Nashville values, development rise with form-based code

City sees significant economic effect in the wake of zoning reform.

Rick Bernhardt, Better! Cities & Towns

“It wasn’t hard to identify,” says Nashville architect Ben Mosley, “that the existing zoning code just wasn’t doing what it needed to do to get what we wanted.” He’s standing in the remains of a former car lot along a commercial corridor on the fringe of Nashville’s downtown, looking across the street at a new, 305-unit apartment complex that’s already nearly ninety percent full, even as construction continues at the other end of the building. Those apartments, on a site previously occupied by a derelict cold-storage warehouse, are one of many successful developments begun in Nashville’s city center since a form-based “Downtown Code” was introduced in February 2010.

That improved and more workable zoning code was approved by Nashville’s Planning Commission and combined city/county council after more than two years of staff work and public input, in tandem with a new community plan for the downtown area.

“We started testing the policies in summer 2007,” says Joni Priest, our lead planner on the Downtown Code initiative, “presented our findings to the Planning Commission next spring, and started visioning meetings and focus groups soon afterward, followed by public, small-group, and individual meetings with stakeholders. We included as many constituencies as we could — property owners, business owners, residents, development professionals, related government departments and agencies, political leaders, and other stakeholders. We built consensus, we listened to the community, and both the Commission and the Council approved our Downtown Code unanimously.”

Nashville’s Downtown Code replaces a conventional, use-oriented code which required rezonings or variances for nearly every downtown project.

Former developer C. David Koellein, now a department chair at O’More College of Design outside Nashville, describes the pre-Downtown Code development climate:

“Having participated in Nashville’s development community, in both the public and private sectors, my sense is that, in the past, there was often an atmosphere of mutual mistrust. The developer was suspected of trying to get away with something, and the city was presumed to be making development as frustrating and risky as possible.
“It was especially true when zoning focused heavily on land use while ignoring market realities about building design, such that even very good building proposals often were forced to run the bureaucratic and political gauntlets in dubious hopes of one day getting a building permit.”

Now, though, developers apply the new Code’s frontage, height, and green space standards, and a bonus height program which allows, in some cases, as much as 16 additional stories for buildings which meet specific bulk and sustainability criteria.

Modification requests, infrequent so far, go to a Design Review Committee – Mosley and Koellein are both members, along with representatives of downtown stakeholders’ organizations, the business and design communities, and local government.

**Property value and new development**

The Downtown Code, though, is far from Nashville’s only form-based standard, and all of those have contributed to significant rises in property values wherever they are applied. In Nashville’s mostly second- and third-ring Urban Design Overlay districts, for example, appraised value rose by 74.83 percent from 2005 to 2009. Over the same period, with the national recession in effect for much of it, values increased by 71.60 percent in the smaller and widely scattered Specific Plan districts, and countywide by just 27.75 percent.

The numbers are even stronger where the Downtown Code is in effect. That area, essentially the city center bounded by three interstate highways and the Cumberland River, saw $176 million in new private sector building permits in the 28 months before the DTC was implemented, just 7 percent of the countywide total. Compare that to activity in the 28 months since — $544 million in private sector building permits, up 209 percent and 18 percent of the countywide total, nearly all during the recession.

These form-based codes and overlays seem most successful in strategically selected areas where pressure for redevelopment is increasing; we’ve found here in Nashville that it works better to
“harness the horse” of existing action in a specific area and drive it even further than to expect a form-based approach to wake up a location where little or nothing is going on. It’s also important to take a pragmatic approach to balancing design standards and economic reality. Koellein: “You have to consider design, but also economics. You can’t do any of those things in a vacuum. If design is your sole focus, you’ll lose some good projects, and you’ll lose investment … there is a balance there, of making sure that you understand how the economics of a project do and don’t work.”

Currently, a downtown fast-food restaurant is the most controversial project in the Downtown Code area. A suburban-style McDonald’s just off the city’s main east-west Interstate was heavily damaged in an accidental fire over a year ago, and the owners elected to replace it with a similar structure in conflict with the Downtown Code’s build-to-the-street requirement. The review committee turned down part of the owners’ request for modification, and the dispute will go to the Planning Commission in December. Meanwhile, another fast-food chain has filed plans to build a compliant structure directly across the street – and those 300-plus new apartments are barely two blocks away, strengthening the spread of walkable, urban-scaled development in that area.

“To me,” says Mosley, “it (downtown) is what city life’s going to be about, and it’s the antithesis to the cul-de-sac sort of sprawl that Nashville has experienced.” Over and above their proven economic impact, Nashville’s form-based codes make the statement that our city has chosen to be walkable, vibrant, and progressive – willing not only to support new and more urban development, but to improve the process of carrying it from concept to completion.

*Richard Bernhardt, FAICP, CNU-A, is executive director of the Metropolitan Nashville-Davidson County Planning Department and a member of the board of directors of the Form-Based Codes Institute, based in Chicago, Illinois, which seeks to advance the knowledge and use of form-based codes.*