Imagine Austin Comprehensive Plan

FISCAL IMPACT ANALYSIS OF MIXED-USE REDEVELOPMENT ALONG SOUTH CONGRESS AVENUE

November 16, 2011

This report analyzes the fiscal impacts of mixed-use redevelopment that is anticipated to occur along the South Congress Avenue Corridor.
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INTRODUCTION

The City of Austin and the broader Central Texas region have enjoyed strong economic growth for several decades. The Austin metropolitan region is consistently regarded as one of the top urban areas for economic opportunity thanks to its diverse employer base, its high quality of life, and its well-educated, entrepreneurial population. This rapid growth has also created significant challenges for the region’s physical infrastructure, its natural environment, its local governments, and its citizens.

In August 2009, the City of Austin began a wide-reaching, multi-year effort to engage its citizens, and public and private sector leaders in the development of a new comprehensive plan that will guide the city’s future development. AngelouEconomics, an Austin-based economic development and site-selection firm, is part a multi-disciplinary consultant team that is guiding the process of creating Austin’s new comprehensive plan, led by Wallace, Roberts and Todd, a Philadelphia-based urban planning/design, landscape architecture, and architecture firm.

The Austin-Round Rock-San Marcos metropolitan statistical area (MSA) is expected to grow by more than 2,000,000 people in the next 30 years, with over 750,000 new residents in the City of Austin and its ETJ (Extra Territorial Jurisdiction) alone. A large portion of that growth will likely be accommodated in the city’s urban corridors in the form of mixed-use redevelopment. AngelouEconomics has developed this report in order to provide the City of Austin with a better understanding of the fiscal impacts of mixed-use redevelopment along one of the City’s most well-known urban corridors, South Congress Avenue.

This report will provide support to public policy formulation, economic development recommendations, and implementation strategies for the City of Austin Comprehensive Plan. The analysis in this report is primarily focused on addressing the following question:

• What are the fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor?

This report will also address other related questions including:

• What are the additional impacts of mixed-use redevelopment along the South Congress Avenue corridor beyond fiscal impacts?
• What are the potential impacts of mixed-use redevelopment for the entire City of Austin, particularly in other urban corridors that share many similarities to South Congress Avenue?

It is important to note that this report does not constitute a full “cost-benefit” analysis of mixed-use redevelopment.
METHODOLOGY

AngelouEconomics has analyzed the existing conditions of the South Congress Avenue study area and has produced a fiscal impact model that estimates the fiscal impacts of mixed-use redevelopment on properties within the study area that are likely to be redeveloped based on their existing land use and Improvement to Land Value Ratio*. This fiscal impact analysis estimates the following:

- Total valuation of the redevelopment in the study area;
- Retail sales that will occur within the redevelopment on the sites;
- Retail sales that will occur due to new households or employees that live or work in proposed development sites; and
- New sales tax and property tax revenue that will result within the City of Austin due to the redevelopment.

The calculations performed by AngelouEconomics are intended to serve as guidelines to assist in planning and implementation efforts related to the Imagine Austin Comprehensive Plan. The model uses industry-standard multipliers and assumptions in addition to local information from existing developments within the study area to produce the best estimate of the future building products expected on properties that may be redeveloped. Private land owners and developers will ultimately determine the exact types of projects that will be constructed. The figures presented here should be viewed as guidelines rather than specific land-planning recommendations.

*The Improvement to Land Value Ratio is explained in detail on Page 6.

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Executive Summary

Basic Assumptions

The South Congress Avenue study area is designated as a mixed-use corridor on the Imagine Austin Growth Concept Map. The underlying assumptions of the fiscal impact model, which are based on citywide projections and the direction set by the Growth Concept Map, include the following:

- The South Congress Avenue corridor (between East Oltorf Street and Stassney Lane) is estimated to gain a total of 4,977 new jobs and 14,931 new residents by 2040.

