

Technical Assistance Panel Report

Transit-Oriented Transformation of the Near Northside

May 30-31, 2012



**Urban Land
Institute**

Houston

Sponsored by:

Metropolitan Transit Authority of Harris County (METRO)
Central Houston Civic Improvement, Inc.
Greater Northside Management District
University of Houston-Downtown (UHD)

About ULI Houston

A District Council of the Urban Land Institute

ULI Houston is a district council of ULI—the Urban Land Institute, a nonprofit education and research organization supported by its members. Founded in 1936, the Institute today has approximately 28,000 members worldwide representing the entire spectrum of land use planning and real estate development disciplines, working in private enterprise and public service.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and

experience among local, national, and international industry leaders and policy makers dedicated to creating better communities.

ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Houston carries out the ULI mission locally by sharing best practices, building consensus, and advancing solutions through its educational programs and community outreach initiatives.

About the Technical Assistance Panel (TAP) Program

The objective of ULI Houston's Technical Assistance Panel (TAP) program is to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and nonprofit organizations in the Greater Houston Metropolitan area. Drawing from its extensive membership base, ULI Houston conducts two-day panels

offering objective and responsible advice to local decision makers on a wide variety of land use and real estate issues ranging from site-specific projects to public policy questions. The TAP program is intentionally flexible to provide a customized approach to specific land use and real estate issues.

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Acknowledgments

ULI Houston would like to acknowledge the leadership of the Metropolitan Transit Authority of Harris County (METRO), for inviting the Urban Land Institute to provide independent, objective expert advice on the use of land owned by METRO and of vital interest to supporting sponsors of this Technical Assistance Program panel. We gratefully acknowledge Central Houston Civic Improvement, Inc., Greater Northside Management District, and University of Houston-Downtown (UHD), who also provided financial and in-kind support, making this collaborative effort possible.

Specifically, ULI would like to acknowledge Mr. George Greanias and Ms. Kimberly Slaughter with METRO for their leadership, as well as Mr. Robert Eury with Central Houston Civic Improvement, Inc., Dr. William Flores with UHD, and Rebecca Reyna, with Greater Northside Management District, for the engagement of their respective organizations, and for generously sharing their time and insight with the panel.

ULI Houston would also like to express appreciation to the professional staff of the sponsor and supporting organizations, particularly Mr. Clint Harbert, METRO, Mr. David Bradley, UHD, Mr. Chris McCall, UHD, Mr. Edmund Petry, METRO, Mr. Russ Frank, METRO, and Mr. Lonnie Hoogeboom, Central Houston Civic Improvement, Inc.

The technical assistance of Abbey Roberson of HOK and Jason Tramonte of STG Design Group, and the invaluable contributions of writer Jason Stuart were vital to the production of the panel's presentation and this report.

We would also like to thank the stakeholders who agreed to participate in the background interview sessions, for providing their insight to augment the multiple decades of on-the-ground experience represented among the ULI panel members.

We thank Marlene Gafrick, City of Houston, Dept. of Planning & Development, Jeff Weatherford, City of Houston, Public Works, Jeff Procell, GNMD; Sarah Castillo, Resident/GO Neighborhoods; Jimmy Castillo, Resident/City of Houston Public Art Dept.; Jon Cooper, Resident; Rob Block, Avenue CDC; Alex Morales, Resident; Christina Slubbe, Avenue CDC/ GO Neighborhoods, Steve Flippo, METRO, Amar Mohite, City of Houston, Dept. of Planning & Development, Lance Gilliam, UCR moodyrambin PAGE, Tim Williamson, Cadence Bank, Cullen Powell, Wells Fargo Bank, Tim Clarke, Cypress Real Estate Advisors, Steve Clarke, Cypress Real Estate Advisors, Jim Jard, Cypress Real Estate Advisors, Laurie Flores, La Bonita CDC, Jason Holoubak, Avenue CDC, Jessica Pugil, Consultant, Mike Williams, METRO, Fred Childs, METRO, Kurt Luhrsen, METRO, Christine Moreno-Conner, METRO, Mr. Armando Bermudez, Near Northside BOND, Christa Chao, State Representative Jessica Farrar's Office, Tom Davis, City of Houston, Ralph DeLeon, City of Houston, Sarah M. Melecki, State Representative Jessica Farrar's Office, Cheryl Mergo, H-GAC, Anne Olson, Buffalo Bayou Partnership, Jerry Peruchini, Office of Council Member Ed Gonzalez and Alan Potok, Harris Co. Flood Control.

