

## **Webinar**

**ULI Utah: Transit-Oriented Development: Developing Large Scale Mixed-Use** 

**Projects** 

Date: April 08, 2021

00:01:24 --> 00:01:28:

00:00:00> 00:00:05:	Alright, welcome everyone to today's transit oriented development.
00:00:05> 00:00:08:	Developing large scale mixed use projects zoom webinar.
00:00:08> 00:00:11:	I would like to introduce myself,
00:00:11> 00:00:17:	I'm Haley Pratt and with Castlewood development I'm also the
00:00:17> 00:00:20:	ULI Utah Programs Co chair.
00:00:20> 00:00:22:	Uhm, just to refresh everyone's memory,
00:00:22> 00:00:25:	annualize mission, a mission of UI is to shape the
00:00:25> 00:00:29:	future of the built environment for transformative impact in communities
00:00:29> 00:00:30:	worldwide,
00:00:30> 00:00:33:	we have a couple of upcoming events that are going
00:00:33> 00:00:35:	to be pretty exciting.
00:00:35> 00:00:38:	There's a wildfire resilience demonstration with my VHS,
00:00:38> 00:00:41:	which will be on June 15th at 9:30 AM,
00:00:41> 00:00:45:	and I've been told that they're actually gonna light a
00:00:45> 00:00:47:	real fire in that event,
00:00:47> 00:00:49:	so it should be pretty cool.
00:00:49> 00:00:54:	And then. Buildings, bikes and brews presented by WLI on
00:00:54> 00:00:55:	Thursday,
00:00:55> 00:01:00:	June 24th, starting four and ends at 6.
00:01:00> 00:01:03:	Uh, we'd like to have a special thank you to
00:01:04> 00:01:08:	our title sponsor and introduce Andrew by T and STACK.
00:01:08> 00:01:11:	Real estate is our title sponsor for this event.
00:01:11> 00:01:14:	Andrew by 5 is the owner of Stack real estate
00:01:14> 00:01:18:	and he'll take a couple of minutes today to introduce
00:01:18> 00:01:20:	their firm Andrew.

Thank you, Haley. We're excited to be here to listen

00:01:28> 00:01:32:	to Rick and learn from his experience.
00:01:32> 00:01:36:	Just quickly stacked real estate as Utah's leading smart
	communities
00:01:36> 00:01:40:	developer, SMART stands for sustainable mixed use,
00:01:40> 00:01:42:	attractive, realistic, and transit oriented.
00:01:43> 00:01:45:	So we're focused on building
00:01:45> 00:01:48:	people up by building communities that are smart in partnership
00:01:48> 00:01:51:	with forward thinking municipalities.
00:01:51> 00:01:53:	We're building a better quality of life.
00:01:53> 00:01:57:	For Utahns, M It's kind of this crazy growth that
00:01:57> 00:02:00:	we've really been experiencing.
00:02:00> 00:02:03:	So stacks past bread and butter has been the suburban
00:02:03> 00:02:04:	office building surface.
00:02:04> 00:02:07:	Parked car centric, I-15 oriented and very Little Mix.
00:02:07> 00:02:10:	Abuse is a kind of suburban sprawl at its best,
00:02:10> 00:02:12:	but we believe we can do a lot
00:02:12> 00:02:13:	better in the future.
00:02:15> 00:02:21:	Smart communities kind of blends the residential living with walkable
00:02:21> 00:02:23:	services like open spaces,
00:02:23> 00:02:27:	trails, office, retail, hospitality, entertainment.
00:02:27> 00:02:29:	And that really level up our quality of life.
00:02:29> 00:02:31:	And these kinds of developments,
00:02:31> 00:02:35:	they've they require public private partnerships that combine long term
00:02:35> 00:02:37:	vision with shared investments.
00:02:37> 00:02:41:	And to create the quality of neighborhoods that we all
00:02:41> 00:02:44:	expect and really kind of integrating ecosystems.
00:02:44> 00:02:47:	So as you talk, continues to double in population over
00:02:47> 00:02:50:	the next 30 years and stack will continue to do
00:02:50> 00:02:52:	what we've been doing in the past,
00:02:52> 00:02:54:	which is long term investment,
00:02:54> 00:02:57:	and I'm to preserve the Utah quality of life that
00:02:57> 00:02:59:	we all expect for current and future residents.
00:02:59> 00:03:02:	So we're excited to hear from Rick and learn from
00:03:02> 00:03:03:	that,
00:03:03> 00:03:05:	and we'll turn the time back to you,
00:03:05> 00:03:08:	Haley, thank you, Andrew. Uh,
00:03:08> 00:03:11:	we'd also like to thank our annual sponsors,
00:03:11> 00:03:14:	uhm, they're all shown on the screen right in front
00:03:14> 00:03:17:	of you without these amazing organizations we couldn't do
	any

00:03:17> 00:03:18:	of this,
00:03:18> 00:03:21:	so thank you very much.
00:03:21> 00:03:23:	We really do appreciate it.
00:03:23> 00:03:24:	Zoom etiquette throughout the presentation.
00:03:24> 00:03:27:	We ask that you stay on mute with your video
00:03:27> 00:03:28:	off.
00:03:28> 00:03:29:	If you have any questions,
00:03:29> 00:03:32:	please enter them in the chat box at any time
00:03:32> 00:03:35:	and we'll get to ask them during the Q&A when
00:03:35> 00:03:38:	you can turn your video on and engage with the
00:03:38> 00:03:41:	speaker. So once Rick goes through the meat of his
00:03:41> 00:03:41:	presentation,
00:03:41> 00:03:44:	he'll open it up and and feel free to either
00:03:44> 00:03:47:	turn on your video and ask your questions directly,
00:03:47> 00:03:50:	or you can just put it in the chat box
00:03:50> 00:03:53:	and I'll ask Rick the question for you.
00:03:53> 00:03:58:	Uhm, so now I would like to introduce Rick Vogel.
00:03:58> 00:04:02:	He's break is the senior vice president of the related
00:04:02> 00:04:03:	companies.
00:04:03> 00:04:08:	He has developed significant neighborhood changing
	projects throughout the United
00:04:08> 00:04:08:	States,
00:04:08> 00:04:12:	Asia and the Middle East for organized organizations such as
00:04:12> 00:04:14:	the related companies,
00:04:14> 00:04:16:	Silverstein Properties, Hines and Ivanhoe.
00:04:16> 00:04:21:	Cambridge Rick currently serves as related related project executive for
00:04:21> 00:04:22:	their \$1 billion.
00:04:22> 00:04:27:	Frank Gary. Designed Grand Ave project located in
	downtown Los
00:04:27> 00:04:27:	Angeles.
00:04:27> 00:04:30:	Thank you Rick for joining us today.
00:04:30> 00:04:35:	We're really excited to hear and learn from you.
00:04:35> 00:04:35:	Right,
00:04:35> 00:04:39:	thank you so much for having me here today.
00:04:39> 00:04:42:	I am going to try to present in about 45
00:04:42> 00:04:46:	minutes the highlights of a large scale urban mixed use
00:04:46> 00:04:50:	class that I teach at USC that was basically a
00:04:50> 00:04:53:	conglomeration of everything that I've learned over the last 30
00:04:53> 00:04:55:	years in developing mixed use.
00:04:55> 00:04:58:	I've done a lot of standalone projects as well,
00:04:58> 00:05:02:	but the real art of mixed use is in integrating