AngelouEconomics relies on its in-house, proprietary economic impact model to perform the analysis in this report. A more detailed description of the assumptions used in the analysis is provided on pages 14-17.
EXISTING CONDITIONS AND REDEVELOPMENT TRENDS

The following section of the report provides an overview of the character of the study area and a summary of redevelopment trends and projections within the study area and nearby neighborhoods. This section also includes a case study of a recent mixed-use redevelopment within the study area and several examples of recent mixed-use projects in neighborhoods near the study area.
STUDY AREA: SOUTH CONGRESS AVENUE FROM EAST OLTORF STREET TO STASSNEY LANE

• The study area is generally the South Congress Avenue corridor (including parcels ¼ mile east and west of South Congress Avenue) between East Oltorf Street and Stassney Lane.
• There have been several mixed-use and urban residential developments built in or near the study area within the last decade, demonstrating the potential for further redevelopment, but the predominant development pattern along South Congress Avenue consists of low-density, single-use commercial and industrial properties.
• The redevelopment potential of the study area remains largely untapped.
• The study area is an urban, “inner-city” corridor, but is beyond the reach of Austin’s CBD (Central Business District). Therefore, the findings of this report provide a good case study of the potential impacts of mixed-use development along many of Austin’s urban corridors that share similarities with the South Congress Avenue corridor including:
  • North Lamar Boulevard: from Guadalupe Street to Highway 183
  • South Lamar Boulevard: from Barton Springs Road to Loop 360
  • Burnet Road from West 45th Street to Anderson Lane
  • East Riverside Drive: from South Lakeshore Boulevard to Highway 183
Redevelopment Trends within Study Area

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Redevelopment is assumed primarily on properties where land values are higher than the value of existing improvements. Some high-density mixed-use redevelopment has occurred within and near the study area, but most properties adjacent to South Congress Avenue currently have low-density, single-use buildings, which are expected to transition to a more urban, mixed-use development pattern.

- As part of the comprehensive planning process, the South Congress Avenue corridor underwent an investigation to see how new residents and jobs could be accommodated through redevelopment, while respecting existing height limits, FAR standards, and other zoning regulations.

- New residential, office, retail, and hotel space in the South Congress Avenue corridor will generate additional revenue for the City of Austin from property taxes, sales and use taxes, and hotel taxes. The fiscal impacts of the assumed redevelopment are detailed later in this report.

Bel Air Lofts apartments: On South Congress Avenue halfway between Ben White Boulevard and Stassney Lane. Completed 2008. Includes 89 apartment units.

SoCo Lofts mixed-use development: On South Congress Avenue just north of Ben White Boulevard. Completed 2008. Includes 383 apartment units and over 20,000 square feet of retail space. A case study of this development is provided on the following page.

ILR (Improvement Value to Land Value Ratio)

The ILR (Improvement Value to Land Value Ratio) is determined by dividing the appraised value of improvements on a parcel by the appraised value of the land on that parcel. Each parcel with a land value that exceeds the improvement value is considered likely to be redeveloped based on the theory that land owners will seek to maximize their investment in the land by developing or redeveloping when the value of the improvements are less than the value of land.

The ILR value was calculated for each parcel within the study area (single-family residential neighborhoods). Parcels with an ILR value of less than 1.0 were assumed likely to be redeveloped. Several other strategically located parcels with an ILR value of more than 1.0 were also assumed likely to be redeveloped because of their location at a key intersection or they connect several parcels with an ILR value of less than 1.0, allowing for a much larger contiguous land area available for redevelopment.

Fiscal Impact Analysis of Mixed-Use Redevelopment}
CASE STUDY OF RECENT MIXED-USE REDEVELOPMENT PROJECT IN STUDY AREA

The SoCo Lofts mixed-use redevelopment is concrete evidence of the market viability of large-scale mixed-use projects in the study area. Built in 2008, SoCo Lofts sits near the geographic center of the study area (just north of Ben White Boulevard) and includes 383 apartment units and 22,260 square feet of street-level retail space. This development achieves a very high level of density (57 residential units per acre) thanks in part to an internal parking garage that is hidden from South Congress Avenue.

