GOALS:

We intend to apply consistent evaluation techniques to compare all iterations of plans for OLF-8 by showing the potential property value, or community wealth generated by each alternative.

ASSUMPTIONS AND METHODOLOGY:

For comparison purposes, each plan is assumed to reach full build-out and create a development with cost and value characteristics consistent with existing Escambia development. By applying existing values per square foot of building type, enriched with sample costs available at the beginning of the project, values of new development can be estimated based on the square footage and use details of each plan. These values will also represent stabilized post-Covid pandemic spikes.

Total property values are projected using the details of each plan's layout and buildings developed during the charettes and since. Conservative estimates of construction costs are applied to reach estimates of value on each parcel. In the computer software our firm uses, the projected value of each building and parcel can be added to a map to be visualized and compared. The 3D models display the Value per Acre, or relative owner wealth and public tax productivity, of each area in each plan.

RESULTS:

Some of the tallest spikes in the maps of the 3D Value Per Acre model are generated not by large potential projects, but by maximizing the projected value on a small piece of land, often by building more than one story and using shared open space or parking. In contrast, some very large and expensive buildings, as well as their parking, spread out over many acres which result in a relatively low productivity per acre. When compared to more compact uses that manage to fit a lot more value in an acre.

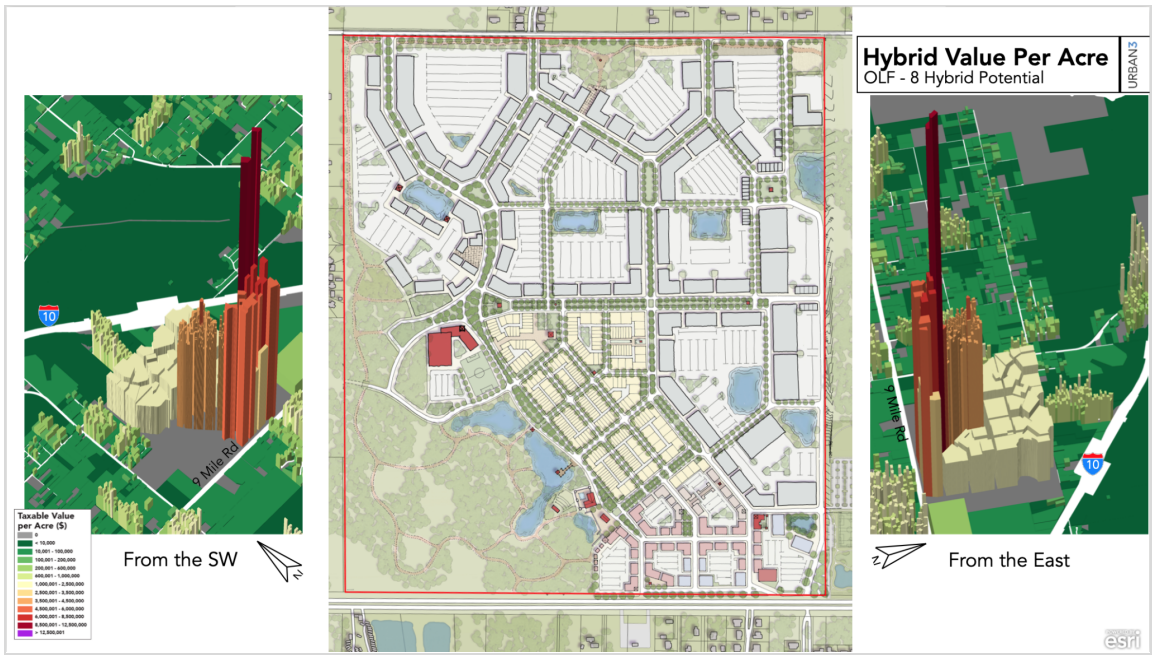

Figure 1: Hybrid Value Per Acre

Figure 1 demonstrates the expected value of development in the end state of the Hybrid plan as drawn.