00:05:02> 00:05:06:	various uses to try to create a synergistic effect.
00:05:06> 00:05:10:	And there's complexity or complexities and challenges that
	are unique
00:05:10> 00:05:12:	to mixed use that I'm happy to cover today as
00:05:12> 00:05:12:	well,
00:05:12> 00:05:15:	so I'll be sure to save about 10 or 15
00:05:15> 00:05:17:	minutes at the end for questions.
00:05:17> 00:05:19:	But in the in between,
00:05:19> 00:05:22:	I'm going to probably going at a pretty good clip
00:05:22> 00:05:24:	and I'm happy to let you all.
00:05:24> 00:05:27:	I share my deck with all of you as a
00:05:27> 00:05:29:	future reference as well.
00:05:29> 00:05:32:	OK, does it look like midex up on the screen
00:05:32> 00:05:33:	for everybody?
00:05:38> 00:05:42:	Yes, yes. Now, why is my slide not advancing?
00:05:42> 00:05:45:	Oh, there we go. OK,
00:05:45> 00:05:50:	So what I'm going to do today is I'm going
00:05:50> 00:05:51:	to focus.
00:05:51> 00:05:54:	On a couple different areas I I think it's important
00:05:54> 00:05:57:	for us at the onset to talk about why large
00:05:57> 00:06:01:	scale mixed use projects exist because that tells us a
00:06:01> 00:06:04:	lot about what they're supposed to do.
00:06:04> 00:06:08:	Uhm, I then we'll talk about the challenges of large
00:06:08> 00:06:09:	scale mixed use.
00:06:09> 00:06:12:	And when I talk about large scale mixed juice,
00:06:12> 00:06:15:	I'm not talking about like a 15 Storey residential unit
00:06:15> 00:06:18:	with a couple stores or restaurants at the bottom talking
00:06:18> 00:06:22:	about very large multiple use integrated usually in urban setting,
00:06:22> 00:06:26:	mixed use and the challenges that come along with that.
00:06:26> 00:06:29:	Given the fact that we've got a lot of people
00:06:29> 00:06:32:	here on the government side and the developer side,
00:06:32> 00:06:35:	I want to talk about zoning and land use.
00:06:35> 00:06:37:	As it applies to mixed use,
00:06:37> 00:06:41:	what government agencies and planning and thinking about as well
00:06:41> 00:06:45:	as developers the challenges of getting projects like this approved
00:06:46> 00:06:48:	and some of the tools that I've used over the
00:06:48> 00:06:51:	years that have been beneficial?
00:06:51> 00:06:54:	Given the transit oriented nature of most of these projects,
00:06:54> 00:06:57:	we'd be amiss if we didn't talk about transportation and
00:06:57> 00:06:58:	infrastructure.

00:06:58> 00:07:02:	It's an often unforeseen challenge that people don't think about.
00:07:02> 00:07:05:	It is absolutely critical to the success of a large
00:07:05> 00:07:07:	scale mixed use project,
00:07:07> 00:07:09:	and then I'll finish with the fun stuff.
00:07:09> 00:07:13:	Some cool urban design principles that I've picked up over
00:07:13> 00:07:16:	the years and a little bit on positioning and designing
00:07:16> 00:07:18:	the project's primary uses.
00:07:20> 00:07:25:	So why do these large scale mixed use projects exist
00:07:25> 00:07:28:	while there's a few a few reasons.
00:07:28> 00:07:31:	One of them is economic restructuring and by way of
00:07:31> 00:07:32:	example,
00:07:32> 00:07:35:	when you see in the screen is a large project
00:07:35> 00:07:38:	that I worked with Jeff Grasso on where we were
00:07:38> 00:07:40:	both at Silverstein in Shenzhen,
00:07:40> 00:07:42:	China and the Chin High Economic Zone.
00:07:42> 00:07:46:	What was happening was that Xi Jinping was on the
00:07:46> 00:07:49:	really at the beginning of his his first term,
00:07:49> 00:07:51:	trying to establish his main mandate,
00:07:51> 00:07:54:	which was to grow the middle class in China and
00:07:54> 00:07:58:	to do so he had to expand the services industry
00:07:58> 00:07:59:	that would create.
00:07:59> 00:08:02:	Those middle class jobs, and he picked where one of
00:08:02> 00:08:03:	his predecessors,
00:08:03> 00:08:07:	Deng Xiaoping, started his economic restructuring in the city of
00:08:07> 00:08:08:	Shenzhen in southern China,
00:08:08> 00:08:11:	largely because of its proximity to Hong Kong.
00:08:11> 00:08:14:	His vision was to create a large city,
00:08:14> 00:08:17:	a large economic development zone that would have a direct
00:08:17> 00:08:20:	high speed rail connection to Hong Kong.
00:08:20> 00:08:24:	They would serve initially as the back office to office
00:08:24> 00:08:25:	jobs in Hong Kong,
00:08:25> 00:08:28:	and later kind of take over from Hong Kong as
00:08:28> 00:08:29:	the dominant.
00:08:29> 00:08:33:	Financial Center in Eastern Asia and to do this he
00:08:33> 00:08:34:	had to have a city,
00:08:34> 00:08:37:	a city plan, and then anchored development that would attract
00:08:37> 00:08:39:	developers and development.
00:08:39> 00:08:42:	And they selected Silverstein Properties at that time to do
00:08:42> 00:08:42:	so.
00:08:42> 00:08:46:	On the scope that I'm showing here on the screen

00 00 40 5 00 00 40	
00:08:46> 00:08:49:	is not a mix up in the numbers.
00:08:49> 00:08:52:	That is how big the project was when Silverstein started
00:08:52> 00:08:56:	working on it when we did our initial master planning
00:08:56> 00:08:57:	with Cesar Pelli.
00:08:57> 00:09:01:	And we ultimately were able to develop the centerpiece of
00:09:01> 00:09:04:	the project of about 5,000,000 square feet and the results
00:09:04> 00:09:08:	were that it was able to create this incredible innovative
00:09:08> 00:09:11:	zone that allow the city of Shenzhen the start to
00:09:12> 00:09:15:	grow its services industry to serve as a both a
00:09:15> 00:09:19:	catalyst and in the example of how they wanted to
00:09:19> 00:09:24:	take this type of a project across the country of
00:09:24> 00:09:24:	China.
00:09:24> 00:09:27:	Another example, a little bit closer to home,
00:09:27> 00:09:31:	is creating new neighborhoods, maybe outside of economic restructuring,
00:09:31> 00:09:34:	but just going into an area that really doesn't have
00:09:34> 00:09:36:	a vibrant neighborhood today,
00:09:36> 00:09:40:	and to create a new neighborhood and we accomplished this
00:09:40> 00:09:43:	when I developed Petco Park for the San Diego Padres.
00:09:43> 00:09:45:	When I was working for Hines,
00:09:45> 00:09:49:	our responsibility at that time was to master plan and
00:09:49> 00:09:50:	18 block area,
00:09:50> 00:09:54:	anchored by the ballpark to create a large mixed use
00:09:54> 00:09:54:	district.
00:09:54> 00:09:59:	They would be home to about 8300 residential units,
00:09:59> 00:10:03:	1100 hotel rooms and about 1.2 million square feet of
00:10:03> 00:10:05:	commercial space.
00:10:05> 00:10:09:	A remarkable example of urban regenerate urban regeneration.
00:10:09> 00:10:13:	This is what the neighborhood looked like when I first
00:10:13> 00:10:16:	arrived there to work with the Padres in 1998.
00:10:16> 00:10:20:	Two years later, we started construction on the ballpark that
00:10:20> 00:10:23:	would later turn this area into probably the best known
00:10:23> 00:10:25:	urban district on the West Coast,
00:10:25> 00:10:29:	anchored by a ballpark. That picture you see on the
00:10:29> 00:10:30:	screen is real.
00:10:30> 00:10:34:	That's what it looks like today during the ballpark development,
00:10:34> 00:10:37:	we developed the ballpark, the Omni Hotel to the left
00:10:37> 00:10:38:	here.
00:10:38> 00:10:42:	Some of the retail. Residential and office around the park
00:10:42> 00:10:45:	behind the park and all the main roads and infrastructure.
00:10:45> 00:10:49:	Everything else you see on this picture that didn't exist
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00:10:50> 00:10:53:	back in the late 1990s was delivered over a 15
00:10:53> 00:10:54:	year period.
00:10:54> 00:10:57:	I don't know of any other example where so much
00:10:57> 00:11:01:	growth has happened in such a short period of time,
00:11:01> 00:11:04:	largely because of an anchor project that was designed to
00:11:04> 00:11:09:	revitalize the neighborhood I'm currently working on another neighborhood revitalization
00:11:09> 00:11:10:	project.
00:11:10> 00:11:13:	Which is also serving as an economic generator.
00:11:13> 00:11:16:	This is the grand located in downtown Los Angeles,
00:11:16> 00:11:19:	the part that I'm working on right now is the
00:11:19> 00:11:20:	centerpiece,
00:11:20> 00:11:24:	designed by Frank Geary. The original vision for this project
00:11:24> 00:11:27:	was for this project to serve as a revitalization tool
00:11:27> 00:11:28:	for the Civic Center.
00:11:28> 00:11:32:	Which are these buildings you see around a large Central
00:11:32> 00:11:34:	Park here in downtown Los Angeles?
00:11:34> 00:11:37:	These buildings you see on the left.
00:11:37> 00:11:40:	Here are the music center which is home to.
00:11:40> 00:11:43:	The largest collection of performing arts facilities anywhere in
	the
00:11:44> 00:11:44:	US,
00:11:44> 00:11:47:	yet largely underutilized in the city of Los Angeles.
00:11:47> 00:11:50:	The other buildings you see on this other axis or
00:11:50> 00:11:54:	all the county and city buildings which obviously were thriving
00:11:54> 00:11:55:	on their own,
00:11:55> 00:11:58:	but there was no sense of a neighborhood here because
00:11:58> 00:11:59:	there was no residential,
00:11:59> 00:12:02:	virtually no retail, and only handful of restaurants.
00:12:02> 00:12:05:	But what was able to what was what was really
00:12:05> 00:12:09:	able to launch this project was the vision of a
00:12:09> 00:12:10:	local developer.
00:12:10> 00:12:12:	Eli Brode of the famed Kaufman abroad.
00:12:12> 00:12:16:	I mean, he is like the inventor of track housing
00:12:16> 00:12:19:	and now I've let therapist here in Los Angeles.
00:12:19> 00:12:23:	His vision was to take three underutilized city blocks owned
00:12:23> 00:12:25:	by the city of Los Angeles,
00:12:25> 00:12:27:	the the County of Los Angeles,
00:12:27> 00:12:31:	and the Community Redevelopment Agency put them together in a
00:12:31> 00:12:33:	3.2 million square foot development.
00:12:33> 00:12:35:	Send out an RFP to developers,
00:12:35> 00:12:38:	pick their best, worse, and then let them execute.

