

# BACON'S REBELLION

The Op/Ed Page for Virginia's New Economy

## The Tide Turns

**After decades of sprawling growth, the Richmond region has embraced mixed-use development. New Urbanism-inspired projects are transforming the city center and aging suburbs.**

By James A. Bacon

Twenty years ago William H. Abeloff conceived a vision for the east side of downtown Richmond, a dilapidated corner of the city that had been carved off by highways and railroad tracks and left for lost as residents and businesses headed for the suburbs. Where others saw boarded-up stores and empty warehouses, Abeloff saw historic brick buildings, architectural variety, an intimate, human scale and, if one could clear away the industrial detritus of the previous century, a riverfront of exceptional beauty.

"East Richmond had the makings of a cohesive, pedestrian-oriented, 19<sup>th</sup>-century scale community," Abeloff recalls thinking at the time. Boston had transformed the old-town neighborhood of Faneuil Hall into a national tourist destination. New York had done the same to Soho and Baltimore to its inner harbor. If those districts could rebound, so could east Richmond — which had one big advantage over the others: a location right off I-95. "All you'd have to do to get there," Abeloff exclaims, "is fall off the Interstate!"

After practicing law for 20 years, Abeloff made it his life's work to jump-start redevelopment of Richmond's most historic quarter, an area that encompasses

Shockoe Bottom, Church Hill and a warehouse-industrial zone rambling along the canal and riverfront. He began in the mid-1970s in the Bottom with Market Slip Associates. Then, during the 1980s and 1990s, he led the investors group that assembled the properties now known as Tobacco Row and converted the first two tobacco warehouses



power plant.

While working on Tobacco Row, Abeloff cast his eye on the industrial property a little farther down the road. Living in Church Hill, he frequented the gritty industrial riverfront, sometimes with his dog, sometimes with his wife, a picnic basket and a bottle of wine. In his mind's eye, the old wharfs and squat, ramshackle buildings faded into images of townhouses and apartments intermingled with offices, shops and river-view restaurants in a community where people could walk to get around and take the bus downtown.

After the sale of Tobacco Row, Abeloff formed Rocketts Landing LLC and rounded up another group of investors. He spent the next couple of years consolidating a dozen properties, settling

brownfield-related environmental issues, and lining up approval from the City of Richmond and Henrico County for special "urban mixed use" zoning provisions. At full build-out, the \$250 million project, dubbed the Village of Rocketts Landing, will include 1,500 to 2,000 residential units in townhouses, condos and apartments, as much as 500,000 square feet of office space, some 200,000 square feet of retail, plus parking decks and marina slips for as many as 500 boats. The selling pitch, says Abeloff: "Live at Rocketts, work at Rocketts, get in your boat and cruise down the river."

In January, Rocketts Landing LLC sold the project to a Northern Virginia developer, the WVS Companies, which retained Abeloff as a consultant and co-developer. He expects dirt to turn this spring as work begins laying down the infrastructure. Nearby, work proceeds on the Tobacco Row warehouse complex, gentrifiers are renovating Church Hill's 19<sup>th</sup> century houses, and investors, only temporarily dampened by last year's calamitous flood, are pumping money into the commercial/entertainment district of Shockoe Bottom. In February, The Richmond Braves baseball franchise proposed a \$330 redevelopment project, centered on a new, minor league baseball stadium, near the Farmer's Market in the Bottom.

With astonishing suddenness, Bill Abeloff has moved mainstream. Or perhaps it would be more accurate to say that the mainstream has caught up with Bill Abeloff. Developers across the region have embraced ten-

ets of the New Urbanism movement that, like Rocketts Landing, draws inspiration from the golden age of urban design that put its stamp on Richmond decades ago. Only a handful of projects would meet the purist's standard of New Urbanism, but developers are borrowing liberally from the movement's distinctive tool kit: higher density development; a range of housing sizes and types, sprinkled liberally with shops and offices; recognizable village centers with prominent public places and civic structures; a grid-like street system with alleyways; and streetscapes that favor pedestrians over cars.