ULI Houston would like to acknowledge the contributions and participation of District Council Chair, Jonathan Brinsden, Chief Operating Officer, Midway, and the assistance of TAPs Committee members, Ben Pisklak, Gables Residential, Aaron Thielhorn, Trammell Crow, Todd Meyer, SWA Group, Jeff Munger, HFF, and Walker Molinare, Stewart Title, as well as the following Houston Management Committee Members.

Gary Altergott, Principal, Morris Architects, Mission Advancement Chair
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We appreciate the graphic design assistance from Clark Condon Associates, who provided layout and design services on the final report.

The findings and recommendations provided in this report are based on the collective expertise of the panel, briefing materials provided by the Sponsor, and information gleaned from the tour, stakeholder presentations, and roundtable discussions conducted during the panel's two-day effort.

ULI owes a special word of appreciation to the experts who dedicate their valuable time as volunteers in service on the panel. Each panelist strives to provide the highest quality, unbiased, and trustworthy advice for the benefit not just of study sponsors, but of the larger community. The quality of their effort is the result of far more than a concentrated two-day process, and is only made possible by the decades of work and service they have devoted to achieving excellence at the highest levels of their respective professions.



ULI Houston Panel

Panel Chair:

Chuck Perry

Managing Partner
Perry Rose - Denver, CO

Chuck Perry is recognized as an authority in community based planning and mixed-use, mixed-income real estate development. Prior to joining Perry Rose, Dr. Perry served as the Assistant Director of the Denver Urban Renewal Authority (DURA).

Panelists:

Tom Fish

Executive Managing Director, Jones Lang LaSalle Real Estate Investment Banking
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Tom Fish leads Americas real estate investment banking (REIB) business and has executive leadership responsibility for the company's Americas capital markets business.

Shon Link

Vice President, Development
Midway - Houston, TX

Shon Link is responsible for development and acquisition for Midway's commercial portfolio, including CITYCENTRE, a 1.5 million square foot mixed use project on Houston's west side. Prior to Midway, Shon was an Architect and Project Manager for Gensler.

Sean D. Rae

Vice President, Development Trammell Crow Residential - Houston, TX

During his tenure at TCR, Sean D. Rae has been directly involved in new development and refinancing transactions totaling more than \$500 million. Prior to joining TCR, he was a credit analyst with Amegy Bank of Texas in the Bank's Officer Development Program.

Charles Savino

Executive Vice President
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Charles Savino, Executive Vice President of CDS Market Research. Before joining CDS, he served as Executive Vice President and Chief Operating Officer of the Greater Houston Partnership.

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Diane Schenke, President, Greater East End Management District, a 16 square mile area between downtown Houston and the Port of Houston, which supplements the services provided by existing governments.

Kevin Shanley, FASLA

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Kevin Shanley, CEO, SWA Group, which practices planning, urban design, and landscape architecture in six North American offices and in Shanghai.

Forward: Overview and Panel Assignment

In Houston's traditionally lower density and auto-oriented style of development, Transit-Oriented Development (TOD) still represents a new form of growth. Effective partnerships between private and public sector land use and development practitioners will be crucial to successful TOD and wider market acceptance.

The new LRT station at North Main St. and Burnett St., and the Transit Center on 4 acres joining the station, is bringing significant interest and new activity to this area on the near north side of Downtown. METRO is moving forward on construction of the Burnett Transit Plaza and LRT station, but has additional land available for future development.

Cypress Real Estate Advisors owns adjacent land and retains the development rights above the Transit Center. METRO owns approximately 25 additional acres in this area. A variety of potential partners has expressed interest in exploring the opportunity to develop complimentary uses on this land, such as a county health clinic.

Street improvements in the near Northside neighborhood will enhance bus access to the Transit Center. Pedestrian and bike access is important, both as an alternative means of transportation and also because parking for the Transit Center is limited. Heavy use by "kiss and ride" customers (i.e., those who do not park cars at the station) is anticipated.

Ensuring that any future development of this site also benefits and enhances the near Northside neighborhood should be considered a priority in all proposed development solutions.

Questions the Panel is Asked to Answer

The purpose of the 2-Day ULI Technical Assistance Panel is to present the Metropolitan Transit Authority of Harris County, (METRO), and participating organizations, Central Houston Civic Improvement, Inc., University of Houston-Downtown and the Greater Northside Management District, with the panel's recommendations in response to these questions:

1. What are the best strategies for short-term and future development of the property METRO owns that also incorporates a new LRT station and intermodal Transit Center?
2. What tools provide incentives to encourage successful development in alignment with this plan?
3. What is the road map to navigate from current conditions to the desired outcome, including phasing of development and potential barriers this plan must overcome?