SoCo Lofts has been a major success, with high occupancy levels in both the apartments and the retail spaces. The development also provides a significant fiscal benefit to the City of Austin (the development is estimated to generate more than $1.25 million annually in property taxes) in addition to creating a more walkable urban landscape along this portion of South Congress Avenue. Multiple factors make the SoCo Lofts project a good example of the type and scale of mixed-use redevelopment that is assumed will take place along the South Congress Avenue corridor including:

• The project’s central location within the study area makes it a good proxy of property values for the entire corridor, balancing higher land values closer to downtown with lower land values in the southern portion of the corridor;
• The project is mixed-use, providing examples of both residential and retail space;
• The residential portion of the project is market-rate apartment units, which will be the predominant type of housing unit built in redevelopment areas along the corridor;
• The project was completed within the past five years and has been successful, giving the most realistic window into the types of redevelopments that can be expected in the near future.

Based on these factors, AngelouEconomics has included some of the parameters of the SoCo Lofts project in its assumptions for the fiscal impact analysis. Additional examples of large-scale mixed-use redevelopments near the study area are shown on the following page, most of which have been constructed in the last five years.
Fiscal Impact Analysis of Mixed-Use Redevelopment

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Mixed-use Redevelopment Around Study Area

Bridges on the Park

Barton Place

Crescent Austin

Camden South Congress

300 Lamar Boulevard South

SoCo Lofts
The following section of the report is the fiscal impact analysis of mixed-use redevelopment along the South Congress Avenue corridor. Below is a summary of the main components of the fiscal impact analysis.

**Components of Fiscal Impact Analysis**

- Selection of Redevelopment Parcels
- Snapshot of Existing Buildings, Land Uses, and Property Values in Study Area
- Assumptions for Fiscal Impact Model
- Summary of Fiscal Impacts

The final section of the report includes a discussion of non-fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor and citywide.
Selection of Redevelopment Parcels

**Step 1)**

All parcels within study area were selected.
- 1,754 parcels
  - 100% of study area
- 910 acres
  - 100% of study area
- $836,223,201 total appraised value
  - 100% of study area

**Step 2)**

ILR values were calculated for all parcels within the study area. All parcels within study area with ILR value of less than 1.0 were selected.
- 1,602 parcels
  - 91.3% of study area
- 685 acres
  - 75% of study area
- $505,715,761 total appraised value
  - 60.4% of study area
Selection of Redevelopment Parcels

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All parcels in single-family residential neighborhoods were excluded from the analysis. The resulting parcels are assumed as likely to be redeveloped based on their ILR values and their location outside of neighborhoods.

- 258 parcels
  - 14.7% of study area
- 151 acres
  - 16.7% of study area
- $86,440,229 total appraised value
  - 10% of study area

Strategically located parcels with an ILR value of more than 1.0 were selected. These include large parcels at key intersections and small parcels that connect several large parcels, creating larger contiguous areas for redevelopment.

- 29 parcels
  - 1.6% of study area
- 32 acres
  - 3.5% of study area
- $25,567,660 total appraised value
  - 3% of study area
The results of Step 3 and Step 4 were combined. The resulting parcels include all parcels likely to be redeveloped within the study area.

- 154 parcels
  - 8.7% of study area
- 183 acres
  - 20.1% of study area
- $112,007,889 total appraised value
  - 13.0% of study area
### SNAPSHOT OF EXISTING IMPROVEMENTS AND PROPERTY VALUES IN STUDY AREA