From Church Hill and Jackson Ward to the Fan, old Richmond is blessed with the very kinds of neighborhoods that inspired New Urbanism. But as the region expanded after World War II, the City of Richmond and neighboring counties adopted zoning codes that mandated a "suburban" style of development: rigid segregation of houses from stores and workplaces; greater distances between buildings; and street schemes that tended to the needs of cars, not pedestrians. The result was the pervasive pattern of disconnected strip shopping centers and cul-de-sac subdivisions that defines the suburban landscape across the country.

Classic suburban-style development still prevails in the Richmond region. Like kerosene traveling up a wick, growth is creeping along Richmond's radial roads and circumferential highways into the countryside. As the population grows more affluent, families are looking for ever bigger, more luxurious accommodations, and the space simply does not exist in the center city to meet the demand. In response, builders are erecting

entire subdivisions of mansion-sized houses. Retail centers and office parks follow families to the urban periphery. The office park at West Creek, at the intersection of I-64 and Rt. 288, is so huge that it will continue shifting the metropolitan center of gravity further west for years to come.

But the story of suburban development, which has defined Richmond for the past half century, is an old one. What's new in the region is the renaissance of the city center, and the unprecedented focus on what geographer Joel Kotkin labels the "midopolis," the aging suburbs around the urban core.

These counter-trends, the antithesis of the old suburban growth model, are driven by deep-seated demographics and changing lifestyles. Singles, childless couples and empty nesters are drawn to the center city, with its greater concentration of cultural and entertainment amenities. Even Leave-it-to-Beaver families with two parents and two kids are looking for houses with smaller, low-maintenance yards and the convenience of neighborhood shops and restaurants. Across the region, "mixed use" is the buzzword in planning circles.

Local governments see advantages in compact, mixed-use development because it eases the strain of installing infrastructure and providing government services. Creating communities where people can reach some of their destinations by walking instead of driving takes cars off the region's increasingly clogged roads and highways. Steering growth into areas already served by roads and public services reduces government outlays. Furthermore, allowing more houses and office space per acre makes it financially more attractive for

developers to rehabilitate declining neighborhoods built four or five decades ago.

Henrico County Planning Director Randy Silber articulates a viewpoint that is gaining ascendancy throughout the region. The urbanization of Henrico's older districts is a natural and desirable process, he says.

"We're seeing infill development in places that were skipped over. We're seeing revitalization of some of our older areas. Land values are rising, and the market will support higher-density development. We're changing from a suburban form of development to a more urban form of development."

### **The Core**

In the late 1990s, the city of Richmond completed the restoration of the Kanawha-Haxall Canal and a 1.25-mile walkway through a burial ground of abandoned industrial structures. City fathers promoted the canal, which is navigable by picturesque barges, as a magnet for condominiums, mid-rise offices and street-level restaurants like those lining the wildly popular canal in San Antonio, Texas. Local investors nibbled along the edges of the canal—the La Difference furniture store, the new Baskerville headquarters, the Turning Basin building—but no one committed to a large-scale, multi-building project until the Daniel Corporation announced Riverside on the James.

Riverside is notable for the size and scope of the project. An \$83 million investment buys a 230,000-square-foot office building, a mid-rise condominium with more than 120 upscale living units, a parking deck and 70,000 square feet of street-level retail. That's a big project by the standards of downtown Richmond. But equally signifi-

cant is the way the Daniel Corporation has oriented the two towers and renovated hydroelectric building around a central plaza and has integrated the entire complex with the canal and canal walk.

As other properties are developed, Richmond's canal could well emerge as a visually stunning destination comparable to San Antonio's. Where the Texans have a canal, however, Richmond can boast of a canal *and* a river. And not just any old, muddy, slow-moving river. Lined with trees, spotted with boulders and tiny islands, shot through with white water, the James offers scenic vistas not found in any other U.S. city.