Forward: Overview and Panel Assignment continued

The ULI Panel's product, if successful, should help to create these desired outcomes:

1. Development of a plan of action for METRO that is grounded in Houston market reality, combined with adjacent stakeholder input and alignment (Northside Neighborhood, UHD, Central Houston, Cypress Real Estate Advisors/Hardy Yards, etc.), and based upon forward-leaning and flexible principles that provide long term adaptability. The plan of action will define project elements that should be included in the design of the Burnett Transit Center to ensure this asset meets the needs of METRO and the community.
2. Strengthening public support and acceptance of TOD as a beneficial style of development that is truly "better than the sum of its parts."

3. A catalyst for future private investment that will be spurred to make the most beneficial use of property in the area.

Recommendations may be accompanied by relevant examples of successful strategies and projects that provide real-world role models and guideposts. These will be followed by implementation steps adapted to reflect unique characteristics of Houston.

The panel may also recommend potential incentives, policies, and design strategies to achieve predictability for successful development in alignment with this plan. Recommendations are delivered within the context of barriers, limits and or challenges to overcome and ideas on how to address these hurdles.



Market Potential

The panel began its efforts by noting that the creation of successful transit-oriented development (TOD) projects is an extremely challenging undertaking, even in regions with far higher percentages of transit usage than our own. In part, this is because many developers and transit agencies across the country have neglected the “oriented” part of TOD and have simply settled for transit plus some kind of adjacent development, resulting in little to no synergy between the two. In the worst cases, this “transit-adjacent” development has actually impeded access to the transit station by pedestrians, bicyclists, and others, with the usual development suspect being a giant new garage. In a successful TOD, transit and development purposefully interact, both with each other and with the surrounding community. This interaction among infrastructure, development, and people requires transparent and close working partnerships among a multitude of stakeholders throughout the process, but especially on the front end.

Such partnerships can be time-consuming and fraught with peril for both the public and private sector parties, as both groups are usually working under tight deadlines that are either related to federal approvals and political demands, or private financing and market conditions. It is only when all parties involved recognize the possibility for an immensely positive end result, achievable only through close cooperation, that such partnerships can be formed and stand the test of time. If the only result foreseeable is a somewhat mediocre one—from the point of view of any of the parties concerned—they will likely not participate in the process, and may even work to undermine it, resulting in an expensive missed opportunity.

The panel offers the above background because, thankfully, there is the potential here for an immensely positive end result for the study area, a large area surrounding it, and indeed for the region as a whole, through the creation of a regionally-significant destination and exemplar of TOD. This assessment may appear overly-optimistic at first glance, given the existing market conditions within the study area and connectivity issues there. The panel fully recognizes that the current mobility and connectivity issues are very difficult, and are equally bad by foot, bike, bus or car. Moreover, all of these modes are needed to connect to the light rail station and new development in order for them to meet their respective metrics for success: increased transit ridership and project marketability. On the other side of the ledger, though, is the potential redevelopment area’s size and relatively small number of landowners; nearby natural amenities; proximity to the central business district, the University of Houston-Downtown, and other institutional anchors; the already-existing engagement of almost all of the necessary stakeholders; and the favorable view of Houston that is currently held by the capital markets. Each of these strengths, as well as some concomitant challenges that need to be overcome, are reviewed in greater detail below.

Strengths

Potential redevelopment area’s size and relatively small number of landowners. One of the greatest challenges facing any urban infill and/or TOD project is assembling the amount of land needed to develop a cohesive and creative project. In this instance, not only are there the four acres controlled by METRO immediately adjacent to the

Market Potential continued

proposed Burnett Transit Center Station, but there are approximately 25 additional acres in various-sized parcels also controlled by METRO within the area, including 17 acres along White Oak Bayou. Cypress Real Estate Advisors' Hardy Yards encompasses 40 acres, the University of Houston-Downtown controls several parcels, including two large parking lots, and the remaining undeveloped parcels within the immediate vicinity are owned by Union Pacific Railroad, or investors. The large, contiguous blank slate offered by the above-listed parcels, in a relatively small number of hands, allows for the possibility of creative land-swapping and/or purchase in order to create the best possible result for all parties involved, as well as for the addition of new roads, trails,

offered by this larger canvas, the panel took all of the following areas into account in its recommendations (please see Illustration 1, below). Whenever the panel refers to the “study area” in the report, it means to include all areas noted below, with the exception of the Existing Neighborhoods and the area the panel has designated here as the “St. Arnold District,” which are included in this illustration for contextual purposes only.