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Redevelopment Parcels</th>
<th>Entire Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Building Square Feet</td>
<td>% of Total</td>
</tr>
<tr>
<td>Utilities</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Undeveloped</td>
<td>80,320</td>
<td>7.5%</td>
</tr>
<tr>
<td>Transportation</td>
<td>560</td>
<td>0.1%</td>
</tr>
<tr>
<td>Single-Family</td>
<td>40,811</td>
<td>3.8%</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>80,434</td>
<td>7.5%</td>
</tr>
<tr>
<td>Mobile Homes</td>
<td>17,749</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mixed-Use</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Industrial</td>
<td>80,579</td>
<td>7.5%</td>
</tr>
<tr>
<td>Commercial*</td>
<td>682,369</td>
<td>63.8%</td>
</tr>
<tr>
<td>Civic</td>
<td>5,500</td>
<td>0.5%</td>
</tr>
<tr>
<td>Office</td>
<td>80,549</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>TOTAL Residential Improvements</strong></td>
<td>138,994</td>
<td>13.0%</td>
</tr>
<tr>
<td><strong>TOTAL All Improvements</strong></td>
<td><strong>1,068,871</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

* Commercial includes hotel and retail
** Includes a trivial amount of improvement and land value in parcels classified as “Streets and Roads” and “Open Space”.

The total existing value of all properties in the study area is $836,223,201. The total value of properties in the Redevelopment Parcels is $111,506,259.

- The ILR value of the entire study area is 1.23
  - $461,631,949 improvement value
  - $374,591,252 land value
- The ILR value of the Redevelopment Parcels is 0.68, signaling a strong potential for redevelopment
  - $45,079,025 improvement value
  - $66,427,234 land value
- The majority of the Redevelopment Parcels are commercial, making redevelopment easier due to limited residential displacement.
The underlying assumptions for the fiscal impact model were provided by the City of Austin. The remainder of the assumptions are based on a wide range of public and private sources, including AngelouEconomics’ proprietary economic impact model.
### New Employment and Resident Assumptions

**NET NEW RETAIL EMPLOYMENT**
- **Total Employment**: 827
- **Average Annual Salary**: $30,286
- **Total Annual Wages**: $25,046,522

**NET NEW HOTEL EMPLOYMENT**
- **Total Employment**: 300
- **Average Annual Salary**: $25,401
- **Total Annual Wages**: $7,620,300

**NET NEW OFFICE EMPLOYMENT***
- **Total Employment**: 3,850
- **Average Annual Salary**: $62,197
- **Total Annual Wages**: $239,458,765

**TOTAL NET NEW EMPLOYMENT**
- **Total Employment**: 4,977
- **Average Annual Salary**: $62,197
- **Total Annual Wages**: $272,125,587

**NET NEW RESIDENTS**
- **New Residents**: 14,931
- **New Households**: 6,818
- **Median Household Income**: $83,135

* A more detailed breakdown of the office employment is provided in Appendix A.
## Imagine Austin Comprehensive Plan

### Sales and Use Tax Assumptions

<table>
<thead>
<tr>
<th>Overall Spending Assumptions</th>
<th>NEW RETAIL EMPLOYMENT</th>
<th>NEW HOTEL EMPLOYMENT</th>
<th>NEW OFFICE EMPLOYMENT</th>
<th>NEW HOUSEHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Local Sales Tax Rate</td>
<td>2%</td>
<td>45%</td>
<td>75%</td>
<td>60%</td>
</tr>
</tbody>
</table>

### NEW RETAIL EMPLOYMENT
- **New Jobs**: 827
- **Average Annual Salary**: $30,286
- **Average Taxable Retail Spending per Employee**: $10,222
- **Average Taxable Retail Spending in Austin per Employee**: $8,688
- **Average Annual Sales Tax Revenue Per Employee**: $174
- **Total Annual Sales Tax Revenue**: $143,898

### NEW HOTEL EMPLOYMENT
- **New Jobs**: 300
- **Average Annual Salary**: $25,401
- **Average Taxable Retail Spending per Employee**: $8,573
- **Average Taxable Retail Spending in Austin per Employee**: $7,287
- **Average Annual Sales Tax Revenue Per Employee**: $146
- **Total Annual Sales Tax Revenue**: $43,721