00:12:38> 00:12:41:	And what this project did was it.
00:12:41> 00:12:44:	It provided for a very large Central Park,
00:12:44> 00:12:48:	a incredible improvements along the main axis of Grand Ave
00:12:48> 00:12:51:	and the large mixed use development that we now today
00:12:51> 00:12:53:	refer to as the grand.
00:12:53> 00:12:56:	And so the numbers behind this project is what was
00:12:56> 00:13:00:	able to make it possible without proving out the economic
00:13:00> 00:13:01:	impact of this project.
00:13:01> 00:13:05:	This project would never have taken flight because of all
00:13:05> 00:13:09:	of the public support that was required to get it
00:13:09> 00:13:09:	going,
00:13:09> 00:13:11:	but look at some of these.
00:13:11> 00:13:16:	Numbers during the development phase over 20,000 annual jobs over
00:13:16> 00:13:19:	1.3 billion in labor income alone,
00:13:19> 00:13:24:	\$3.1 billion of total economic output and then ongoing annually.
00:13:24> 00:13:28:	About 5000 jobs would be generated by the project.
00:13:28> 00:13:32:	189 million in labor income and over 500 million in
00:13:32> 00:13:34:	annual economic output.
00:13:34> 00:13:39:	These numbers have to be the compelling argument when
	you
00:13:39> 00:13:41:	launch these large projects.
00:13:41> 00:13:44:	To get the public support that you need,
00:13:44> 00:13:47:	so let's move on. Now to the challenges of these
00:13:47> 00:13:49:	large scale mixed use projects.
00:13:49> 00:13:52:	The first one is the development timeline.
00:13:52> 00:13:54:	Let's take the brand for an example.
00:13:54> 00:13:56:	This project was. And by the way,
00:13:56> 00:14:00:	this Snake Creek chart. If you can't see the numbers,
00:14:00> 00:14:03:	it starts in the left in about 1998 and it
00:14:03> 00:14:05:	ends on the right at 2018.
00:14:05> 00:14:08:	And I picked this spam because it captured clearly two
00:14:08> 00:14:09:	economic cycles,
00:14:09> 00:14:12:	including a major economic crisis midstream.
00:14:12> 00:14:16:	This project was offered to developers in RFP in 2002
00:14:16> 00:14:20:	right at the beginning of that major economic growth period
00:14:20> 00:14:21:	we had in the early 2000s,
00:14:21> 00:14:23:	so we are very excited.
00:14:23> 00:14:27:	It related when we won this opportunity to start it.
00:14:27> 00:14:30:	Ray, where this story is in 2007,
00:14:30> 00:14:34:	is when we ultimately signed all the documents with the
00:14:34> 00:14:38:	city and the county and cleared all the environmental

approvals 00:14:39 --> 00:14:40: we spent a year, 00:14:40 --> 00:14:44: then designing the project and had a full set of 00:14:44 --> 00:14:44: 100% 00:14:44 --> 00:14:48: CD's sitting on our desk dated Oct dated January 1 00:14:48 --> 00:14:49: of 2008, 00:14:49 --> 00:14:51: right at the beginning of the crisis, 00:14:51 --> 00:14:55: which obviously derailed the project for about three or four 00:14:55 --> 00:14:56: years. 00:14:56 --> 00:14:59: It resumed in 2012. In a different order and a 00:14:59 --> 00:15:03: different pace than we had originally planned. 00:15:03 --> 00:15:07: Whoops, sorry. And if you look at these dates, 00:15:07 --> 00:15:11: I want to take you around the timetable of this 00:15:11 --> 00:15:14: thing you show you how this spam that whole cycle. 00:15:14 --> 00:15:17: So in 2008 the numbers in black or the original 00:15:17 --> 00:15:20: dates that we had planned to execute. 00:15:20 --> 00:15:22: So we plan to build Grant Park, 00:15:22 --> 00:15:25: which was kind of our entry ticket into this project 00:15:25 --> 00:15:27: starting in 2008. 00:15:27 --> 00:15:29: It didn't start until 2012 after the crisis. 00:15:29 --> 00:15:33: The second phase was to build the centerpiece to be 00:15:33 --> 00:15:34: the main draw. 00:15:34 --> 00:15:36: The one we're working on today. 00:15:36 --> 00:15:39: Originally anticipated. To be built starting in 2011 it, 00:15:39 --> 00:15:41: I'm sorry, finished in 2011. 00:15:41 --> 00:15:44: Now it's going to be scheduled to finish in 2022 00:15:45 --> 00:15:45: next year, 00:15:45 --> 00:15:49: but we did though is we jump to a different site and we built that and open the Emerson mixed 00:15:49 --> 00:15:53: 00:15:53 --> 00:15:53: income, 00:15:53 --> 00:15:57: property, residential property and the Broad Museum in 00:15:57 --> 00:16:01: then jump back to the centerpiece and then we still 00:16:01 --> 00:16:04: have a third block that we might be developing at 00:16:05 --> 00:16:06: sometime in the future. 00:16:06 --> 00:16:11: With that timeline has spanned multiple economic cycles and 00:16:11 --> 00:16:14: a result the project has changed in program and design 00:16:14 --> 00:16:16: multiple times over the years. 00:16:16 --> 00:16:19: So if you look at part A on this slide 00:16:19 --> 00:16:24: the original program back in 2007 and 275 hotel rooms 00:16:24 --> 00:16:26: 500 residential units,

00:16:26 --> 00:16:29:

almost all of which, and as far as 400 of

00:16:29> 00:16:33:	them and in 4 sale condos plus 100 affordable rate
00:16:33> 00:16:37:	apartments and then two and 84,000 square feet.
00:16:37> 00:16:40:	Of retail, what we ultimately ended up with because the
00:16:40> 00:16:43:	downtown demographic could change so much,
00:16:43> 00:16:47:	and because the condominium sales prices weren't able to
	support
00:16:47> 00:16:47:	the project,
00:16:47> 00:16:50:	we went with a larger hotel,
00:16:50> 00:16:52:	largely at the request of the city,
00:16:52> 00:16:56:	so we could benefit from a TOT rebate program and
00:16:56> 00:17:00:	then our residential units became 4 rent units that could
00:17:00> 00:17:04:	be converted to condos in the future with about the
00:17:04> 00:17:07:	same affordable housing component and then slightly smaller amounts.
00:17:07> 00:17:10:	Of retail and not to mention the fact that we
00:17:10> 00:17:15:	reconfigured the entire site and move the buildings all
	around,
00:17:15> 00:17:18:	back and forth between 2008 and we resumed again in
00:17:18> 00:17:19:	the mid 2010's.
00:17:19> 00:17:23:	So it's an example of how these projects have change
00:17:23> 00:17:26:	over time and we get to zoning and we talk
00:17:26> 00:17:30:	about flexibility and you are practicing in the government sector
00:17:30> 00:17:33:	and you're trying to understand why the developers coming
00.47.22 > 00.47.25.	in
00:17:33> 00:17:35:	and asking for flexibility.
00:17:35> 00:17:39:	This is why because these projects span multiple economic cycles.
00:17:39> 00:17:41:	Within a particular market within the real estate markets,
00:17:41> 00:17:42:	you also have another challenge.
00:17:42> 00:17:45:	You have the challenges if you have multiple uses,
00:17:45> 00:17:47:	you're going to be hitting this investment time clock at
00:17:47> 00:17:49:	different points for those different uses.
00:17:49> 00:17:52:	Not all of them are going to be working right
00:17:52> 00:17:53:	at the same time.
00:17:53> 00:17:55:	It's going to offer you a lot of diversity,
00:17:55> 00:17:57:	but at the same time it's going to have a
00:17:57> 00:18:00:	couple losers in the pack at different points of time
00:18:00> 00:18:01:	of this cycle.
00:18:03> 00:18:06:	So what are the other big issues or one of
00:18:06> 00:18:09:	the other big issues that affect the project are on
00:18:09> 00:18:11:	the financing and legal sides and these are all tide
00:18:11> 00:18:14:	together. First point is sponsorship.