Nearby natural amenities. The aforementioned 17 acres fronting White Oak Bayou lie within the floodplain and are therefore not developable, but could nonetheless serve as an amazing amenity for the area: creating much-needed intramural fields for the University of Houston-Downtown and its club sports (including its undefeated soccer team); being available to the community when not in use by the University; and providing several additional access points to the MKT Trail, as shall be illustrated later in the report. Perhaps most importantly, though, such an amenity would instantly distinguish this area from the many other redevelopment sites within our region that are competing for capital, infrastructure, development projects, residents, and workers, much as Discovery Green



and sidewalks to provide for optimal access to the light rail station, and to address the overall connectivity issues within the area. **Sensing the far greater possibilities**

has done and continues to do for Downtown Houston. Not only would there be demand created by those wishing to live with such an unparalleled—and unobstructed, in relative

perpetuity—view of active green space, the bayou, and the Houston skyline, but such an amenity would also create additional demand for other nearby projects, as well as enhance the quality of life for those already living within the area. As a practical matter, depressing the fields slightly would also provide district-wide solutions to detention and floodplain fill mitigation for surrounding developments, which could relieve their developers of some expenses and challenges relating to stormwater detention and water quality, so that they could improve their projects in other ways.

Proximity to the Central Business District, the University of Houston-Downtown, and other institutional anchors. Although seemingly far away due to the lack of connectivity, the study area is in actuality just as close if not closer to the heart of the central business district than two potential competitors for redevelopment and residents, Midtown and the Washington Corridor. With the extension of the Red Line north, the study area will be even closer, further highlighting the importance of increasing accessibility via all modes to the Burnett Transit Center Station, so that the largest number of people possible can access the central business district using transit. Additionally, the site's proximity to the University of Houston-Downtown, and to medical facilities such as Casa de Amigos, La Nueva Casa, and the Thomas Street Clinic, again points to the need to view all of the parcels within the study area as a whole, to ensure that these major institutional anchors are as accessible as possible both to those disembarking from light rail or bus and to current and future residents.

Existing engagement of necessary stakeholders. As discussed at the beginning of this report, when TOD projects are

successful they enhance the existing surrounding community, create new opportunities to live, work, shop, learn and recreate close to transit, increase transit ridership among a broad base of the public, and set an example for quality place making that others can follow. However, such a high risk/high reward endeavor requires all stakeholders to be all-in; if any parties are half-hearted in their efforts, the project will fail. Fortunately, as demonstrated by the involvement of so many community and institutional stakeholders in the Technical Assistance Panel's sessions and the input they provided, the necessary stakeholders are already at the table and engaged with each other, and are excited about seeing their area realize its full potential as a place that is better connected, both internally and to the rest of the city. Of course, there may be differences of opinion as to how to best get there, but at this crucial juncture, all are still engaged, and none appears to be too disillusioned. The panel offers recommendations in the Concept Plan and Implementation sections of the report regarding how this partnership process may best proceed, given both the short and long time horizons involved.

Capital markets currently hold a favorable view of Houston. Houston is currently a globally desirable place for capital, thanks in large measure to its job growth, population growth, cooperative city government, and its demonstrated ability to improve quality of life and attract new business. Redevelopment opportunities such as this one must be seized upon while capital is flowing in, because as has been demonstrated in the past, when the tide turns, it turns fast and hard. Nor, as noted previously, is this area the only redevelopment site competing for such investment.

Market Potential continued

Challenges

Current market conditions within the study area. Although the many strengths of the area have been laid out above, the fact remains that the area is one that is undergoing redevelopment, and is unproven to the market. Lenders will necessarily be wary of overly-optimistic proformas forecasting high rents on multi-family residential or office space, particularly given the relatively low cost of single-family rental housing currently available within the neighborhood, and the lack of true “comps” that can be looked at within the region. In order to be marketable, new development will need to be high-quality, yet affordable relative to competitor neighborhoods such as Midtown, the Washington Corridor, Sawyer Heights, and EaDo. This is particularly true in the beginning, before the area becomes more fully built-out and the overall vision is easier to grasp, such that someone working downtown would be willing to sacrifice the nightlife and already-existing amenities of other areas for a slightly lower rent that could be available within the study area.

In order to provide such lower rents, developers need access to cheaper and easily developable dirt; any complications that increase the cost of land increase the amount of return needed and thus rents charged. Such complications would certainly include building above a bus transfer station, a prohibitively expensive proposition for any developer in such an untested market area. Near-term market potential largely consists of competitively-priced multifamily and townhome residential product, institutional uses such as UH-D expansion space and medical facilities, and very limited retail. Once the entire study area is built out, greater retail opportunities

could be realized, but this is not an area where extensive ground-floor retail could be counted on to activate the streetscape, pointing yet again to the need to enliven the streetscape through quality design.