### NEW OFFICE EMPLOYMENT
- **New Jobs**: 3,850
- **Average Annual Salary**: $62,197
- **Average Taxable Retail Spending per Employee**: $20,991
- **Average Taxable Retail Spending in Austin per Employee**: $12,595
- **Average Annual Sales Tax Revenue Per Employee**: $252
- **Total Annual Sales Tax Revenue**: $969,807

### NEW HOUSEHOLDS
- **New Households**: 6,818
- **Median Household Income**: $83,135
- **Average Taxable Retail Spending per Household**: $28,058
- **Average Taxable Retail Spending in Austin per Household**: $21,044
- **Average Annual Sales Tax Revenue Per Household**: $421
- **Total Annual Sales Tax Revenue**: $2,870,378

### NEW GROSS RETAIL SALES IN ESTABLISHMENTS IN STUDY AREA
- **New Gross Annual Retail Sales**: $350,621,269
- **New Gross Annual Taxable Retail Sales**: $262,965,952
- **New Annual Sales and Use Tax Revenue**: $5,259,319

### $9,287,123 in New Annual Sales and Use Tax Revenue
### CURRENT AND FUTURE PROPERTY TAX REVENUES

<table>
<thead>
<tr>
<th></th>
<th>REDEVELOPMENT AREA ONLY</th>
<th>ENTIRE STUDY AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CURRENT</td>
<td>FUTURE</td>
</tr>
<tr>
<td>Appraised Value of Improvements</td>
<td>$45,079,025</td>
<td>$1,133,133,040</td>
</tr>
<tr>
<td>Appraised Value of Land</td>
<td>$66,928,864</td>
<td>$102,612,480</td>
</tr>
<tr>
<td>Total Appraised Value</td>
<td>$112,007,889</td>
<td>$1,235,745,520</td>
</tr>
<tr>
<td>Annual Property Tax Revenue</td>
<td>$2,595,111</td>
<td>$28,630,988</td>
</tr>
</tbody>
</table>

**$29,126,302 in New Annual Property Tax Revenue**

### NEW HOTEL SALES IN STUDY AREA

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hotel Rooms</td>
<td>300</td>
</tr>
<tr>
<td>Annual Sales per Hotel Room</td>
<td>$15,439</td>
</tr>
<tr>
<td>City of Austin Hotel Tax</td>
<td>9%</td>
</tr>
<tr>
<td>New Annual Hotel Tax Revenue</td>
<td>$416,843</td>
</tr>
</tbody>
</table>

**$416,843 in New Annual Hotel Tax Revenue**
Overview of Fiscal Impacts

- Mixed-use redevelopment along the South Congress Avenue corridor is expected to generate nearly $39 million in new annual tax revenue (in 2011 dollars), providing a significant boost to Austin’s tax base.
  - This analysis does not consider in detail the potential impacts of mixed-use redevelopment throughout the City of Austin; however, several other urban corridors have comparable opportunities for mixed-use redevelopment (North and South Lamar Boulevard, East Riverside Drive, Burnet Road, and others).
  - For example, if a similar mixed-use redevelopment pattern occurred along 10 to 12 urban corridors in Austin similar to South Congress Avenue, a total of $400 million in new annual tax revenue would be added to Austin’s tax base. To illustrate the significance of this potential tax revenue, this would represent an amount equal to 50% of the City of Austin’s total annual revenues for 2010 of about $800 million.

- Assuming a complete build-out by 2040, the cumulative new tax revenue from 2011 to 2040 is projected to be over $582 million.
  - The majority (75%) of the total tax revenue is expected to be generated from property taxes.
  - 24% of the total tax revenue is expected to come from sales and use taxes generated by retail spending at new establishments within the study area and by retail expenditures throughout the City by new employees and residents.
  - A very small percentage (1%) of the total tax revenue is expected to be generated by new hotel taxes.