00:18:14> 00:18:19:	Lenders will always look for the experienced spots or to
00:18:19> 00:18:21:	fund a project.
00:18:21> 00:18:24:	Very difficult to attract both equity and debt financing if
00:18:25> 00:18:28:	you're a first time developer doing mixed use development.
00:18:28> 00:18:31:	Certainly at the large scale smaller scale.
00:18:31> 00:18:35:	I'm sure lots of developers startup developers could could,
00:18:35> 00:18:39:	could could be credited for getting a project that underway,
00:18:39> 00:18:43:	but in most cases it's going to take a very
00:18:43> 00:18:44:	well known,
00:18:44> 00:18:48:	experienced developer who can prove that they can execute
00.40.40 > 00.40.50.	through
00:18:49> 00:18:50:	a previous track record.
00:18:50> 00:18:53:	We mentioned the market cycle and the fact that one
00:18:53> 00:18:56:	of these assets is probably always going to be out
00:18:56> 00:18:57:	of favor for us.
00:18:57> 00:19:00:	It was the hotel that was the toughest thing for
00:19:00> 00:19:02:	us to get financed.
00:19:02> 00:19:05:	Regardless of where you are in the market cycle,
00:19:05> 00:19:07:	there were going to be a limited number of lenders
00:19:07> 00:19:10:	who can provide the capital at the scale that you
00:19:10> 00:19:13:	need and be comfortable operating the multiple types of financing
00:19:13> 00:19:16:	that might be needed to execute the project.
00:19:16> 00:19:19:	I'm going to give you an example of the capital
00:19:19> 00:19:22:	structure here at the grant as an example.
00:19:22> 00:19:26:	Lenders also have to struggle with the fact there's going
00:19:26> 00:19:28:	to be common collateral.
00:19:28> 00:19:31:	If it's a large urban project physically,
00:19:31> 00:19:35:	structurally, it's going to be combining multiple uses each
	use.
00:19:35> 00:19:38:	Each component might have different debt on it,
00:19:38> 00:19:41:	each one dependent upon the other.
00:19:41> 00:19:46:	The cross cattle collateral isation requirements are remarkable and trying
00:19:46> 00:19:49:	to satisfy all the lenders and all the parts that
00:19:49> 00:19:53:	they have the ability to either manage their own.
00:19:53> 00:19:55:	Destiny, or have comfort and relying on the other Capital
00:19:56> 00:19:59:	Partners to execute is critical to putting the financing together.
00:19:59> 00:20:02:	And of course just the complexity and scale on a
00:20:02> 00:20:05:	technical front and how the project is designed,
00:20:05> 00:20:07:	how to be able to control the cost,
00:20:07> 00:20:09:	and how to be able to execute.

00:20:12> 00:20:14:	Moving more now towards the operational phase,
00:20:14> 00:20:17:	the ownership structure can be infinitely complex.
00:20:17> 00:20:21:	Our approach these projects is to execute the entire project
00:20:21> 00:20:25:	and their one ownership structure with us as the developer
00:20:25> 00:20:29:	and one equity investor who has the both the tenacity
00:20:29> 00:20:32:	and the wherewithal to hang in long term to allow
00:20:32> 00:20:36:	us to to bridge some of the challenging time periods
00:20:36> 00:20:38:	these projects go through.
00:20:38> 00:20:41:	But at some point in time,
00:20:41> 00:20:45:	these components will either. We financed separately with separate investors,
00:20:45> 00:20:47:	indoor lenders or sold separate owners entirely,
00:20:47> 00:20:51:	and so the ownership structure needs to be able to
00:20:51> 00:20:55:	accommodate that through a very complex condominium regime.
00:20:55> 00:20:59:	Likewise, the the financing structure long term needs to take
00:20:59> 00:21:02:	into account all of these different components,
00:21:02> 00:21:06:	and these specialized mechanisms and the operational
	challenges of how
00:21:06> 00:21:10:	do you make that condominium regime work where you've got
00:21:10> 00:21:13:	a lot of common elements like parking.
00:21:13> 00:21:16:	Or loading docks or central plazas or other elements that
00:21:17> 00:21:19:	have to be shared by multiple owners?
00:21:19> 00:21:22:	And how do you allocate equitably the costs of operating
00:21:22> 00:21:27:	and maintaining those common area elements and the costs associated
00:21:27> 00:21:27:	with it?
00:21:27> 00:21:30:	And then finally, if you have retail or office,
00:21:30> 00:21:34:	you're going to have leasing issues and challenges because you're
00:21:35> 00:21:37:	going to be having tenants who are going to be
00:21:38> 00:21:40:	concerned about their share of parking.
00:21:40> 00:21:42:	What exclusivity do they get,
00:21:42> 00:21:46:	and what flexibility? They might need to operate their business
00:21:46> 00:21:47:	plan over the long term.
00:21:47> 00:21:51:	All of these kind of get nested together and a
00:21:52> 00:21:53:	complex Rubik's Cube.
00:21:53> 00:21:58:	So this slide illustrates what the original capital structure was
00:21:58> 00:21:58:	on the grand.
00:21:58> 00:22:02:	Today we've executed with a slight hybrid to this that
00:22:02> 00:22:05:	I can't share with you because of confidentiality,
00:22:05> 00:22:09:	but since we didn't execute this one and it's illustrative

00:22:09 --> 00:22:13: of atypical financing for a mixed use project with multiple 00:22:13 --> 00:22:13: components, 00:22:13 --> 00:22:17: including affordable housing, I want to use this as an 00:22:17 --> 00:22:18: example, 00:22:18 --> 00:22:22: one of how complex it is to the issues that 00:22:22 --> 00:22:22: come up, 00:22:22 --> 00:22:26: and three the creativity. That you can use and putting 00:22:26 --> 00:22:27: this all together. 00:22:27 --> 00:22:30: So this is a little over a billion dollar capitalization, 00:22:30 --> 00:22:34: including about 40 million in equity and about 600 million 00:22:34 --> 00:22:35: in debt. 00:22:35 --> 00:22:38: But how we broke it down was largely driven by 00:22:38 --> 00:22:40: the nature of each of these elements. 00:22:40 --> 00:22:43: So initially we broke the capital structure up. 00:22:43 --> 00:22:45: Let me let me go back. 00:22:45 --> 00:22:48: We have one equity investor across this entire project. 00:22:48 --> 00:22:51: You could not do this with different equity investors in 00:22:51 --> 00:22:52: different components. 00:22:52 --> 00:22:55: It would have been too complicated. 00:22:55 --> 00:22:58: And probably not that attractive to individual equity investors. 00:22:58 --> 00:23:02: So one equity investor with about 350 million in equity. 00:23:02 --> 00:23:07: We brought the land in at about 35 million. 00:23:07 --> 00:23:10: On the debt front, we then bifurcate at a project 00:23:10 --> 00:23:11: into two major components. 00:23:11 --> 00:23:15: The commercial piece which we would put a conventional senior 00:23:15 --> 00:23:16: loan on. 00:23:16 --> 00:23:21: Outlined in blue and a bond finance piece outlining green, 00:23:21 --> 00:23:25: which is primarily the residential tower. 00:23:25 --> 00:23:27: The conventional loan is pretty straightforward. 00:23:27 --> 00:23:29: The only challenge there which I'll get to is a 00:23:29 --> 00:23:33: cross collateral isation with the assets that the bonds are 00:23:33 --> 00:23:34: financing. 00:23:34 --> 00:23:36: But the bond financing was unique. 00:23:36 --> 00:23:39: We then broke that block into two pieces, 00:23:39 --> 00:23:43: largely because if we found the lowest possible cost of 00:23:43 --> 00:23:46: capital was going to be achieved with a combination of 00:23:47 --> 00:23:50: both taxable bonds on the top of the project and 00:23:50 --> 00:23:52: tax exempt bonds at the bottom. 00:23:52 --> 00:23:56: The tax exempt bonds are on the bottom because we 00:23:56 --> 00:23:57: had 20% 00:23:57 --> 00:23:58: of our units being affordable.

