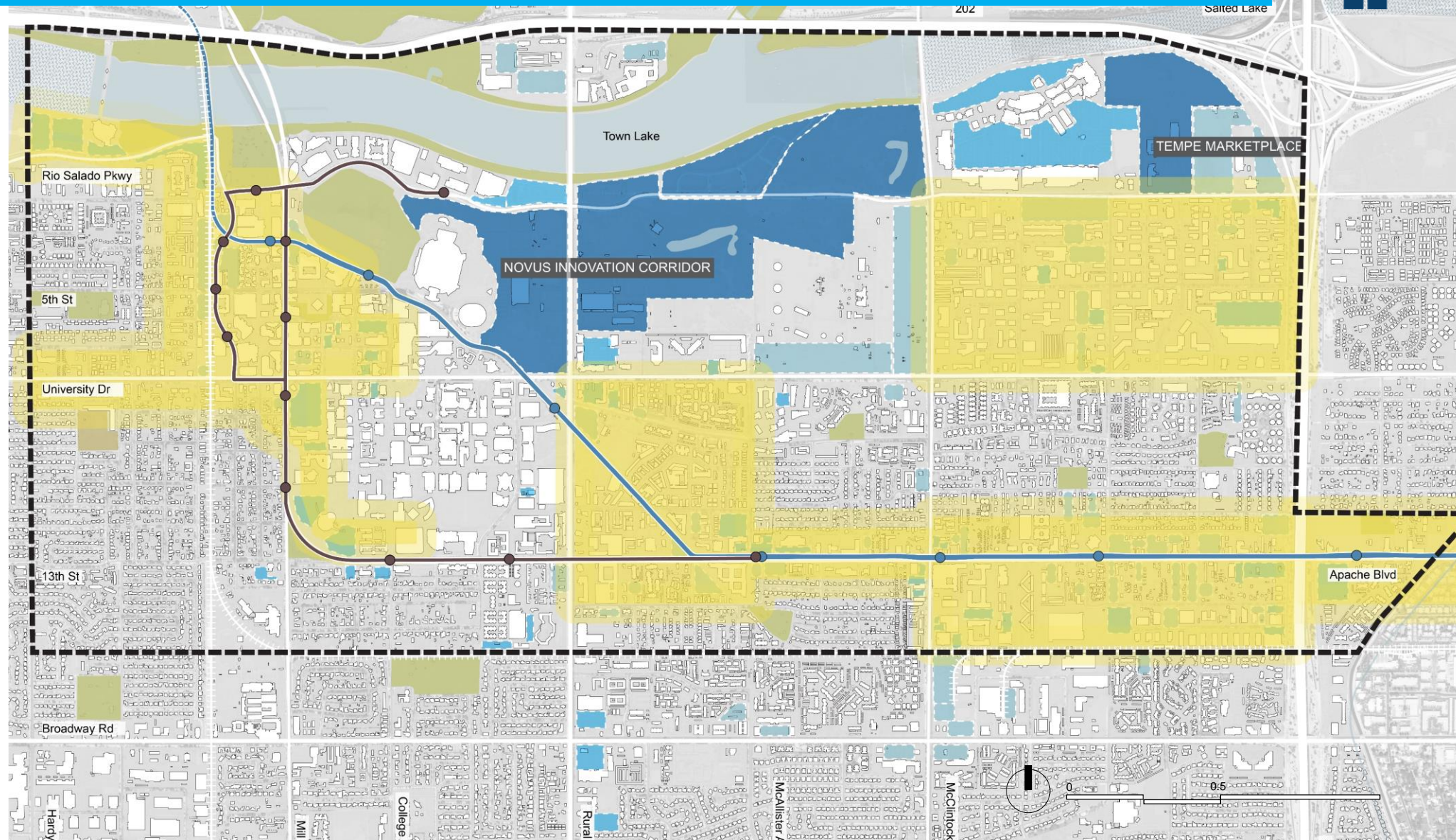
Initial Assessment of Potential Change



Areas with Potential to see Change by 2040

Initial Assessment: Potential Areas for Balanced and Holistic Planning

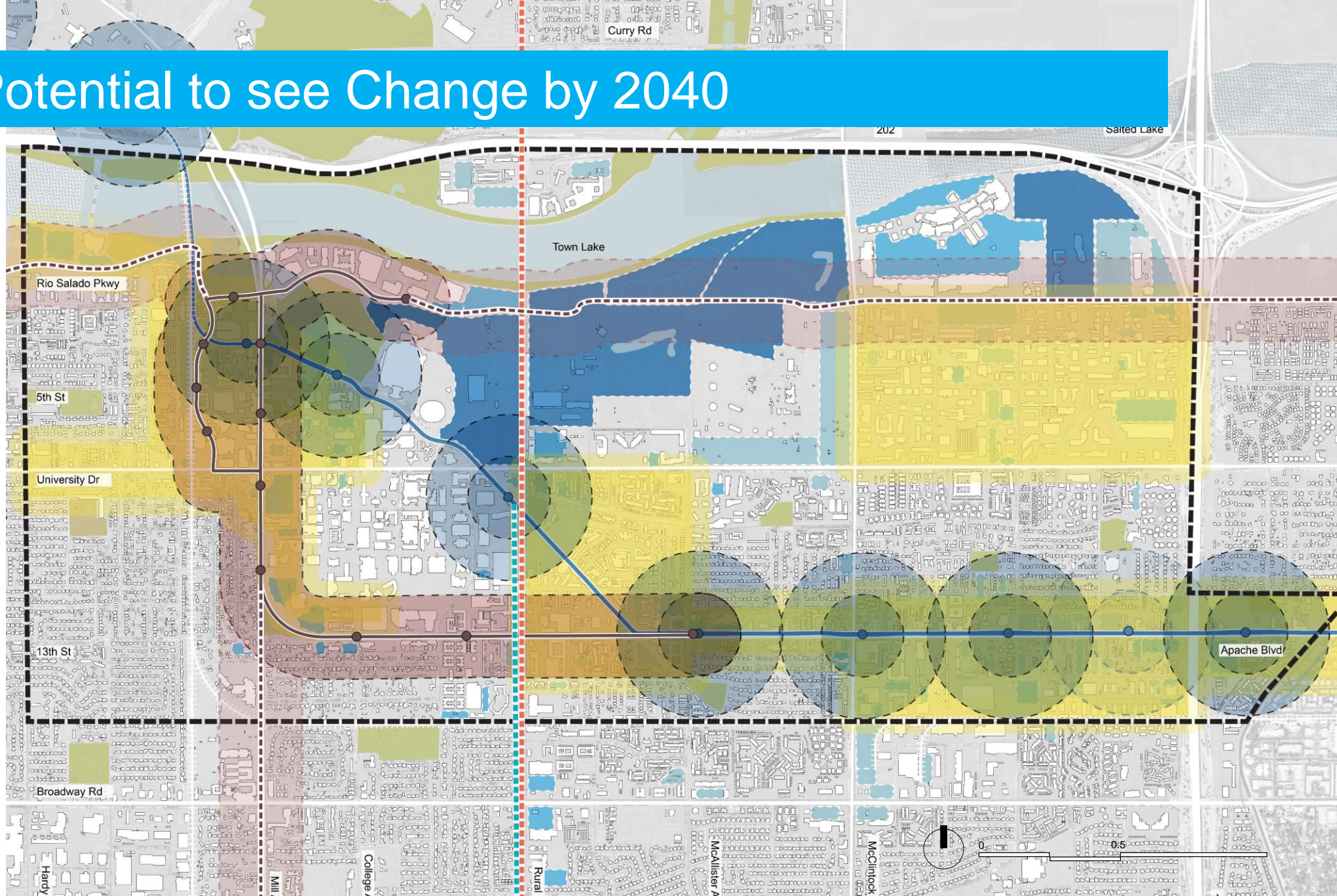
- Potential Areas for Balanced and Holistic Planning
- Active Development: Projects in Construction
- Major Proposed Developments: Larger proposed projects
- Potential more Intensive Use by 2040
- Potential New Activities by 2040
- Street Car (Construction)
- Light Rail Line
- Union Pacific Railroad
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Areas with Potential to see Change by 2040

Initial Assessment: Potential Areas for Balanced and Holistic Planning

-  Light Rail TOD Focus Area
-  Future Light Rail TOD Focus Area
-  Streetcar TOD Focus Area
-  Future Streetcar TOD Focus Area
-  Areas with Potential to Change
-  Active Development: Projects in Construction
-  Major Proposed Developments: Larger proposed projects
-  Underutilized Land: existing sites – potential more intensive use by 2040
-  Opportunity Sites: Potential re-use or infill by 2040
-  Street Car (Construction)
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04