* Tax revenue is for all applicable local taxing jurisdictions in Study Area: City of Austin, Austin ISD, Travis County, Travis County Healthcare District, Austin Community College District, Capital Metro
### NEW ANNUAL AND CUMULATIVE PROPERTY TAX REVENUES BY LOCAL TAXING JURISDICTION

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>2010 Property Tax Rate</th>
<th>New Annual Property Tax Revenue</th>
<th>Cumulative New Property Tax Revenue at Build-Out (2040)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin ISD</td>
<td>1.2270%</td>
<td>$15,424,909</td>
<td>$231,373,641</td>
</tr>
<tr>
<td>City of Austin</td>
<td>0.4571%</td>
<td>$5,746,313</td>
<td>$86,194,695</td>
</tr>
<tr>
<td>Travis County</td>
<td>0.4658%</td>
<td>$5,855,683</td>
<td>$87,835,242</td>
</tr>
<tr>
<td>Travis County Healthcare District</td>
<td>0.0719%</td>
<td>$903,872</td>
<td>$13,558,080</td>
</tr>
<tr>
<td>Austin Community College District</td>
<td>0.0951%</td>
<td>$1,195,525</td>
<td>$17,932,871</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.3169%</strong></td>
<td><strong>$29,126,302</strong></td>
<td><strong>$436,894,530</strong></td>
</tr>
</tbody>
</table>

*NEW ANNUAL AND CUMULATIVE SALES AND USE TAX REVENUES BY LOCAL TAXING JURISDICTION*

<table>
<thead>
<tr>
<th>Taxing Jurisdiction*</th>
<th>2010 Sales Tax Rate</th>
<th>New Annual Sales Tax Revenue</th>
<th>Cumulative New Sales Tax Revenue at Build-Out (2040)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Austin</td>
<td>1.0%</td>
<td>$4,643,562</td>
<td>$69,653,423</td>
</tr>
<tr>
<td>Capital Metropolitan Transportation Authority</td>
<td>1.0%</td>
<td>$4,643,562</td>
<td>$69,653,423</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.0%</strong></td>
<td><strong>$9,287,123</strong></td>
<td><strong>$139,306,845</strong></td>
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</tbody>
</table>

*NEW ANNUAL AND CUMULATIVE HOTEL TAX REVENUES BY LOCAL TAXING JURISDICTION*

<table>
<thead>
<tr>
<th>Taxing Jurisdiction*</th>
<th>2010 Hotel Tax Rate</th>
<th>New Annual Hotel Tax Revenue</th>
<th>Cumulative New Hotel Tax Revenue at Build-Out (2040)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Austin</td>
<td>9.0%</td>
<td>$416,843</td>
<td>$6,252,645</td>
</tr>
</tbody>
</table>

*NEW TAX REVENUES BY JURISDICTION*

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>% of TOTAL NEW TAX REVENUES BY LOCAL TAXING JURISDICTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin Community College District</td>
<td>3.1%</td>
</tr>
<tr>
<td>Travis County Healthcare District</td>
<td>2.3%</td>
</tr>
<tr>
<td>Travis County</td>
<td>15.1%</td>
</tr>
<tr>
<td>Austin ISD</td>
<td>39.7%</td>
</tr>
<tr>
<td>Capital Metropolitan Transportation Authority</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
Non-Fiscal Impacts

- This report focuses on analyzing the fiscal impacts of mixed-use redevelopment within the South Congress Avenue study area on Austin’s tax base; however, it is important to note the non-fiscal impacts, both costs and benefits, that would result from the expected redevelopment.
  
  - Costs
    - Increased costs for locally-provided services such as schools, police, fire protection, and others.
    - Infrastructure investments (roads, public transportation, water/wastewater, parks/streetscapes).
    - Increased property values will likely make it more difficult to preserve existing affordable housing or construct new affordable housing within the study area.
  