00:23:58> 00:24:01:	That allowed us to use 4%
00:24:01> 00:24:04:	tax credits which get coupled with tax exempt bonds.
00:24:04> 00:24:07:	So very low cost of financing,
00:24:07> 00:24:12:	about 175 over Libor during development that drops down to
00:24:12> 00:24:14:	140 during operations.
00:24:14> 00:24:17:	On the top piece, which were unrelated to the affordable
00:24:18> 00:24:20:	housing and unrelated taxes and bonds,
00:24:20> 00:24:23:	we plan to use short term 7 day taxable bonds
00:24:23> 00:24:27:	that would have a shadow equity component in the form
00:24:27> 00:24:32:	of an equity guarantee from an institutional investor that basically
00:24:32> 00:24:36:	allowed you to borrow for that residential tower at 100%
00:24:36> 00:24:40:	debt with a guarantee fee being paid to the institutional
00:24:40> 00:24:45:	investor who backed up that shadow equity with the bonds.
00:24:45> 00:24:47:	Here's the challenge. With all of this,
00:24:47> 00:24:50:	and then I'll get to the solution.
00:24:50> 00:24:53:	The challenges one this entire project has to be built
00:24:53> 00:24:56:	for any of these creditors to realize their security.
00:24:56> 00:24:59:	You couldn't build the base of this building.
00:24:59> 00:25:03:	The parking and then stop at the other parts,
00:25:03> 00:25:05:	or have the residential anticipated to be built,
00:25:05> 00:25:08:	but the hotel not being there.
00:25:08> 00:25:09:	It was all tide together.
00:25:09> 00:25:13:	And yet you had different people buying these different debt
00:25:13> 00:25:13:	pieces.
00:25:13> 00:25:17:	The construction loan. Is going to be syndicated to a
00:25:17> 00:25:19:	variety of institutional lenders.
00:25:19> 00:25:22:	The taxable bonds were going to be short term paper
00:25:22> 00:25:26:	trade across a desk at a marketable trading desk trading
00:25:26> 00:25:30:	bond company and then the tax exempt bonds are going
00:25:30> 00:25:32:	to get sold individual investors.
00:25:32> 00:25:35:	Deutsche Bank came in and offered the ultimate solution.
00:25:35> 00:25:38:	They convinced us to get away from the taxable bonds
00:25:38> 00:25:41:	on the top of the tower and just bring in
00:25:41> 00:25:44:	equity because that was just another family of buyers that
00:25:44> 00:25:47:	were going to be difficult to be brought in.
00:25:47> 00:25:50:	They took our taxable. I'm sorry their tax exempt bonds
00:25:50> 00:25:52:	and purchased them for their own account,
00:25:52> 00:25:55:	so they were the principles on the front of that.
00:25:55> 00:25:59:	And then they did the conventional loan with the syndication
00:25:59> 00:26:02:	so that they basically control the entire debt capital structure
00:26:02> 00:26:03:	that made it.

00:26:03> 00:26:04:	Very marketable to the market.
00:26:04> 00:26:07:	Easy to control, but with the term of the loan
00:26:07> 00:26:10:	being about four years including I'm sorry.
00:26:10> 00:26:12:	Five years including extensions at some point.
00:26:12> 00:26:16:	This structure has to bifurcate into five separate ownership components,
00:26:16> 00:26:18:	of which we could then refinance individually,
00:26:18> 00:26:21:	so a lot of complexity and challenges,
00:26:21> 00:26:24:	but it worked and our cost of financing was very
00:26:24> 00:26:25:	low as a result.
00:26:28> 00:26:30:	Here is the big opportunity,
00:26:30> 00:26:33:	though getting the mix right to get the mix right
00:26:33> 00:26:35:	on mixed use projects.
00:26:35> 00:26:37:	There are four questions you need to answer.
00:26:37> 00:26:41:	Question One, what uses are needed by the market in
00:26:41> 00:26:41:	what amounts?
00:26:41> 00:26:44:	At least at that point in time will come back
00:26:44> 00:26:46:	to the flexibility point later.
00:26:46> 00:26:49:	Number two. What uses are complementary with each other.
00:26:49> 00:26:53:	What fits together? You certainly wouldn't put a Ritz Carlton
00:26:53> 00:26:55:	hotel on top of a target,
00:26:55> 00:26:57:	right? And you wouldn't have a class.
00:26:57> 00:27:02:	The office building parde next to a Four Seasons hotel.
00:27:02> 00:27:05:	Three, what uses will physically fit well together,
00:27:05> 00:27:08:	knowing that each of these uses have different structural bays,
00:27:08> 00:27:11:	the structural Bay for hotel is different.
00:27:11> 00:27:14:	That is for residential is different than it would be
00:27:14> 00:27:16:	for an office building,
00:27:16> 00:27:19:	and they're all different than the parking down below.
00:27:19> 00:27:23:	And how do you accommodate the transfers required to do
00:27:23> 00:27:23:	that?
00:27:23> 00:27:27:	And how do you make it all physically fit together?
00:27:27> 00:27:31:	And finally #4 what positioning and and frankly branding would
00:27:31> 00:27:32:	work well for all of those.
00:27:32> 00:27:36:	Uses, that's the Rubik's Cube that you're trying to solve
00:27:36> 00:27:36:	for.
00:27:36> 00:27:39:	So to get the mix right.
00:27:39> 00:27:41:	And if you do get it right,
00:27:41> 00:27:44:	you then get what we would simply call a synergistic
00:27:44> 00:27:48:	effect where you can achieve higher than market rate
	compared

00:27:48> 00:27:52:	to the individual components and standalone buildings in the form
00:27:52> 00:27:54:	of rates and sales proceeds.
00:27:54> 00:27:57:	And we've proven this out time and time again,
00:27:57> 00:28:00:	initially at Time Warner Center in New York,
00:28:00> 00:28:02:	where we went into revitalizing.
00:28:02> 00:28:06:	A neighborhood that really didn't exist at that time achieved
00:28:06> 00:28:10:	substantially higher rents and sales figures compared to the market
00:28:10> 00:28:13:	we were in the process of proving it out at
00:28:13> 00:28:17:	Hudson Yards before COVID hit and set us back a
00:28:17> 00:28:19:	year and here at the grand.
00:28:19> 00:28:21:	If I showed you my underrating,
00:28:21> 00:28:24:	it wouldn't make sense to anybody who knows this market
00:28:24> 00:28:28:	because no one has achieved those rates anywhere to this
00:28:28> 00:28:28:	day.
00:28:28> 00:28:32:	But we believe we will long term that synergistic effect
00:28:32> 00:28:32:	happens.
00:28:32> 00:28:35:	Because if you have great retail,
00:28:35> 00:28:38:	you could attract residences. If you have a lot of
00:28:39> 00:28:39:	office,
00:28:39> 00:28:41:	you can attract the retail.
00:28:41> 00:28:44:	If you have great restaurants and entertainment venues,
00:28:44> 00:28:48:	you can attract hotel patrons and all of them work
00:28:48> 00:28:52:	together to create a 24/7 environment that spans the otherwise
00:28:52> 00:28:56:	quiet hours of a project to create a really special
00:28:56> 00:28:59:	place. But to have all these multiple uses,
00:28:59> 00:29:02:	you have to have very special zoning.
00:29:02> 00:29:05:	So if you think about the history of zoning and
00:29:05> 00:29:07:	you go back to the beginning of time,
00:29:07> 00:29:10:	probably the very first mixed use project looked like a
00:29:10> 00:29:13:	a simple you know mortar house that was built with
00:29:13> 00:29:16:	a butcher shop on the ground floor in a residence
00:29:16> 00:29:18:	on the top floor in it.
00:29:18> 00:29:20:	And I I courtyard on the side.
00:29:20> 00:29:23:	However, overtime we learned that you really can't mix industrial
00:29:23> 00:29:24:	uses with residential,
00:29:24> 00:29:27:	so we went through this period of time where we
00:29:27> 00:29:27:	separated.
00:29:27> 00:29:31:	Industrial residential from office and very large chunky tracks
	of