The Daniel Corporation is betting that Riverside on the James can become a recognized entertainment center even before the rest of the canal is developed. The developer has tasked the Cordish Company, which played a key role in revitalizing Baltimore's inner harbor, with recruiting a number of "destination" restaurants that can take full advantage of river views and canal-side seating. Daniel Vice President Michael Campbell sees the combination of housing, offices and entertainment at a single site as an unbeatable combination: "It's the live-work-play concept that everyone's talking about."

Riverside is generating incredible enthusiasm, declares John Woodward, the city's director of economic development. There's a long waiting list for the condominium units, even at \$330 per square foot, an unprecedented price for downtown residential. By demonstrating that the market will support luxury, high-rise living, he adds, he expects Riverside to stimulate the interest of more residential projects in the heart of the business dis-

trict.

What's so exciting about downtown right now, says Woodward, is how broad-based the revitalization is. The riverfront is only one sector of activity. The Virginia Biotechnology Research Park continues to expand on the northern edge of downtown, while Virginia Commonwealth University is laying the groundwork for its Monroe Park Campus, a nearly \$200 million project, on the eastern fringe. In preparation for the 2007 Jamestown quadricentennial, the Commonwealth of Virginia is spending more than \$100 million to renovate the state Capitol and major state office buildings all around. The U.S. Justice Department is building a new federal court building, work is beginning on a state-of-the-art performing arts center, and a new hotel, parking decks and streetscapes are transforming the area around the convention center.

Confidence in downtown is so strong that the Richmond Braves organization has lined up a developer to propose a new baseball stadium to be financed by Community Development Authority bonds. The stadium would anchor a complex of four- to six-story apartment buildings, offices and shops in a streetscaped environment. A core goal is to meld the development with the smaller, historical buildings of Shockoe Bottom and to preserve the easy walkability of the entertainment district. "Ever been to Europe?" Braves General Manager Bruce Baldwin asked a *Richmond Times-Dispatch* Reporter. "Walk out of your apartment and there's shops on the street."

The proposal remains controversial. Many residents of nearby Church Hill want to preserve the historic integrity of the area and fret about such practicalities as

glare from stadium lights. But the Braves have engaged Global Development, a Washington, D.C., firm experienced in urban development, and stadium backers are moving to address neighbors' concerns.

If the stadium deal gets approved, the 2000s may go down as the greatest decade for Richmond's downtown in the city's history—the decade that reversed a half century of fleeing residents and decamping businesses. What economic developer John Woodward finds so encouraging is the diversity of funding sources. Development isn't tied to the business cycle but reflects an across-the-board commitment to downtown on the part of state government, city government, VCU, professional firms and the philanthropic community. "The financing is coming from different sources," he says. "Some of it is private money, some of it is owner-occupied financing, some of it is tax-exempt bond financing. Some is philanthropic. There's federal, state and local money. I can't think of a time that we've seen this mixture of product type and financing sources."

The building boom reflects a back-to-the-city movement built on the changing demographics of the Richmond region. With its grid streets and traditional neighborhoods, its sidewalks and its pocket parks, the city is, in effect, one giant mixed use development. The city also has something that can't be replicated in a green field in the suburbs: history, architecture, vibrant cultural institutions, in sum, a strong sense of place.

"The appeal," says Woodward, "is the urban lifestyle that includes closer proximity to things... livability... walkability... It's easy to get out to restau-

rants, nightclubs, art events and gallery walks. The common denominator is people who don't need to rush home to their 2.3 children and Fido... who have time to tap into the cultural offerings. They move to the city to avail themselves of the opportunities here."

### **The Midopolis**

Planners in Henrico and Chesterfield counties face a strategic dilemma. Singles and empty nesters are being lured back into the city. Meanwhile, the most affluent households with children are migrating to the urban fringe where the bigger, newer houses outfitted with the latest features--from granite-countered kitchens to home theaters with SurroundSound--are being built. That leaves vast swaths of aging suburb, just beyond the Richmond city limits, where the houses are literally half the size of the mansions being built today, and the shopping centers are fraying from neglect.