Connectivity issues. The point cannot be hammered home enough: connectivity could not possibly be much worse than it is today, be it within the study area, from the study area to downtown, or from the existing neighborhoods to and through the study area. Although the Burnett light rail station would seem to be a solution to these problems, the need to connect 40-60 buses per hour to the station for transfer purposes raises its own new issues, particularly as they relate to the safety and quality of life of existing residents, on whose narrow neighborhood streets the buses are proposed to run. Moreover, given the current difficulty in accessing the station by foot, bike, or car, great care must be taken with the placement and design of the bus transfer facility, both to ensure that it does not further impede access to the light rail station by any of these modes and to prevent the facility from becoming a deterrent to future new development near the station. Although Houstonians have demonstrated an interest in living next to a quiet, clean-running light rail line, they likely feel differently about loud, idling, diesel-burning buses, especially given the frequency with which the buses will enter and exit the transfer station.

Timing. As noted in the discussion of the area’s strengths, thanks to the capital markets the time is ripe for an ambitious redevelopment project such as this one. Moreover, METRO has expressed the need to have a transfer center in place when the Burnett Station opens, and Cypress Real Estate Advisors no doubt wishes to begin

seeing a return on its investment in the Hardy Yards, which it first acquired in 2005. And yet, as also mentioned previously, the panel believes that the maximum market potential for all parties involved can only be achieved by taking a more holistic view, encompassing all of the currently undeveloped properties in the area.

It is also important to note that the entire project cannot and should not be expected to be built out all at once- some parcels will have to be held back until the area has proven itself to the market, in order to obtain the best possible product on the site(s). In any TOD

project, the most important site is the one that links the transit station to the rest of the project; this site is in every respect the front porch and the front door of the station, both activating the station area and facilitating access to it. Because it is so important to get this site done right, and because such sites usually involve greater challenges and expense in terms of providing excellent design and linkages to the rest of the project and in working as closely as possible with the transit

agency, such sites often need to be held back until the area around them has been built up and the market will sustain a higher-cost and higher-quality product.

"The Heart of the Melon". Within this study area, the panel firmly believes that this key site—"the heart of the melon"—is the site that is currently slated by METRO to serve as the bus transfer center. The panel cannot emphasize enough that, in its opinion, placing such a facility in such a critical location would be extremely deleterious to realizing the maximum potential of the Burnett light rail station and the study area. Most of the reasons for this belief have been alluded to above, but the following bear repeating:

- With 40-60 buses entering every hour, pedestrians and bicyclists will find it



incredibly challenging to walk or ride across the wide driveway where buses will be entering and exiting on such a frequent basis, thus inhibiting foot and