Urban Design Factors to Consider



Upper Level Setbacks

017



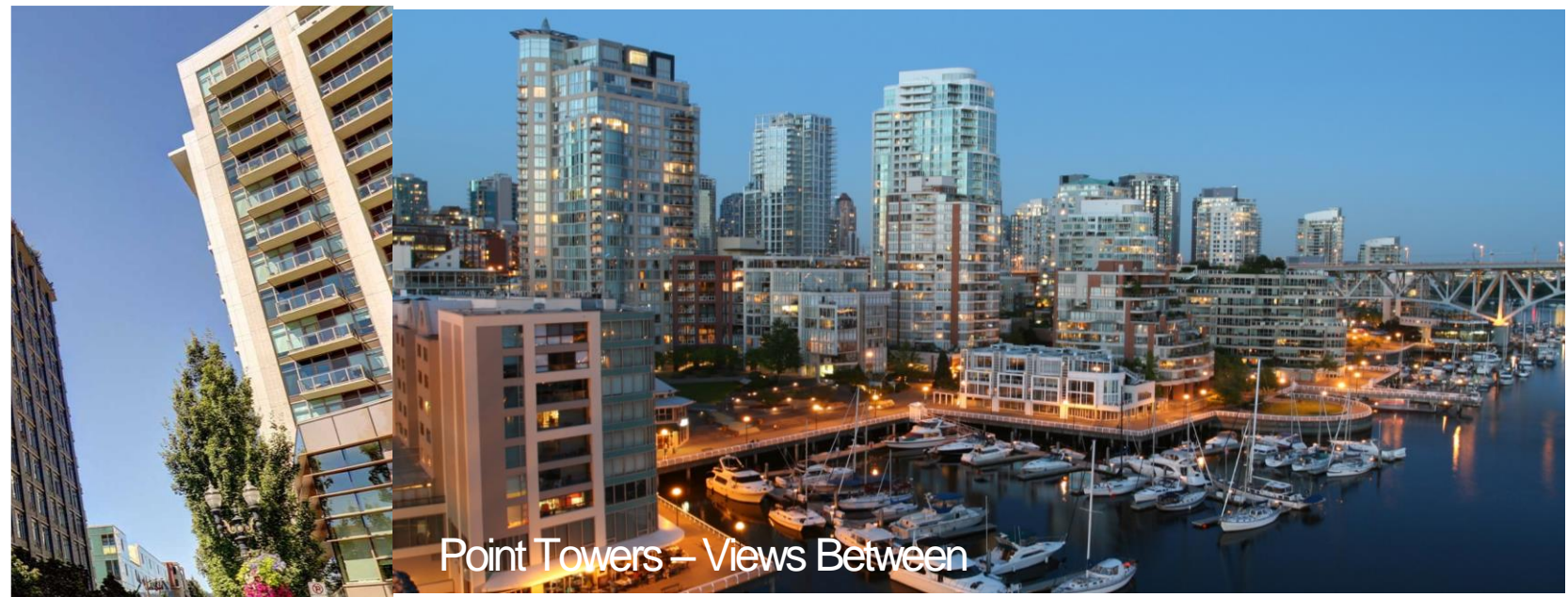
Community Use at the ground floor



Urban Density



Varied Heights



Point Towers – Views Between



Gateway buildings



Sense of place



Activated sidewalks



Pedestrian connectivity



Multi-modal



Pedestrian focused





05

What we have Heard so far



Things we have Heard so far

- There is a physical and psychological barrier between Tempe Town Lake and Downtown/Urban Core
- The Rio Salado area needs to be considered as a whole
- Downtown and Mill Avenue need more locally serving businesses
- Downtown will need to compete with other retail locations – and have a distinct offer
- A range of jobs across different sectors will be attracted to the area
- Office based jobs will arrive in a variety of locations, in addition to identified growth at Novus
- Spaces for next generation research, fabrication, manufacturing and arts based businesses area needed
- As the Urban Core grows, space for businesses that serve it will be needed



Things we have Heard so far - Continued

- The residential market is only building higher-end market units
- New financing tools are needed to reduce displacement of residents and businesses
- Homelessness is a persistent issue that needs to be addressed head on
- The TOD zoning ordinance is not producing development that benefits the community
- There is a retail mis-match in some areas of the TOD area – new housing, but not new grocery
- Neighborhoods west of Downtown want to prevent the subdivision of historic homes and neighborhoods which create larger development parcels
- Travel time (traffic congestion) is a leading quality of life indicator
- Multi-modal connectivity along north-south corridors needs to be improved
- Future growth should be focused east of ASU campus, but expand the idea of Downtown, don't create a competing center



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