

By Jason Miller

The popularity of infill development and redevelopment—building on vacant lots or razing dilapidated properties and building new—has grown rapidly over the past decade as buildable land becomes more scarce in the nation's urban centers. Today, after decades of decline and population loss following World War II, virtually every city of size in the U.S. is pursuing some form of infill development, whether it's a small-scale, single-building project or reclaiming a 400-acre brownfield site.

Despite the challenges that confront infill developers—economic realities, ecological contamination, and conventional zoning codes, to name a few—infill success stories abound. Communities are changing their codes, developing public and private partnerships, and leveling the regulatory playing field to revive and rejuvenate their built environments. The locals are noticing the changes, and are coming back in droves as citizens of communities born of Smart Growth principles and built on New Urbanist design.

#### Delivering an identity

In Hercules, Calif., 16 miles north of Oakland, a 400-acre brownfield site nestled into San Pablo Bay has been transformed into a series of three sought-after, mixed-use neighborhoods. The neighborhoods—the Waterfront District, Central Neighborhood and New Town Center Neighborhood, lie on land formerly occupied by the Hercules Powder Company, a dynamite manufacturer that opened its doors in 1881 and closed them in the 1960s.

In part because of the cleanup costs associated with dynamite powder contamination, and unstable bay mud 30 to 70 feet below the ground, the site—which was one of the largest undeveloped parcels of bayside land in the region—lay untouched until the late 1990s, when the city began to eye it as a possible infill opportunity. Responding to residents' desire for a town center, the Hercules Planning Commission and City Council commissioned a form-based code to allow a traditional urban fabric. Called the Central Hercules Plan, the new code is delivering what conventional zoning codes never could, says Stephen Lawton, community development director for the city of Hercules.

"The town coalesced around the Central Hercules Plan because the citizens wanted to have a place called Hercules. They looked to their government and said 'We're going to have a place here, not faceless sprawl.' That plan and the way in which it was developed was the biggest breakthrough here. It was the first form-based code adopted by a California municipality."

Nearing completion, the new neighborhoods in Hercules are just one example of the de-industrialization taking place in this bedroom community of 23,000. The neighborhoods offer single-family homes with alley-loaded garages (some built in pairs as "attached duets"), mixed-use buildings,

## *Following the Path of New Urbanism*

Infill development boosts cities' economy, character and appeal



live/work units, shops and restaurants, and a corner drugstore. True to its word, the city is guiding the development to support the town center, grounding Hercules among the surrounding cities and towns in Contra Costa County.

"We're delivering a heart for Hercules," says Lawton. "We'll have an urban town square in a suburban location, a place where people can gather and meet their neighbors, and a place that feels like a center—because it is. That will add value over the years, and give Hercules an identity."

Property values in Hercules since infill construction began have already risen to the tune of 100 percent, although part of that immediate increase is probably driven by regional growth, says Lawton, pointing out that Hercules already ranks as one of the top two cities in California for property value increases in new and existing houses.

"Some portion of that initial increase is due to the plan—and Hercules is a very nice place to be—but I think its strength will be seen in its longevity. As the trees and buildings mature, real estate economists years from now will probably say this area has held



and increased its value more than nearby conventional suburban developments."

In the coming decades, Hercules will

## Residents chose to stay and become a part of the new emerging neighborhood.

owe part of its attraction to the urban conveniences that already exist and are planned for the near term. Within the next two years, residents will leave their front doors and walk to shops or restaurants within minutes. In 2007, a Capitol Corridor rail station will provide access to an existing rail service that runs from Sacramento to San José. A ferry terminal for the San Francisco Bay Water Transit System is currently in the planning process. A bus route also is planned, completing a trio of motorized transportation options.

The components of transportation, housing options and a walkable town plan with a recognizable center adds up to a genuine result, says Lawton. "We're creating a community here—not a series of distinctly branded subdivisions behind walls."

Ed Balico, a REALTOR® and Hercules councilmember, is about to move his business, Hercules Waterfront Properties Inc., to a more suitable location: the Waterfront District. It's a good fit because it shows support for the community and the redevelopment effort, says the 21-year Hercules resident.

"Not many people embrace infill development, because it's hard to rezone it, and often cooperation from the landowners is tough to come by. Most potential infill properties are dilapidated or otherwise in decline. It's a lot of work, yes, but your reward is a very lucrative business.


"In 1991, a square foot of land in Hercules ran between 10 and 50 cents. Today, that same square foot is \$20."

For Balico, infill development is the wisest way to use land, since, especially in Hercules and the

Hercules, California







surrounding San Francisco area, there is so little land yet available for development. The response, therefore, should be to conserve the land, says Balico, encouraging REALTORS® interested in selling infill development to work with all comers to address the challenges.

"Start by working with your city to develop public/private partnership programs. Tax increment financing can provide incentives for developers to take on infill projects. In California, a redevelopment agency can help to provide financial assistance, too. In the end, cities have a choice: They can help a developer make his numbers work, or they can refuse and end up staring at dilapidated properties for decades."