00:29:31> 00:29:31:	land.
00:29:31> 00:29:35:	Then in the 1960s we realized well maybe we don't
00:29:35> 00:29:38:	want to separate everything back by that far,
00:29:38> 00:29:41:	because then we drive too far to get to work
00:29:41> 00:29:42:	or to go shopping.
00:29:42> 00:29:46:	So let's look at a more granular approach and then
00:29:46> 00:29:49:	in the 70s and 80s because of the densification of
00:29:49> 00:29:52:	cities we looked at mixing or uses vertically,
00:29:52> 00:29:56:	which created its own challenges that changed everything and how
00:29:56> 00:29:58:	we did zoning and today.
00:29:58> 00:30:01:	We are again overhauling our zoning ordinances to facilitate mixed
00:30:01> 00:30:01:	use.
00:30:01> 00:30:04:	So what are some of the special requirements as a
00:30:04> 00:30:08:	government entity that you need to think about when you're
00:30:08> 00:30:11:	starting to look at your zoning for mixed use?
00:30:11> 00:30:14:	The first one is the most important one,
00:30:14> 00:30:17:	flexible zoning to accommodate changes in demand for all of
00:30:17> 00:30:18:	the reasons.
00:30:18> 00:30:21:	I just pointed out on the projects I've been,
00:30:21> 00:30:24:	I've developed where the demand changes over the span of
00:30:24> 00:30:28:	the project and the ability of the developer to change
00:30:28> 00:30:28:	uses.
00:30:28> 00:30:31:	And scale will be critical to them to being able
00:30:32> 00:30:34:	to both attract financing and to execute.
00:30:34> 00:30:38:	You'll need to rethink design guidelines to encourage design standards
00:30:38> 00:30:41:	that are appropriate for mixed use projects.
00:30:41> 00:30:45:	I'm going to show you some examples here shortly.
00:30:45> 00:30:48:	And because of this sensitivity to time,
00:30:48> 00:30:51:	making sure you've built in a streamlined approval process for
00:30:51> 00:30:54:	adopting changes as they come in for a particular project.
00:30:54> 00:30:58:	So a developer of a mixed use project who wants
00:30:58> 00:31:00:	to change a land use or the size of a
00:31:00> 00:31:04:	building mid cycle can do so quickly and efficiently.
00:31:04> 00:31:07:	And then of course, and we'll talk about this in
00:31:08> 00:31:09:	the next slide,
00:31:09> 00:31:12:	the challenges of public approvals and enforcing a productive
00:31:12> 00:31:16:	public planning process that might involve design charettes to get the

00:31:16> 00:31:16:	input.
00:31:16> 00:31:21:	From the community. So if you think about traditional zoning,
00:31:21> 00:31:25:	it's pretty simple. You define a maximum height,
00:31:25> 00:31:26:	side, yard, dimension, backyard dimensions,
00:31:26> 00:31:31:	setbacks, but that has always resulted in monotonous building envelopes
00:31:31> 00:31:34:	and not like what you see in this image on
00:31:34> 00:31:35:	this screen,
00:31:35> 00:31:37:	which is a very well conceived,
00:31:37> 00:31:41:	mixed use project design that has lots of interesting components.
00:31:41> 00:31:44:	Different land uses compiled together without those standard side yard
00:31:44> 00:31:45:	dimensions,
00:31:45> 00:31:47:	setbacks and not maximum heights.
00:31:47> 00:31:49:	So being able to accommodate.
00:31:49> 00:31:53:	These uses setting forth design standards that work well for
00:31:53> 00:31:54:	mix juice,
00:31:54> 00:31:56:	offering incentives to develop to developers,
00:31:56> 00:31:59:	to to be inclusive with special amenities,
00:31:59> 00:32:03:	whether it's park space or other types of public space.
00:32:03> 00:32:07:	Certainly affordable housing will be a common theme in everything
00:32:07> 00:32:10:	we do going forward given the housing crisis and possibly
00:32:10> 00:32:15:	establishing performance standards to foster positive community impact in the
00:32:15> 00:32:19:	long run. So as a developer,
00:32:19> 00:32:22:	when you're looking at a mixed use project and you're
00:32:22> 00:32:24:	looking at existing zoning,
00:32:24> 00:32:26:	here's what you need to know.
00:32:26> 00:32:29:	First of all, most city Staffs are not accustomed and
00:32:29> 00:32:32:	are not trained for approving multiple uses.
00:32:32> 00:32:34:	This is not just in the building department.
00:32:34> 00:32:36:	This is across the fire department.
00:32:36> 00:32:39:	The Department of Transportation, everybody involved in the project.
00:32:39> 00:32:42:	You need to have and maintain flexibility to meet market
00:32:43> 00:32:43:	conditions,
00:32:43> 00:32:47:	and you have to make sure that the zoning will
00:32:47> 00:32:48:	allow you to.
00:32:48> 00:32:52:	Do so. Likewise, these large projects will often have conflicting
00:32:52> 00:32:56:	opinions from different departments of how it should all work.
00:32:56> 00:33:00:	The fire depart will have its own views on exiting.
	-

00:33:00> 00:33:04:	The building department might have its own views on
00:33:04> 00:33:04:	combustible construction,
00:33:04> 00:33:08:	you're going to have these conflict ING debates going on.
00:33:08> 00:33:12:	It will need to get resolved amongst various stakeholders and
00:33:12> 00:33:13:	finally,
00:33:13> 00:33:17:	
00.33.13> 00.33.17.	and most importantly, these large scale mixed use projects often
00:33:17> 00:33:19:	create a lot of public controversy.
00:33:19> 00:33:22:	Either because of their scale or they're,
00:33:22> 00:33:24:	you know, just overwhelming. You know,
00:33:24> 00:33:27:	overarching goals and what they want to achieve.
00:33:27> 00:33:30:	So as a developer, I've employed a variety of different
00:33:30> 00:33:33:	techniques that most successful mixed use developers have used in
00:33:34> 00:33:37:	their repertoire of tools to get government approvals.
00:33:37> 00:33:40:	The first one is creative uses of variances and what
00:33:40> 00:33:42:	might be called privatization.
00:33:42> 00:33:45:	Say for example, you wanted to create a really cool
00:33:45> 00:33:49:	mixed juice environment that had scalable streets that feel more
00:33:49> 00:33:50:	like at a pedestrian.
00:33:50> 00:33:53:	GAIL makes people feel comfortable crossing the street,
00:33:53> 00:33:57:	but the local public works regulations required a street with
00:33:57> 00:33:59:	it was just too large,
00:33:59> 00:34:03:	too wide, too cold. Unappealing you could privatize those streets.
00:34:03> 00:34:05:	You could bring them inside your projects.
00:34:05> 00:34:09:	That's what we did in Hudson Yards in New York,
00:34:09> 00:34:13:	and to some extent what we're doing here at the
00:34:13> 00:34:13:	grand.
00:34:13> 00:34:17:	You could also pursue creative variances with special requirements.
00:34:17> 00:34:20:	Conditional rezoning is an offer you would make to allow
00:34:20> 00:34:21:	for additional.
00:34:21> 00:34:25:	Density by either promising to deliver more affordable housing or
00:34:25> 00:34:28:	building next to a transit oriented terminal,
00:34:28> 00:34:31:	or doing a large part or something that would give
00:34:32> 00:34:35:	you what you need in the form of density green
00:34:35> 00:34:39:	tape permitting asking as a condition of your approval to
00:34:39> 00:34:43:	do the project or your incentive to do the project.
00:34:43> 00:34:46:	A process that gives you kind of a favored nations