The same challenge is facing aging suburbs across the country, and county planners are adopting much the same strategy as elsewhere: Encourage redevelopment. By permitting developers to build at higher densities, county planners hope to make it worthwhile for them to tear down the old stuff and start from scratch.

That's literally what's happening to the Cloverleaf Mall in Chesterfield County, one of the region's oldest shopping malls. Set in a corridor of strip development, the '60s-era mall lost its luster as affluent residents moved farther out Midlothian Turnpike and patronized the newer, more attractive shopping centers. Now the property is old, worn out and deserted.

The county has purchased the mall and selected a company to partner in redeveloping the property as a mixed-use project. Director of Planning Kirk Turner expects the property will combine some light retail along Midlothian, some office space and some high-density residential. The location right off the Chippenham Parkway, one of Southside's major thoroughfares and close to the urban core, will provide superb transportation access. The project looks like a hit even before work has begun. "We have some major players interested in office space," Turner says. "We've already seen an increase in property values along the corridor."

On the other side of the river, Henrico County is working proactively to make sure that Innsbrook, the region's largest office park, doesn't go the way of Cloverleaf Mall. Innsbrook still has the reputation as a premier business location, but it's largely built out, traffic congestion is terrible, and West Creek, only a few miles down the Interstate, offers abundant space and premium transportation access.

Markel Corporation, a successful specialty insurance company, faced a tough decision not long ago on whether to stay in Innsbrook or move to West Creek. Paul Kreckman, the Richmond regional manager for Highwood Properties, persuaded the company to stay. His proposal: Join Highwoods in a partnership to redevelop Markel's property as a mixed-use project -- the first such project in Innsbrook. Plans call for converting parking lots and woods into a complex with 344 townhouse and condominium units, additional offices, two parking decks and street-level retail, all focused on a boulevard ending at a piazza. The idea is to create a mix of local services and amenities -- from dry clean-

ers to restaurants -- in a walkable, "village center" setting that Markel employees will find more fun and convenient than working in an isolated corporate campus.

Neighboring land homeowners are worried about the impact a higher-density complex would have on their home values. Hirschler Fleischer Chairman James Theobald, who is representing Highwoods, thinks their concerns can be addressed. Developing the property at greater intensity will allow Highwoods to help pay for significant improvements to nearby Sadler and Nuckols Roads, which otherwise would take the county years to fund.

If the Highwoods property gets Board of Supervisors approval, it could provide the template for the redevelopment of other Innsbrook parcels. "Innsbrook is nearing the end of its horizontal development phase, and looking at its vertical phase," says Kreckman. "It won't be the place where big companies can come buy a large tract of land and build a campus. To maintain its viability, it will have to focus on urban-like qualitative advantages."

The county wants to encourage "village center" development that allows mixed-use clusters of greater density--an urban-lite approach that's more economically efficient but still preserves a distinction between the county and the city.

Greater flexibility in local planning departments has unleashed a number of other mixed-use, and New Urbanism-style projects. Gumenick Properties, one of the city's largest apartment developers, wants to build a city-style neighborhood in the Gaskins/Patterson area of Henrico, says Theobald. Streets would be laid out in a grid pat-

tern, with alleys running through the blocks. The project is animated by the retro ideas that cars and garages should go in the back of the house, and that sidewalks, streetlamps, pocket parks and other features make the neighborhood inviting to pedestrians.

The same features will be seen in the Chester Village Green in Chester, a railroad town dating back to 1856 that has been engulfed by sprawl. Jim Daniels, a disciple of New Urbanist Andres Duany, has assembled 85 acres and has started implementing a plan that ultimately could result in 400,000 square feet of retail and residential development. "Our goal," says Daniels, "is to have a cross between Carytown and Shockoe Bottom."

"We're a true New Urbanist development," Daniels says. The Village Green is more than sidewalks, trees and streetlights. The plan calls for public spaces such as a village green, public landmarks, and a variety of housing sizes and styles. He believes the Village Green may be the first location in Chesterfield County to build apartments above stores, as was common a century ago.

