



Billings Grows Up: An Introduction to Infill Policy and Practice in Urban Montana

Summary Memo

May 23, 2011

Background

On April 26-27, 2011, Smart Growth America's Leadership Institute partnered with the City of Billings, the Billings Association of Realtors, the Billings Home Builders' Association, and several local firms and organizations to present an "introduction to infill" workshop to offer expert perspectives on development to the community in preparation for the City's goal of developing an Infill Policy.

The two-day workshop began with an overview of the state of the practice, transitioned to more in depth sessions on several aspects of infill development, solicited questions and comments from participants, and ended with an internal meeting among local partners to discuss the applications of the workshop content to Billings' policy and practice going forward.

Expert panelists included:

- Roger Millar, Smart Growth America's Leadership Institute
- Mara D'Angelo, Smart Growth America's Leadership Institute
- Marilee Utter, Citiventure Associates, LLC
- Dena Belzer, Strategic Economics
- Elaine Clegg, Idaho Smart Growth

This report highlights key themes, challenges, and opportunities discussed during the course of the workshop, both by the speakers and by the participants. This report is not an exhaustive summary of the proceedings and presentations. Instead, it highlights those themes raised repeatedly by multiple participants, and concludes with a summary of the recommendations offered by the expert panelists at the workshop.

Workshop Summary

I. Infill development is a strategy that makes sense from a demographic, market, and fiscal perspective.

While it has been defined slightly differently in different places, put simply, infill is the redevelopment of vacant, abandoned, passed over, or underutilized land in urban areas served by existing infrastructure.

Several factors help illustrate the value of infill development today:

- **Demographic trends:** Infill helps serve the needs of a changing American population. As fewer households include children, single-occupant households grow, and the population ages, communities across the country are re-evaluating the housing and transportation options needed to serve a changing population. As elderly citizens lose their ability to drive, obesity rates grow, and a younger generation more interested in living close to urban amenities comes of age, walkability and transit access become critical to serving the needs of the community.
- **Market trends:** The current balance between single-family and multifamily development does not match demographic realities. People are willing to trade house size for proximity to key destinations, baby boomers want more active and less isolated lifestyles, out-of-towners looking for work are also looking for a wider range of housing options, and families are eager to spend less on transportation. All of these factors point to an underserved market for walkable, compact neighborhoods that are not purely car dependent.
- **Economic and fiscal trends:** In addition to answering the needs of a changing population, infill has a number of economic and fiscal benefits. It can help bring new amenities, jobs, tax revenue, and retail to a city. It can save residents money on transportation costs and attract a skilled labor force. It also makes more efficient use of infrastructure, promoting the upkeep of buildings, roads, water/sewer facilities, and power grids that have already been built, rather than necessitating new construction to support fringe development. In a constrained fiscal climate, infill is a smart choice for communities from both an economic and fiscal perspective.

II. There are some challenges to achieving good infill development.

Private developers play the prime role in advancing infill by financing and constructing downtown development. Infill projects can offer opportunities for developers to realize attractive returns, generating higher rents/revenues, more revenue per square foot due to density, reduced parking expenses, etc. However, there are a number of barriers that cause the private sector to be cautious about taking on infill, multifamily, and/or mixed-use or mixed-income projects:

- Downtown land costs can be higher, as can construction costs for building types with greater density or a mix of uses.

- A multifamily or mixed-use project increases complexity and can extend the timeline for construction and for realizing profit.
- Outdated or inappropriate zoning, parking ratios, building codes, and infrastructure can make undertaking these projects more difficult or infeasible.
- Developers are simply uncomfortable with taking on what they haven't tried before.

Other barriers raised by workshop participants were community opposition to infill projects (particularly multifamily housing), constrained public budgets that could stymie planning and visioning efforts to help promote infill, the trend towards building schools on the fringes of the city, the added costs of good design, difficulties with fire standards and street width, and a development and financing community that is relatively new to infill development.

III. The role of transportation investment in infill development.

Transportation options are an important component of good infill development, reducing household costs, improving access to the regional labor pool, improving the efficiency of goods and people movement, and making cities more livable. More compact development helps create the circumstances needed to support a wider array of transportation options – public transit, reduced parking requirements, bike or car sharing, etc.

A transportation network can be improved by:

- Creating a networked street grid with numerous road typologies that are context sensitive.
- Providing access to transit (including “circulators” that run along popular routes at frequent intervals in populated areas), biking, and walking options.
- Creating “complete streets”, with trees, bike lanes, sidewalks, pedestrian crossings, parking options that don't get in the way, and buildings that abut the street.

IV. There are a variety of steps cities can take to promote infill development.

Given these challenges, there are a number of factors that help make infill successful:

- Community buy-in and demand and a clear vision or plan for a given area targeted for infill.
- Support from elected officials, business leaders, developers, and the public and nonprofit sectors.
- Proper zoning and regulations, land control, and a good match between the land and the intended reuse.
- A developer that understands how to construct and market the project, and a predictable regulatory process that helps minimize risk.