Market Potential continued

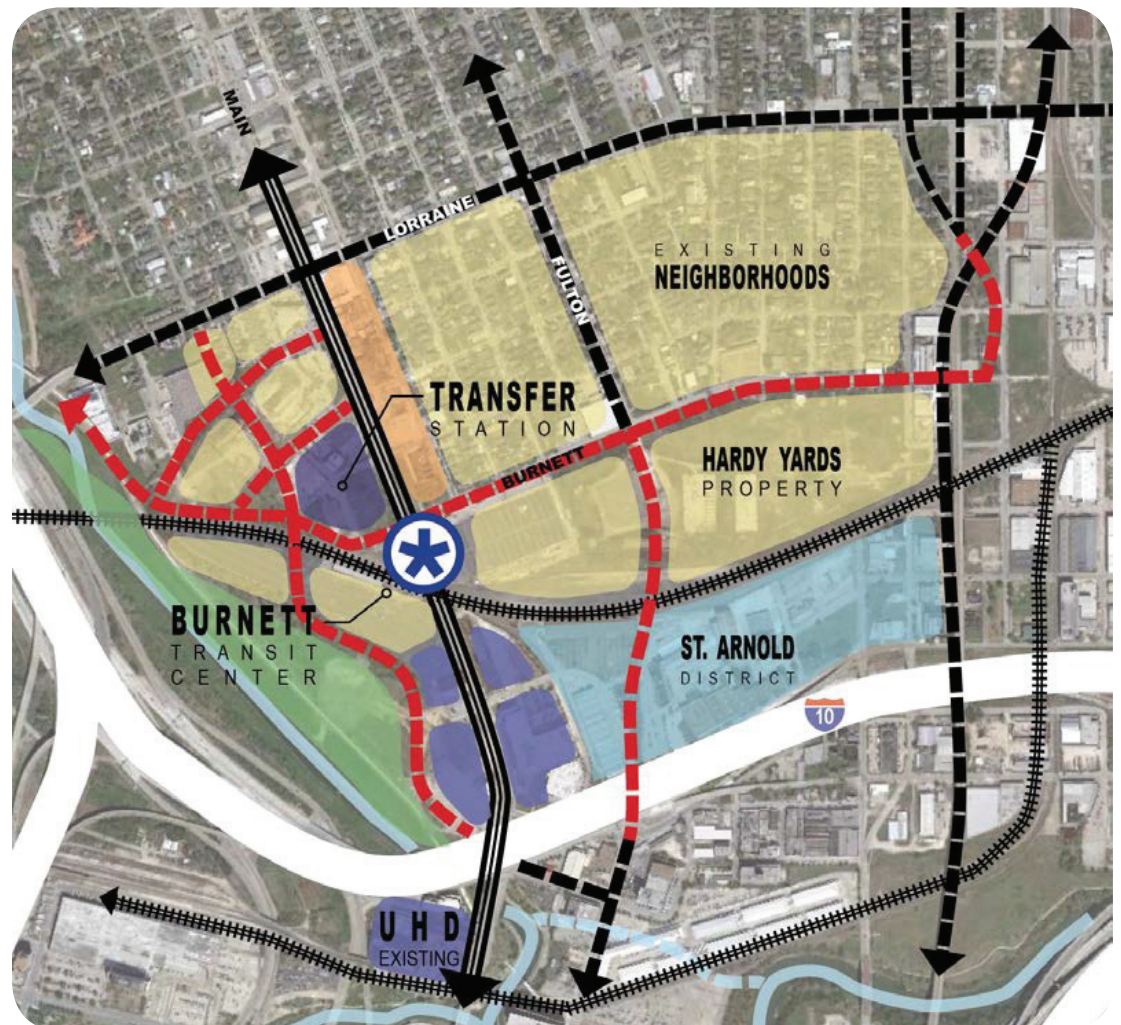
bicycle traffic from new and existing neighborhoods to the station and limiting potential ridership;

- Residents will be reluctant to live next to such a facility, a fact that will be quickly surmised by potential development lenders upon touring the site and seeing so many buses entering, exiting, and idling, thereby limiting surrounding development potential;
- Placing the facility in such a location necessitates the use of Freeman and Chestnut Streets for bus access to the

transfer station, dramatically changing the character of these neighborhood streets; and,

- Building on top of such a facility is incredibly expensive, and would likely not occur until far into the future.

In order to mitigate these challenges, and to fully capitalize on the strengths enumerated above, the panel proposes the following recommendations regarding an alternative concept plan, which entails taking a close look at all of the available sites and means of connectivity within the study area.



Concept Plan

The illustration below outlines the panel's recommended concept plan for the broader study area. Following the illustration are detailed explanations of each component of the plan and the panel's rationale for the recommendation. The panel fully recognizes that the recommendations described below will require substantial efforts to be made by all parties, in that the panel's recommendations involve multiple transfers of land and significant infrastructure investments. In the Implementation section of the report, the panel attempts to address these challenges and provide a roadmap.

Relocating the Bus Transfer Station

Perhaps the most consequential recommendation by the panel is to reconsider the proposed placement of the bus transfer station, from Parcel A on the plan, to Parcel E, west of Main Street and north of the rail station.

Relocating the station in this manner addresses many of the challenges highlighted previously, in that it:

- Removes the potential deterrent to future TOD development east of the station, as explicated in the Market Potential section;
- Allows for superior phasing, leaving the key parcel, A, available for future development;
- Removes negative impacts from the nearby neighborhood and neighborhood streets; and,
- Serves the health clinics with closer service and better bus access.

In terms of site layout for Parcel E, the panel recommends locating rider facilities around the exterior of the bus loop, so that riders do not have to cross bus traffic to get to a central island. Meanwhile, Parcel F could accommodate the Kiss and Ride, while Parcel D could provide some surface parking.