00:34:46> 00:34:48:	condition on approvals,
00:34:48> 00:34:51:	or some form of expedited process because that timeline.
00:34:51> 00:34:54:	You're fighting against is going to get eaten up during
00:34:54> 00:34:56:	the permitting phase,
00:34:56> 00:34:58:	and then finally the two most useful tools we've used
00:34:58> 00:35:01:	is getting your neighborhood engaged early,
00:35:01> 00:35:04:	getting their opinion, finding out what's important to them,
00:35:04> 00:35:06:	and building it into the project.
00:35:06> 00:35:08:	One of the best meetings for doing that is a
00:35:08> 00:35:12:	planning charette that allows the public to actually get involved
00:35:12> 00:35:13:	in the planning.
00:35:13> 00:35:16:	It sounds risky, and it is at the end of
00:35:16> 00:35:20:	the day you'll be happy with the product and projects
00:35:20> 00:35:22:	like the grand we have had zero.
00:35:22> 00:35:25:	Public opposition, the only groups that challenged us was labor,
00:35:25> 00:35:27:	which we accommodated as always,
00:35:27> 00:35:30:	and there was one building owner down the street that
00:35:30> 00:35:33:	took us for a ride for a little while,
00:35:33> 00:35:34:	but we worked that out.
00:35:34> 00:35:38:	The general public always supported it because we were bringing
00:35:38> 00:35:40:	so many Community benefits.
00:35:40> 00:35:42:	Transportation and infrastructure couldn't be more important.
00:35:42> 00:35:45:	These projects require you to move a lot of people
00:35:45> 00:35:48:	in an ounce so that your capacity for getting the
00:35:49> 00:35:51:	public to and from the project is critical,
00:35:51> 00:35:53:	but not just the public.
00:35:53> 00:35:56:	You're also going to have your delivery vehicles for loading
00:35:56> 00:36:00:	and unloading access to vehicle are parking all of that's
00:36:00> 00:36:02:	going to have to be accommodated.
00:36:02> 00:36:05:	Don't forget about the other key components though.
00:36:05> 00:36:08:	Strong telecommunications system infrastructure, you know things,
00:36:08> 00:36:12:	you know, Internet connectivity, critical Internet speed,
00:36:12> 00:36:15:	very critical, sustainable energy sources in the form of either
00:36:16> 00:36:17:	sustainable central plants.
00:36:17> 00:36:22:	All of these will go into making this project sustainable
00:36:22> 00:36:26:	and planning for it to be for long term growth.
00:36:26> 00:36:28:	So the secret to success,
00:36:28> 00:36:32:	close cooperation and coordination with the government.
00:36:32> 00:36:35:	Close coordination with land use planning like infrastructure,

00:36:35> 00:36:39:	planning and equitable allocation of the cost to the beneficiaries
00:36:39> 00:36:41:	of the project beneficiaries,
00:36:41> 00:36:45:	whether it's being passed through as an additional tax on
00:36:45> 00:36:49:	your hotel rooms or potentially a land use fee that
00:36:49> 00:36:51:	gets put into your retail leases.
00:36:51> 00:36:55:	There's a variety of ways to equitably allocate the cost
00:36:55> 00:36:57:	of the infrastructure,
00:36:57> 00:37:01:	whether it's roads or telecommunications or big platforms that you're
00:37:01> 00:37:02:	building over railways.
00:37:02> 00:37:06:	Whatever it might be, there's a way to do it,
00:37:06> 00:37:09:	but at the very end the most important thing is
00:37:09> 00:37:11:	control the end product.
00:37:11> 00:37:14:	That's why a lot of us today are encouraged to
00:37:14> 00:37:18:	build our own infrastructure because the private sector can
	one
00:37:18> 00:37:22:	do it much more cost effectively through our competitive bidding
00:37:22> 00:37:24:	processes that we can use,
00:37:24> 00:37:28:	we have better control over the quality of the end
00:37:28> 00:37:29:	product.
00:37:29> 00:37:32:	It requires an unbelievable amount of technical coordination,
00:37:32> 00:37:36:	which is. Often best suited by experienced private developers and
00:37:32> 00:37:36: 00:37:36> 00:37:39:	
	and
00:37:36> 00:37:39:	and we have access to low cost capital that's not the
00:37:36> 00:37:39: 00:37:39> 00:37:41:	and we have access to low cost capital that's not the suggested government won't play a role,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43:	and we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50:	and we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54:	and we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57:	and we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:03> 00:38:06:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:03> 00:38:06: 00:38:06> 00:38:09:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets, their ability to execute at low costs,
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:03> 00:38:09: 00:38:09> 00:38:12:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets, their ability to execute at low costs, and their ability to create a quality product.
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:06> 00:38:09: 00:38:09> 00:38:12: 00:38:14> 00:38:17:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets, their ability to execute at low costs, and their ability to create a quality product.  The World Trade Center is a great example of a
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:06> 00:38:09: 00:38:09> 00:38:12: 00:38:14> 00:38:20: 00:38:20> 00:38:20: 00:38:20> 00:38:22:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets, their ability to execute at low costs, and their ability to create a quality product.  The World Trade Center is a great example of a public private partnership on the infrastructure.  You may recognize this diagram.  The two squares you see here in the foreground are
00:37:36> 00:37:39: 00:37:39> 00:37:41: 00:37:41> 00:37:43: 00:37:43> 00:37:46: 00:37:46> 00:37:50: 00:37:50> 00:37:53: 00:37:53> 00:37:54: 00:37:54> 00:37:57: 00:37:57> 00:38:01: 00:38:01> 00:38:03: 00:38:03> 00:38:06: 00:38:09> 00:38:12: 00:38:14> 00:38:20: 00:38:20> 00:38:22:	we have access to low cost capital that's not the suggested government won't play a role, they'll play an incredibly important role, but it will be structured in a public private partnership where the government brings to bear their special powers, whether it be an eminent domain to get the site or entitlements, or zoning approvals or whatever it might be to plug you into the common infra structure and then the private side to bring in their version of.  Low cost financing their access to capital markets, their ability to execute at low costs, and their ability to create a quality product.  The World Trade Center is a great example of a public private partnership on the infrastructure.  You may recognize this diagram.

00:38:30> 00:38:32:	twin towers previously existed,
00:38:32> 00:38:34:	and Silverstein properties who found themselves.
00:38:34> 00:38:39:	Unfortunately, the owner of this situation after buying the Twin
00:38:39> 00:38:43:	Towers six months before 911 were then challenged with how
00:38:43> 00:38:43:	to rebuild.
00:38:43> 00:38:48:	And particularly, how to build the infrastructure to accommodate what
00:38:48> 00:38:50:	they wanted to build on the site.
00:38:50> 00:38:53:	A lot of what you see in this picture,
00:38:53> 00:38:55:	like the subway lines and such,
00:38:55> 00:38:57:	were built by the government,
00:38:57> 00:39:00:	but all the interconnecting spaces between the stations and into
00:39:00> 00:39:04:	the buildings were all built and integrated into design by
00:39:04> 00:39:05:	Silverstein Properties.
00:39:05> 00:39:09:	This is now probably the best mass transit access project
00:39:09> 00:39:10:	in the country,
00:39:10> 00:39:15:	if not the world because of very thoughtful transportation planning
00:39:15> 00:39:15:	and design.
00:39:15> 00:39:18:	So let's finish up with some fun stuff with urban
00:39:18> 00:39:22:	design principles and how to design and position the project
00:39:22> 00:39:25:	first from an urban design principle we saw in the
00:39:25> 00:39:28:	1980s and 1990s, and most of our major cities,
00:39:28> 00:39:32:	including Hong Kong. What happens when you let developers build
00:39:32> 00:39:32:	the lowest cost?
00:39:32> 00:39:36:	Fully functional urban mixed use project with lots of high
00:39:36> 00:39:36:	rises?
00:39:36> 00:39:39:	They're going to create a Jai normas podium for above
00:39:39> 00:39:40:	ground parking.
00:39:40> 00:39:43:	They're going to put a park on top of it
00:39:43> 00:39:45:	that may or not.
00:39:45> 00:39:48:	Be accessible in the public and then they're going to
00:39:48> 00:39:52:	just stick these towers on top of that podium to
00:39:52> 00:39:53:	finish it off,
00:39:53> 00:39:56:	creating a horrible urban environment where the the scale of
00:39:56> 00:39:59:	the podium itself dwarfs the individual pedestrian,
00:39:59> 00:40:03:	making it a cold and unfriendly environment for people who
00:40:03> 00:40:05:	live in that neighborhood.
00:40:05> 00:40:09:	By contrast, look at an organically developed street in New

