

The scoop on infill development

• *Often complicated, infill development is further hampered by government regulations.*

By KAREN ANDERSON-BITTENBENDER

Intracorp Real Estate

What is infill development? It is redevelopment of existing development. In the Puget Sound, infill has now become a focus for city officials and developers. Most of these developments are four to five stories of housing with retail on the street/sidewalk level and underground parking garage. In areas of Seattle and Bellevue, high-rise infill development has become prominent.



Photo courtesy of Intracorp Real Estate

Uptown Espresso at the Sidney apartments in Seattle has outdoor tables where customers can plug in their laptops. Above the store at Fourth and Wall are 128 apartments.

Why is there this focus on infill development? There are several reasons:

1. Growth management in the state, and particularly in the Puget Sound area, has designated urban areas to focus residential development. It means to make growth management work, we must tear down what is already built, and redevelop it in a more intense use. Only by doing this can we preserve the rural areas of the Puget Sound.
2. Due to growth management, wetland rules, steep slopes and endangered species, there is less raw land to develop.
3. People are choosing to live in major urban areas of Puget Sound in mixed-use infill. Commute times are long; people are choosing to live closer to work. Many cities are also developing amenities that make them desirable places to live.
4. Some cities are encouraging mixed-use infill and are trying to create the necessary zoning to make this happen.

Infill is a challenging form of development. Intracorp has been building infill developments for over a decade, and we consider this our special market niche. Our GGLO-designed Sidney apartment community on Fourth and Wall in Seattle is a great example of an infill, midrise, mixed-use development.

Infill is a challenging form of development. It starts with trying to accumulate enough parcels of land with the right zoning to be able to allow for an economically feasible project. Financial feasibility for each developer means something different. The struggles

are getting parcel owners to all agree to sell in a similar time frame for a price that makes economic sense.

The favorite parcels are those that give you at least a half block with streets on three sides. The large blocks of many suburban cities are very challenging for infill. Having an alley to add to this is pure joy. Alleys serve many purposes. They are a place for the parking garage entrance, a place for the dumpsters to sit on garbage day, a place for any unloading and loading, a place for the garage ventilation fan to face, and I could go on. Sites without alleys mean a developer must struggle to find appropriate places for these functions, often sacrificing density to create space.

Once you find and acquire a site (usually a number of parcels), an experienced design team with mixed-use housing is recommended. The codes are complicated as a developer tries to maximize the density. Even though there is a state building code, each city interprets the code differently — making development frustrating since it affects your density and quality of development. The new changes required by the 1997 building code added more seismic requirements, which added costs. Certainly, with the recent earthquake, no one is suggesting we change the code, but no one appreciates the extra cost, as public officials complain about the high cost of housing and customers complain about rents.

Potential historic buildings on the infill parcels are a great dilemma, since they often aren't identified as such until you are part way through the process of receiving site plan approval and SEPA sign off. Intracorp has a historic consultant research a site and its buildings early in our feasibility process.

Another challenge of infill development is creating attractive livable residential mixed-use developments. What do the potential customers (renters and buyers) for this kind of housing desire? How do we make it their first choice? How do we activate the street, and attract retail that will serve the needs of our customers? How close will they live to the building next door? What level of sound from the outside can they tolerate? How do we give our customers homes with large windows (light and bright) when the energy code has been requiring smaller windows?

Every infill project struggles to find the right balance to these questions.

Constructibility is a huge problem for infill development. Building on small sites, with little space for construction trailers, equipment and lay-down area is a challenge for everyone, and adds to the costs. Shoring the site instead of open cut is the usual rule, and shoring next to existing buildings requires good engineering, knowledge of the structural system in the next-door building and a very knowledgeable shoring contractor. Even tearing down buildings next to one that is staying requires great skill.

Many cities are encouraging infill development in their downtowns. Infill development is more expensive than building three-story, wood-frame walk-up apartments with large

parking lots. The parking garage adds great costs, and in a good number of our urban designated cities, the economics are not there at this time to build infill.

Many cities add to the problem with the following disincentives:

1. Setting density on per unit, per acre for downtown zones instead of floor area ratios (FAR) will increase the challenges for a developer. Setting FARs so low (2.5 or less) and then requiring them to buy transfer of density rights only increases costs and complications for a developer. To encourage infill residential mixed-use, set a height and allow unlimited FAR.

2. Huge parking requirements. Cities need to let the market place decide the right level of parking for infill.

3. Retail is discouraged by huge parking requirements, which results in the developer trying to minimize retail rather than maximize the potential on urban streets.

4. Huge open space requirements on tight sites.

5. Tree planting requirements for new developments, including infill sites.

6. Large traffic mitigation fees, school fees and park fees that treat them like a development with large homes. Add this burden to the parking requirement burden, and you create development that won't happen since it won't be financially feasible. To encourage infill development, all these fees must be eliminated.

7. Height requirements that don't understand how these buildings are constructed and the requirements as to how height is measured pose terrific challenges. Infill buildings can't have changes of floor levels inside the building. Some zoning codes don't seem to understand this simple principal.

8. Fire Departments that don't understand how to deal with higher density housing, and place requirements that defeat the concept of urban infill housing. This often makes a site financially unfeasible.

Mixed-use residential is becoming more the housing of choice for our customers. A partnership with the cities and the developers will create good livable infill urban neighborhoods. Adding this new vitality to our downtowns is an exciting prospect for the future.