Vertical Circulation

Due to the fact that the Burnett Station will be an elevated station—something to which Houstonians are unaccustomed and of which they may be wary—the issue of vertical circulation also demands careful attention. To that end, the panel recommends providing high-quality and highly-visible vertical circulation from station platforms to the street level on Burnett Street, on both sides of the elevated structure. Moving the transfer center to the west side of Main Street allows effective phasing, with Phase I on the west side connecting to the bus facility, kiss and ride, and nearby health clinics in the near-term, while Phase II on the east side would connect to future TOD, when built. This phasing would allow for optimal integration of the station with the eventual TOD, as the design on the east side could be tailored to the type of project that gets built, and could also strengthen the connection to UH-D further south by eventually providing pedestrian connectivity along the track level. The panel further recommends the following design standards for these vertical circulation elements:

- Provide direct connection to Burnett Street sidewalks;
- Be open and fully visible from Burnett Street;

Concept Plan continued



- Include “plaza” space, with stairs helping to shape the plaza space (as was accomplished at the UH-D Shea Street Building); and,
- Make elevators as near to 100% transparent as possible.

Mobility Improvements

As can also be seen in the above concept plan, the panel has incorporated a number of recommended changes to the area’s street and trail layout, with the goal of creating a grid where none currently exists, and increasing connectivity via all modes of transportation including bus, car, foot, wheelchair, stroller, and bike. The panel heard a number of concerns voiced about the Hernandez Tunnel, both related to its current condition and to the immense expense that would be involved in rebuilding it. The panel believes that by making the following connectivity improvements, sufficient—and far more appealing—new pedestrian routes are created throughout the site, such that the Hernandez Tunnel could be closed to pedestrians. These various improvements include:

- Extending Burnett Street west to Hogan (and possibly beyond to Quitman) and connecting Burnett Street east to the Hardy/Elysian couplet, enabling bus circulation on Burnett Street from Hogan on west side to Hardy/Elysian couplet on east side;
- Making Burnett Street an urban street, with four 12’ lanes and 13’ between the curb and right of way on each side. This will allow for a 6’ wide sidewalk that can be tree shaded and will feed from the neighborhoods to the Burnett light rail station and bus transfer station.
- The cost of the extension of Burnett Street will be offset by the dollars that would otherwise have to be spent reconstructing Freeman and Chestnut Streets.
- Locating the bus routes outside of the neighborhood will protect them from the heavy impacts of 40-60 buses/per hour and the physical impacts of widening the streets to accommodate this volume of bus traffic;
- Extending and adding infill streets between Hogan/Main and Burnett to provide access to stranded properties and to provide additional mobility for the Station area;
- Extending Fletcher Street south along edge of floodplain to Naylor and Shea Streets to provide access to bayou frontage parcels (Parcels B and C on plan);
- Assuming that the San Jacinto/Fulton bridge and street improvements will be part of the plan;
- Providing 20’ reserve along the south side of the Burnett Street extension for hike and bike trail connections to the White Oak MKT regional trail; and,
- Providing a pedestrian connection from the UH-D south campus to the north campus area, including a possible undercrossing under the proposed Fletcher Street extension.

Concept Plan continued

Potential Mix of Uses for Parcels and Tracts

In taking a holistic view of the study area, the panel recommends the following mix of uses for each of the parcels:

- Parcel A- As mentioned previously, the panel views this as the key parcel, given its direct connection to the elevated transit station, existing neighborhoods, and the 40-acre Hardy Yards site. As the site is currently owned by Metro, the panel recommends that it be sold via an RFP process, with development guidelines for TOD. Given the importance of the site, it may be desirable to wait until surrounding projects have moved forward, “proving up the market,” so that the highest and best use of this site may be realized.
- Parcel B- Assuming the dedication of the 17 acres of floodplain to sports fields and detention, and that the small warehouse outparcel will be included in parcel, the panel views this site as an excellent opportunity for park-front development, as outlined in the Market Potential section. This parcel is currently owned by UH-D.
- Parcel C- The panel also views this site as a park/bayou front development. As the parcel is also owned by UH-D, they may wish to reserve this tract for the possibility of student housing.
- Parcel D- Currently owned by Metro, the panel recommends that this be dedicated to Phase I surface parking for Burnett Station and the bus transfer station.
- Parcel E- Currently under private ownership, the panel recommends that this parcel be acquired by Metro for the bus transfer station. As this land may have some contamination issues, capping it with the paved transfer station is actually a good use of the land.
- Parcel F- Currently owned by UPRR and City right of way, the panel recommends that these tracts be acquired by Metro for vertical circulation and kiss and ride.
- Parcel G- These several tracts provide growth parcels for health care and community support facilities, complementing already-existing facilities within the area.
- Parcel H- These several tracts allow for possible affordable or market rate housing or other development.
- UHD-1- Currently owned by Metro (as are all of the other four UH-D sites proposed below), this parcel could be purchased by UH-D for a possible science center building.
- UHD-2- This parcel could be purchased by UH-D for a possible student life center building, for which a great need has been expressed by both UH-D students and administration.