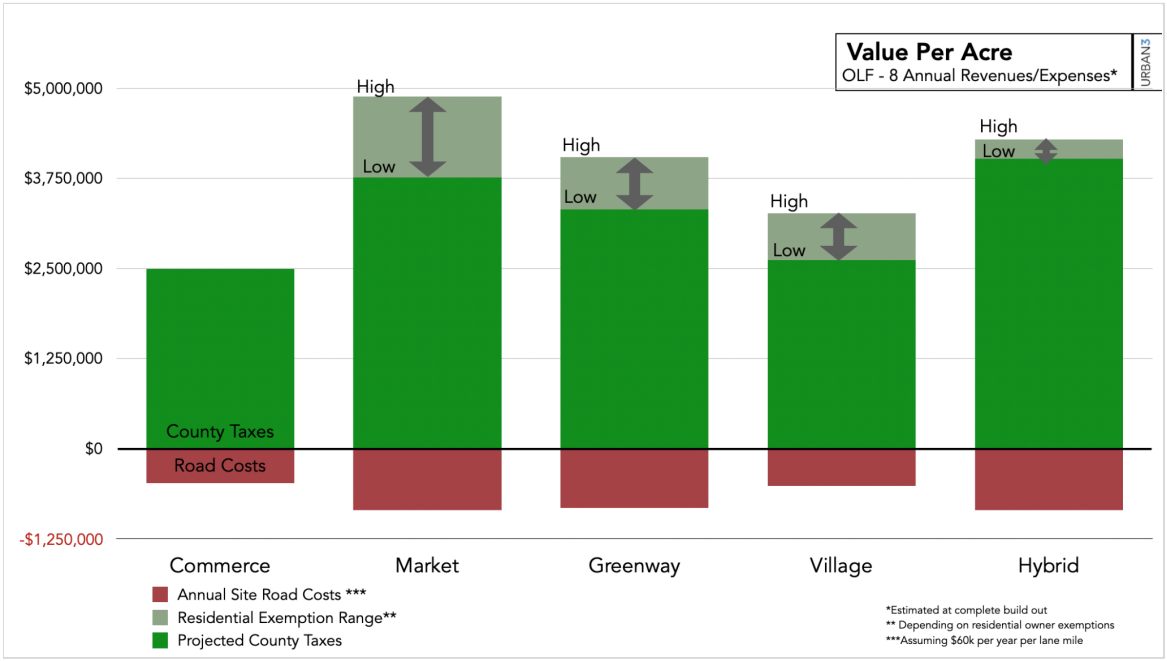

Figure 2: Selected Plan Revenues and Costs

Figure 2 demonstrates the estimated annual property tax revenues and road carrying costs at completion in each scenario.

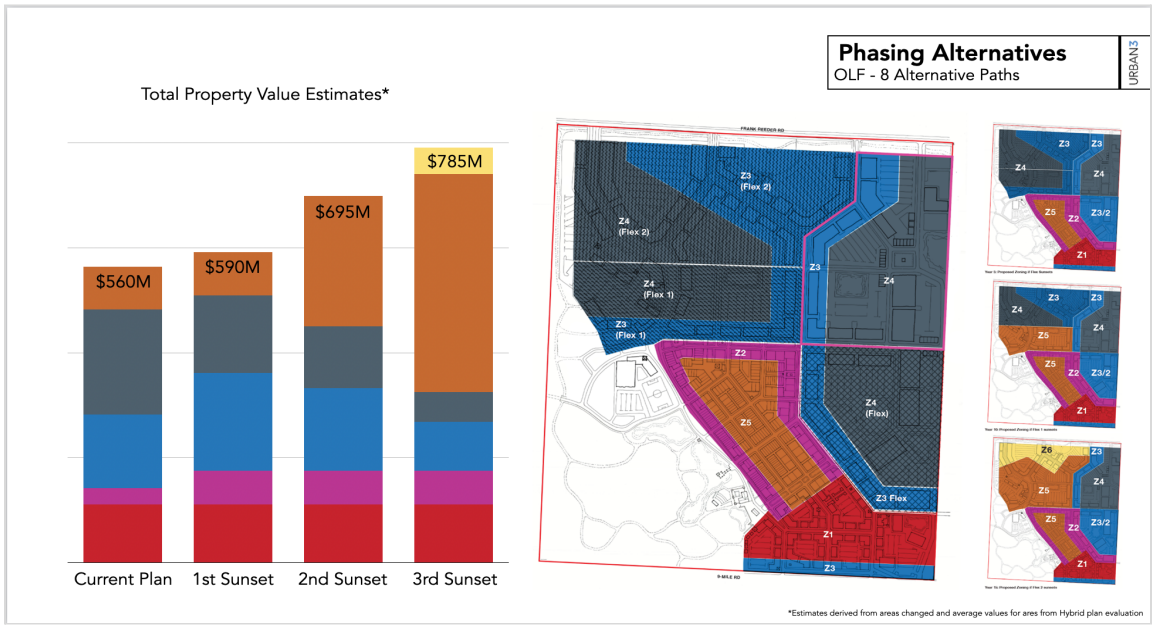

Figure 3: Sunsetting for Alternate Outcomes

Figure 3 demonstrates the estimated property values for each potential sunset by, using averages for the potential zoning categories. Each successive bar in the chart assumes a change in zoning at the proposed future time. Then, a value estimate is processed at full build-out for each alternative, which is based on the average value of the changed underlying uses.

IMPLEMENTATION RECOMMENDATIONS + STRATEGIES:

SHORT TERM

Development finance requires enough entitlement and infrastructure to make building and selling feasible, but because infrastructure begins decaying as soon as it's in the ground, balancing initial upfront investment with demand and capacity to develop will be crucial to long-term success.

Sufficient intensity and a mixture of use to create a valuable walkable node may be a multiyear process and require prioritization to enable high productivity townhomes and missing middle housing. The potential for a "chicken and egg" situation between compact housing and mixed-use necessitates multiple developers and buildings coordinating their unique skillsets and capital.

LONG-TERM

As various land uses develop at different rates, the perceived need for each use may vary. The productivity of a development type is not likely to vary unless significant development style changes occur. For example, if a warehouse manages to design a more vertical and smaller footprint method of operating, its productivity will be greater than currently estimated.

However, a change like this would allow many more such uses in the same area, which will not likely necessitate a change to the underlying land-use plan. Conversely, a change lowering the density of housing would fill up the housing portions of the land-use plan more quickly, resulting in a lower total population which could jeopardize any mixed-use commercial more focused on creating a place to attract employers.

Successful implementation of the plan vision will cause land and building values to escalate over time. The number of values that exceed inflation will be the test of how interesting and desirable a place is created. This increasing value pattern, combined with the depreciation of infrastructure quality and value from the day it is installed, creates a complex timing relationship in the balance of costs and benefits to actions like infrastructure installment and selling land.

As the government entity is required to provide many physical services to the OLF-8 Site and surrounding areas, the County will benefit from continuing to consider short-term benefits but also long-term annual benefits and costs to make decisions that increase rather than draining the public coffers and services.