  - Benefits
    - Land consumption – High-density infill development provides a much more efficient and sustainable alternative to new greenfield developments in suburban locations.*
    - Transit usage – The addition of a large amount of jobs and housing along South Congress Avenue, which is already one of Capital Metro’s highest bus ridership corridors, would greatly improve the cost-effectiveness and the overall image of public transportation within the study area.
    - Walkability/Aesthetics/Environment – Though difficult to quantify the benefits enhanced walkability and visual appeal, the construction of mixed-use developments along South Congress Avenue, with street-level retail and multiple floors of apartments and office space, would be a catalyst for the creation of attractive, walkable neighborhoods along sections of the corridor that are currently dominated by land uses that are not conducive to vibrant street life and pedestrian activity.
    - Street trees/Environmental benefits – The Redevelopment Parcels along South Congress Avenue currently generally do not have streetscapes or street trees. A cost-benefit analysis of trees conducted by Wallace, Roberts and Todd for the City of Philadelphia showed that trees (mostly those in city parks or along streets) provide a $1.5 million benefit to the city through improvements to air quality, watersheds, and energy efficiency of buildings. The anticipated development of large mixed-use projects fronting South Congress Avenue would likely yield new street tree plantings, helping to improve environmental conditions within the study area.

* A map comparison illustrating the land consumption benefits of mixed-use redevelopment is provided in the Appendix.

Additional Consideration

**Transportation Access** - Major public transportation investments, such as the planned MetroRapid bus route along South Congress Avenue, would greatly improve the development potential of the entire study area. The planned MetroRapid route would improve transportation access for residents and employees and would likely raise land values along the corridor. Opportunities for transit-oriented development near MetroRapid stations could lead to significantly higher amounts of redevelopment than is assumed in this report.
NEW OFFICE EMPLOYMENT BREAKDOWN BY INDUSTRY

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>Professional and Business Services</th>
<th>F.I.R.E.*</th>
<th>Information</th>
<th>Other Services</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment</td>
<td>2,141</td>
<td>820</td>
<td>416</td>
<td>473</td>
<td>3,850</td>
</tr>
<tr>
<td>Average Annual Salary</td>
<td>$64,051</td>
<td>$66,013</td>
<td>$74,285</td>
<td>$36,543</td>
<td>$62,197</td>
</tr>
<tr>
<td>Total Annual Wages</td>
<td>$137,146,754</td>
<td>$54,151,506</td>
<td>$30,887,569</td>
<td>$17,272,935</td>
<td>$239,458,765</td>
</tr>
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This analysis represents a conservative estimate of the fiscal impacts of mixed-use redevelopment along the South Congress Avenue corridor due to the following limitations:

- The impacts of construction employment created by the redevelopment is not considered.
- The impacts of Capital Metro’s planned MetroRapid bus route, which could unlock greater development potential, are not considered.
- Properties outside of the Redevelopment Parcels, many of which could redevelop, are not assumed to be redeveloped in the fiscal impact model.
The mixed-use redevelopment scenario that is assumed for the Redevelopment Area is highly efficient in terms of land consumption.

- Accommodating the same amount of new jobs (4,977) and new residents (14,931) using a typical suburban development pattern would require about 11 times as much land as the mixed-use scenario (1,995 acres compared to 183 acres).
- The suburban development pattern would consume an area of land more than twice the size of the 910-acre study area.

The Redevelopment Area accommodates 14,931 new residents in 6,818 new housing units and 4,977 new jobs in 1,974,550 square feet of new retail, office, and hotel space in only 183 acres.

Nearly 2,000 acres would be consumed to accommodate the same amount of new jobs and new residents in a typical suburban development pattern, assuming:

- 200 acres of retail/office/hotel space
- 1,795 acres of residential space at a residential density of 4 units/acre
AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities. Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development. As a result, AngelouEconomics’ clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract ‘new economy’ companies.

<table>
<thead>
<tr>
<th>Project Team</th>
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<tbody>
<tr>
<td><strong>Angelos Angelou</strong></td>
</tr>
<tr>
<td>Principal Executive Officer</td>
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<tr>
<td><strong>Steve Vierck, CEcD</strong></td>
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<td>President, Economic Development</td>
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<td><strong>John Karras</strong></td>
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<tr>
<td>Project Manager</td>
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