- UHD-3- This parcel could be purchased by UH-D for a possible academic building and/or parking garage.
- UHD-4- Currently owned by Metro and a private entity, this parcel could be purchased by UH-D for possible parking garage expansion.
- UHD-5- Currently owned by Metro, all of this tract is below and within the 100 year floodplain, and could be acquired by UH-D to provide sports fields for students and for the nearby neighborhoods.

Additionally, this site could provide development mitigation detention basins for new and infill development within the area bounded by Hogan/Main and Burnett Streets and between Main and Fletcher. Excavating the area used by the sports fields and setting the Fletcher Street extension back to allow for excavation of upper edge of floodplain provide floodplain fill mitigation for the UHD-1 and UHD-2 sites, which will require a couple of feet of fill to bring them above the floodplain.



Implementation

As noted in the Market Potential section of the report, the panel was strongly encouraged during its own sessions by the engagement it saw from the many stakeholders who care about the study area, both in terms of making the most of its new light rail access and realizing the area's full potential, and in ensuring that existing residents' needs are also taken into account. The panel sought to balance the expressed needs and concerns of all these stakeholders through its concept plan, as well as those of the region itself, which stands to benefit greatly from the creation of a transit-oriented, mixed-use destination with educational, medical, and recreational anchors, located in such close proximity to the CBD. To adequately meet the needs of so many different groups, the panel had to consider a larger area than what may have originally been envisioned, but it is the panel's hope that by demonstrating the greater benefit that all parties may achieve by working together, all parties will be motivated to do so.

In addition to existing community members and their representatives, the panel views all of the following entities as necessary partners in creating a comprehensive vision for the area, and in engaging in the land transactions and infrastructure investments needed to make the vision a reality. The following list is non-exhaustive, but provides a sense of the breadth and diversity of the parties involved. Due to the fact that new development will inevitably increase surrounding values, at least in the long-term, several of the groups listed below are dedicated to the mission of providing and/or maintaining affordable housing opportunities.

Public + Institutional Partners

- METRO
- UH Downtown
- Avenue CDC
- Hardy Yard TIRZ
- LISC + Go Neighborhoods
- Central Houston Civic Improvement
- Greater Northside Management District
- City of Houston
- Harris County Hospital District
- Harris County Flood Control District
- Harris County Toll Road Authority
- TxDOT

Private Partners

- Cypress Realty Advisors
- Other private entities willing to invest
- Union Pacific Railroad

Funding

As noted previously, some of the costs that will be necessary for infrastructure improvements, such as the extension and improvement of Burnett Street and its sidewalks, may be offset by monies that would have been expended on Chestnut and Freeman streets. Similarly, creating a grid system where none previously existed and providing wide sidewalks along the new roads provides ample new routes for pedestrians as well as vehicles, so that the Hernandez Tunnel may be closed to pedestrians, rather than investing significant funds there. The fact that many of the parcels already belong to public entities also helps, as there are several mutually beneficial land-swap opportunities. Additionally, there is a great deal of increased land value to be realized by creating connections through properties that previously had little to no access, and to

creating amenities such as the playing fields and trail access. The panel realizes that the TIRZ may already be stretched thin by its responsibility to pay back the costs of the San Jacinto Street bridge, but to the extent that TIRZ funds are available for further connectivity improvements, that would be an excellent application of those funds. Due to the fact that the area is eligible for New Markets Tax Credits, an analysis should be undertaken utilizing 4% and 9% Low Income Housing Tax Credits combined with the TIRZ set-aside for affordable housing.

Having a Champion

Perhaps most importantly, though, the study area needs a champion: an individual for whom keeping all parties engaged and keeping the big picture in mind at all times is job number one, instead of being job number nine on five different people's lists. The panel did not reach the question of who that person should be or even what entity he or she should work for, but rather recommends that the ideal candidate have the following characteristics:

- Experience with mixed-use real estate and TOD;
- Familiarity with the study area and all of the necessary partners identified above, as well as the ability to bring all of these partners together for a common purpose; and,
- Ability to be viewed as independent of bias toward any of the partners.

The need to move both quickly and deliberately, with an eye towards both the near- and long-term and with all potential stakeholders at the table, may seem impossible given the pressures to just get something done at this point. Thankfully, Houston and Houstonians have a long history of meeting such challenges, working best under such constraints. The potential payoff is a regionally-significant transit-oriented development, built from the ground up, which would be a much-needed first for our region.



Transit-Oriented Transformation of the Near Northside

Houston, TX



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