When a partnership is formed, value rises from previously underutilized land. With price points from \$604,990 to \$692,990, John Laing Homes—one of several builders in the Hercules infill site—draws local buyers primarily, especially those who want a brand-new home that is priced competitively with the resale market. But it isn't simply the individual houses that drive potential buyers' interest.

Once an infill project begins to take shape, sell to its strengths, counsels Christine MacIntosh, a REALTOR® with John Laing Homes. "We're posi-

tioning our development as a transit village, a pedestrian community, a place where you meet and know your neighbors.

"Both property values and prices have gone up as Hercules matures. But the credit belongs to the city of Hercules because of their great planning for what they want Hercules to be 10 to 15 years from now."

### Smaller is better


The Cotton District, in Starkville, Miss., proves that sometimes six square blocks is all you need to achieve perfection. Developer Dan Camp, who became mayor of Starkville in 2005, has been working wonders in the Cotton District for almost four decades. Early on, when the land was cheaper, he began buying dilapidated buildings and empty lots, and transforming them into low-cost rental housing for students from Mississippi State University, which borders the site. And even though the lots today sell for significantly more than they did almost 40 years ago, Camp continues to create beautiful and affordable small homes and rental units without any government subsidies.

In 1926, the Cotton District began to take shape when a local family built a cotton mill nearby and filled the neighborhood with tenant housing for

We're positioning our development as a transit village, a pedestrian community, a place where you meet and know your neighbors.



Cotton District, Starkville, Mississippi



the mill workers. The houses were small, shoe-horned onto 25 by 100-foot lots. In its heyday, the community boasted schools, shops, churches and rail facilities, but when the mill scaled back in the early 1950s and finally stopped production in 1964, most of the housing languished and fell into disrepair. When urban renewal lines were drawn, some of that housing was left out of the redevelopment plans.

Camp started buying land in the Cotton District in 1969, tearing down or restoring buildings as necessary. He started with small townhouses modeled after those he'd seen in Alexandria, Va., Vicksburg, Miss., and New Orleans. He placed small rental units on irregular lots and became a fixture at the town's planning commission meetings, where he regularly asked for relaxed square footage requirements for the lots.

With each variance he received, Camp increased the neighborhood's value, diversity, character and beauty. Over the years, he has built mixed-use buildings with commercial uses on the ground floors and student apartments above, plus 135 cottages, fourplexes, sixplexes—all adding up to more than 200 individual units.

Every property is within walking distance of the university and downtown Starkville, and almost every property is a study in eclectic traditional architecture using New Urban principles. Seemingly out-of-place ornamentation shares the same block with statuary influenced by Greek artisans. Camp bends the rules—some would say breaks them—just enough to make things interesting. Even his streets seem homespun, with no stan-

dard pavement, curb detail or dimension applied throughout. "I designed my streets based on whether my elderly mother could navigate them in her big car," says Camp.


Nobody seems to be complaining about the overall results, says Camp, even though the density levels in some sections of the Cotton District hover around 50 dwelling units per acre. "Even with all this redevelopment, we have residents who continue to live in the area. They did not sell; they chose to stay and become a part of the new emerging neighborhood."

As mayor, Camp has simply expanded his vision to the whole of Starkville, including the introduction of a joint transportation system between the university and the city in fall 2006, designed to make the city more pedestrian friendly. "We're creating bike paths and walking paths, trying to emphasize that Starkville is a 'walking' city."

Camp's goal is to build up—not out. He and his city planner are currently working on a comprehensive plan for Starkville, gearing up for a "great explosion" of buildings to be built in the coming years, including five-story, mixed-use structures with commercial uses on the ground floor and living units above. After a visit to Belgium in 2004, the colorful and impressionable Camp returned to the Cotton District and began work on a new street, the playfully named Rue de Grande Fromage ("Street of the Big Cheese"). Here, he's started to build small retail buildings with 350-sq.-ft. shops at street level and apartments above.

"The first business to set up shop on the Grande Fromage was a tamale bar," says Camp. "We're

**We'll have an urban town square in a suburban location, a place where people can gather and meet their neighbors.**



Cotton District





Dan Camp (above right) discusses the Cotton District development.

## The Cotton District is a neighborhood that is greater than the sum of its parts.

going to bring in evening music, develop some ambience and draw crowds that spill into the street. We're creating a place that didn't exist before."

As for market appeal, Camp points to the high-end elements found in his creations, many of which boast products and custom millwork often not found in \$250,000 houses. Even though most of Camp's properties are rentals, he fills many of them with cast-iron tubs, ceramic tile, pedestal lavatories, eight-foot Spanish cedar entrance doors, real stucco and the aforementioned millwork, in which he takes special pride.

"The drawback to these properties is that they're small: two beds, two baths and 750 square feet," Camp concedes, "but I know I could sell them for between \$200 and \$300 per square foot. We're putting in condos in May 2006 that will sell



for between \$250 and \$400 per square foot. These properties are popular because of their dignified design and their high-end touches ... and because they're part of the Cotton District, a neighborhood that is greater than the sum of its parts—however small those parts are."

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