To help strengthen some of these factors, the public sector has a number of tools at its disposal:

- **Planning and community outreach:** The public sector is the natural home for planning and visioning work, and public officials can help educate citizens, business leaders, and other stakeholders about the benefits of infill – new amenities, new jobs, new tax revenues, etc. – and assure them that the city will only move forward with high quality projects.
- **Regulations and incentives:** The public sector can provide incentives that encourage the private sector to invest in infill development – up-zoning, reduced parking ratios, tax deferrals and reductions, fee waivers, density bonuses, increased “place making” amenities, revised building codes, infrastructure upgrades, etc. It can also put in place requirements that help ensure the quality of infill development – retail zones, drive-up limitations, streetscape requirements, etc. The intent of these policies is to incentivize the type of development the community wants, and ensure the quality of new projects.
- **Direct investment:** The public sector also has a valuable role to play in making direct investments – ensuring that infill projects that need subsidies move forward, and making complementary investments in transportation and infrastructure that support infill development. This can come in the form of land cost buy downs, grants, low-interest loans, tax increment finance districts and more. Particularly in fiscally constrained times, these investments must be chosen carefully, and be consistent with a vision for the city.

Recommendations for Billings

Based on feedback from participants and discussions with Billings’ planning staff, our expert panelists offered a number of recommendations that Billings could consider pursuing to foster infill development.

Transportation

- Consider creating a “circulator”, a bus that runs a loop from downtown to the airport (or another popular circuit) at 10-15 minute intervals in order to test the viability of downtown transit options and reduce the need for car trips to common destinations.
- Transform the one-way couplets that are common downtown into two-way streets that help slow traffic and make roads more pedestrian-friendly.
- Plant trees to improve the streetscape on collectors, arterials, and in the downtown.
- Gradually redevelop arterial corridors to improve streetscape and attract redevelopment.
- Continue to invest in bicycle and pedestrian infrastructure.

Citywide Strategies

- Make sure infrastructure fees reflect the cost of sprawl development.
- Particularly because initial infill projects will shape the community's attitudes about its value, insist on quality projects, and consider ordinances that will encourage development to take the form the community wants it to take.
- Pilot ideas like the circulator and form-based codes in discrete areas to test viability before expanding them to a wider geographical area.
- Continue to grow Billings' economy, focusing primary office and industrial jobs in the Downtown and EBURD districts, but also work with the development community to create community-serving commercial centers throughout Billings so that people can easily access their daily shopping and service needs close to where they live. This employment pattern will eventually support both a multimodal transportation system and reduce trip lengths, especially for non-work trips (80 percent of both total trips and total VMT).
- Continue to refine data collection and management to better inform the community about city properties, demographic and economic trends.

Targeted Investments

The city has already designated some target areas – the urban renewal districts, downtown, etc. – as areas of focus. Our panelists provided a number of recommendations to advance the work that has already begun in these areas.

- **Downtown:** Downtown has a strong market. It's the place that could support multifamily, and/or mixed-use development targeted to higher-income households. It could also benefit from a greater mix of uses. For instance, housing for the elderly is currently concentrated on the fringes of the city; it may make sense to create some senior housing in the downtown. Likewise, there may be an underserved condominium or rental market in the downtown, and there are some empty commercial spaces that should be filled to prevent a "gap tooth" downtown. Lastly, downtown could benefit from investment in a wider range of transportation options, including a circulator bus system, and from investments in restructuring roads to promote walkability.
- **East Billings Urban Renewal District:** This is where the urban renewal efforts are targeted and where the city will implement a form-based code. The city should use this area to see how the code works and whether it should be exported to other parts of the city. Billings should also continue to follow the EBURD Master Plan and maintain an industrial business presence in the EBURD, utilizing the rail spurs and road network.
- **South Billings Urban Renewal District:** This area will require major public investment to encourage compatible, single-family residential infill and complementary and neighborhood accessible commercial development.

- North Downtown Neighborhoods: This makes sense as an area to focus high-quality multifamily infill investment because the hospitals are important amenities and employment centers. Consider investments in transit and housing options within the transition areas in these neighborhoods.

Next Steps and Opportunities

Billings has a healthy economy, a dedicated planning staff, and a growing population. The city is in a good position to insist on quality projects, direct new development to key districts, and pilot new regulatory tools to promote infill development. The specific techniques listed above will be considered as the city drafts its Infill Policy to ensure cost effective, attractive, and orderly growth.

Smart Growth America's Leadership Institute is pleased to have been a part of the two-day infill workshop to discuss these issues. Please don't hesitate to contact Mara D'Angelo (mdangelo@smartgrowthamerica.org) or Roger Millar (rmillar@smartgrowthamerica.org) to discuss this memo, or to get more information about additional services available through the Leadership Institute. We enjoyed working with you and hope you'll keep us updated on your progress towards an Infill Policy over the coming months.

Additional Resources

Below, please find links to some of the examples and reports mentioned during the course of the workshop.

Examples:

GO Boulder, Colorado

<http://www.masstransitmag.com/article/10220850/go-boulder?page=1>

Grand Boulevard Initiative, California

<http://www.grandboulevard.net/>

Reports:

Growing Wealthier: Smart Growth, Climate Change and Prosperity

<http://www.growingwealthier.info/index.aspx>

Transit-Oriented Development (TOD) and Employment

<http://www.reconnectingamerica.org/resource-center/browse-research/2011/transit-oriented-development-tod-and-employment/>