Expect to see more projects like the Village Green. "We're working on an ordinance that would permit these kinds of [New Urbanism] projects by right," says Turner, the Chesterfield planning director. There aren't many locations left in the county where a New Urbanism-style project could be built from scratch, but he's seeing more and more proposals that do incorporate mixed uses, higher densities and pedestrian-oriented street designs.

"We'd like to see these sorts of projects," Turner says. It's cheaper for the county to pro-

vide utilities and services when the population is clustered more compactly. And the community is better served with a diversity of housing styles and types. "You want a demographic balance."

### **The Periphery**

Andy Shield, a developer in Hanover County, doesn't talk the New Urbanism lingo. But his Bell Creek project has this in common with traditional urban development: He's building a balanced community where homeowners can run many of their errands locally and, perhaps, even work there without the necessity of hopping on Interstate 295, only 0.4 miles away.

Bell Creek calls for 535 residential units, including condominiums for seniors, a 157-acre business park, 20 acres of retail space plus 124 acres of open space that conserves a Civil War battlefield and the 1670-vintage house where Patrick Henry got married. "The intent here is to have as many services as possible within the community," Shield says: bank, movie rentals, gourmet coffee shop, dry cleaner, hair salon, an exercise franchise, daycare, veterinary hospital, doctor's office and lots of restaurants. "And you never have to go through a stoplight."

The housing lots are relatively small. "This was clustered so we could preserve the battlefield," Shield says. "People give up the big huge yard, but they have 150 acres they can wander in." The development will be laced with sidewalks and jogging trails. Houses will be close enough to the shops that mamas can put their babies in strollers and walk down to the coffee shop. And the existence of a senior community opens up the option of extended families

living in close proximity.

Unlike old-style, sprawl development, Bell Creek will largely pay its own way. The county created a Community Development Authority to finance the project through long-term, fixed-rate bonds. That allowed Shields to pay for the installation of water, sewer and roads with only a minimal monetary contribution from the county. Clustered, mixed-use projects seem to be "the next wave of development" in Hanover, Weiss says.

Much of the new development in the Richmond region's urban periphery is taking the form of clustered, mixed-use development. Some of it is even inspired by New Urbanism. HHHunt has gotten the go-ahead from Hanover County for a 400-acre, mixed-use development that real estate attorney Theobald describes as "new urbanism lite" – retail, offices, day care, single-family homes, townhouses, rentals and age-restricted housing.

HHHunt is undertaking an even bigger project on a 1,100-acre spread on the James River in Henrico. That project, says Theobald, will be a self-contained community miles from any other development. Again, the design will be New Urbanism Lite, with alleys, sidewalks, homes situated close to the streets, a variety of housing sizes and types and, of course, a town center. The project will include \$50 million in public infrastructure: water, sewer, roads, an elementary school site, parkland and 11.5 acres for county facilities. What's more, the project contemplates paying for construction of an interchange at Interstate 895, as well as a three-mile "Wilton Parkway" connecting the project to state Rt. 5.

Theobald thinks the shift to mixed-use projects is more than a passing enthusiasm of the marketplace. To cut the cost of extending infrastructure, counties are looking for ways to tame sprawl. Planners also are realizing that separating different land uses—residential, office, retail—by great distances forces people into their cars for every trip. “People don’t like jumping in their cars to go get a sandwich. They want to work and live and shop as close together as possible.”

In sum, the Richmond metro region is seeing the most fundamental shift in development patterns since the rise of the automobile-accessible suburb after World War II. Ironically, Bill Abeloff--the man who, more than anyone, got the ball rolling—has moved to a farm in Goochland County that he’s owned more than 30 years. Serving on the county’s planning commission, he would like to preserve the beautiful, unspoiled vistas of his new home from sprawling subdivisions and strip shopping centers.

In a double twist of irony, the work he’s done at Tobacco Row and Rocketts may do more to save Goochland’s hillocked horse farms than anything he can do on the county planning commission. Creating a new vision for life in the city and suburbs may encourage people to move back toward the urban core rather than push relentlessly outward. “I think we lost our way,” he says. “But I think we’re rediscovering the way.”

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