00:40:10> 00:40:13:	York with the vibrancy of what happens when you allow
00:40:13> 00:40:17:	things to happen organically at the smaller scale,
00:40:17> 00:40:21:	with narrow streets and shorter storefront buildings in the foreground
00:40:21> 00:40:21:	there.
00:40:21> 00:40:26:	This happened organically, but it can be happened intentionally over
00:40:26> 00:40:29:	over a single project like at the Grand.
00:40:29> 00:40:32:	Here at the grand we are on a full city
00:40:32> 00:40:35:	block with five levels of parking.
00:40:35> 00:40:38:	All the parking below grade the main public Plaza is
00:40:38> 00:40:40:	accessible directly off of Grand Ave.
00:40:40> 00:40:44:	There's a 45 Storey residential tower to the right of
00:40:44> 00:40:45:	this image.
00:40:45> 00:40:48:	A 28 story hotel towers at the left of this
00:40:48> 00:40:51:	image and in the middle is beautiful urban room that
00:40:51> 00:40:55:	Frank Gehry designed where he put this beautiful and I
00:40:55> 00:40:59:	would say kind of quiet in serene olive tree garden.
00:40:59> 00:41:02:	Or you can sit down and relax during the middle
00:41:02> 00:41:03:	of the day.
00:41:03> 00:41:06:	The buildings are set back so you feel the scale
00:41:06> 00:41:08:	that you felt on that last image,
00:41:08> 00:41:11:	but you're still building large towers above it.
00:41:11> 00:41:16:	So let's talk about these internal relationships and I just
00:41:16> 00:41:20:	want to read this slide because it's so important.
00:41:20> 00:41:24:	The positioning of uses to optimize internal relationships must take
00:41:24> 00:41:28:	into account the identity and interconnectivity of the components and
00:41:28> 00:41:32:	any central space around which the components are arranged.
00:41:32> 00:41:36:	That is the fundamental principle by which we work with
00:41:36> 00:41:41:	Frank Geary on this design principles that certainly came from
00:41:41> 00:41:41:	Frank.
00:41:41> 00:41:45:	But also a design mandate that was driven by us
00:41:45> 00:41:47:	as the developer.
00:41:47> 00:41:49:	We also had to lead design.
00:41:49> 00:41:54:	Owners often create the greatest architects and greatest architecture by
00:41:54> 00:41:58:	framing the envelope that the architect needs to work in
00:41:58> 00:42:02:	and then allowing architects like Frank Gehry to create the
00:42:02> 00:42:04:	architecture and these urban spaces.

00:42:04> 00:42:07:	So this is what Frank calls the urban room.
00:42:07> 00:42:10:	It's the center of the project,
00:42:10> 00:42:13:	it's the it's the beehive of activity.
00:42:13> 00:42:17:	It is anchored in the middle by the center bar
00:42:17> 00:42:19:	that you see in this scene.
00:42:19> 00:42:23:	That center bar will have a very large sculpture that
00:42:23> 00:42:27:	will be designed by Frank Luntz was removed from this
00:42:27> 00:42:30:	image so I can show you how this works.
00:42:30> 00:42:33:	This is 3 levels of retail around an intimate urban
00:42:33> 00:42:37:	room that feels scale wise very very human oriented.
00:42:37> 00:42:40:	That centerpiece allows circulation to occur around the outside and
00:42:40> 00:42:43:	then connections to the various components at.
00:42:43> 00:42:46:	Different levels to facilitate both foot traffic in front of
00:42:47> 00:42:49:	the retail as well as convenience.
00:42:49> 00:42:52:	So for example, I'll get to the residential primary lobby
00:42:52> 00:42:54:	entrance here in a minute,
00:42:54> 00:42:57:	but there's also a secondary entry up here on the
00:42:57> 00:42:59:	second and third floor,
00:42:59> 00:43:02:	the retail so that people coming to or going from
00:43:02> 00:43:05:	the residences can go through the retail and walk in
00:43:05> 00:43:07:	front of store fronts.
00:43:07> 00:43:10:	Likewise at the bottom we have our valley drop off
00:43:10> 00:43:14:	underneath the Plaza with an opening and a stair that.
00:43:14> 00:43:17:	Brings you right up into the Plaza so everything is
00:43:17> 00:43:19:	oriented around the center bar.
00:43:19> 00:43:20:	Everything is at appropriate scale.
00:43:20> 00:43:23:	You're connecting all your elements so that the foot traffic
00:43:23> 00:43:26:	is moving around in between it and at the end
00:43:26> 00:43:29:	of this you had this incredible high energy environment with
00:43:29> 00:43:32:	the Walt Disney Concert Hall across the street where we're
00:43:32> 00:43:36:	able to project images of the performances in the Disney
00:43:36> 00:43:36:	Concert Hall.
00:43:36> 00:43:38:	Attract a high level of energy.
00:43:38> 00:43:42:	Become kind of the anchor and they can't see air
00:43:42> 00:43:46:	for the whole music center and Grand Ave complex and
00:43:46> 00:43:49:	be able to create a high energy environment.
00:43:49> 00:43:52:	But you don't want a high energy environment everywhere.
00:43:52> 00:43:55:	Your mixed use project you're going to want to maintain
00:43:55> 00:43:58:	a separate distinctive entrance for every component.
00:43:58> 00:44:00:	In this case, the hotel entry,
00:44:00> 00:44:03:	which is part of the main valley drop off where

00:44:03 --> 00:44:07: Frank designed this incredible almost feels like a lobby that 00:44:07 --> 00:44:09: you're driving into. 00:44:09 --> 00:44:12: Yeah, it's an exterior parking drop off points when you 00:44:12 --> 00:44:14: arrive at the hotel and then on the backside. 00:44:14 --> 00:44:16: That project on the quiet side, 00:44:16 --> 00:44:19: the project, a separate private entrance for the residents. 00:44:19 --> 00:44:22: Think about this when you come home from a long 00:44:22 --> 00:44:22: day of work, 00:44:22 --> 00:44:25: you do not want to enter through that Plaza in a maximum level of entertainment. 00:44:25 --> 00:44:27: 00:44:27 --> 00:44:29: You do not want to be entertained. 00:44:29 --> 00:44:32: You want to relax. So you're going to have a 00:44:32 --> 00:44:35: quiet drop off just past this Plaza on the backside 00:44:35 --> 00:44:38: where you can get out of your car and go 00:44:38 --> 00:44:40: into a quiet lobby setting it up. 00:44:40 --> 00:44:44: Into the tower. So accommodating these private entrances and balancing 00:44:44 --> 00:44:47: between the high energy points and the low energy points 00:44:47 --> 00:44:50: will be critical to establishing your project and the design 00:44:50 --> 00:44:55: that's going to work for the long term. 00:44:55 --> 00:44:57: And that's it. So I'm going to drop my screen 00:44:58 --> 00:45:00: here for a second and let you let us go 00:45:00 --> 00:45:00: to, 00:45:00 --> 00:45:03: uh, I don't know how you wanted the questions when 00:45:03 --> 00:45:06: you guys want to ask me or or queue them 00:45:06 --> 00:45:07: up and I'll pull those debt. 00:45:07 --> 00:45:10: I'll pull the deck back up if it's helpful to 00:45:10 --> 00:45:11: answer any questions. 00:45:11 --> 00:45:12: Yeah, 00:45:12 --> 00:45:14: so uhm, the first question, 00:45:14 --> 00:45:17: Rick. Thank you very much that was that was an 00:45:17 --> 00:45:20: extremely interesting and diverse presentation. 00:45:20 --> 00:45:22: We've got quite a few questions already, so the first one is how does Hudson Yards control 00:45:22 --> 00:45:25: 00:45:25 --> 00:45:28: the end infrastructure project product? 00:45:29 --> 00:45:33: So at Hudson Yards there was a couple key infrastructure 00:45:33 --> 00:45:33: components. 00:45:33 --> 00:45:35: There were the street roads. 00:45:35 --> 00:45:38: The streets and roads right on a very narrow city of New York grid. 00:45:38 --> 00:45:39: 00:45:39 --> 00:45:42: If you know the grid in New York, 00:45:42 --> 00:45:44: these are narrow blocks. They're very long,

00:45:44> 00:45:47:	right? So we had to incorporate how that grid would
00:45:48> 00:45:51:	pass through a project that was going to have very
00:45:51> 00:45:53:	large building elements on it.
00:45:53> 00:45:56:	We controlled the public right of way inside our super
00:45:57> 00:46:00:	block so we would have the flexibility to change from
00:46:00> 00:46:04:	that grid as you go through the project and then
00:46:04> 00:46:06:	till you got to the other side.
00:46:06> 00:46:09:	Secondly there is a subway spur that was never in
00:46:10> 00:46:13:	the planning that was needed to make that site on
00:46:13> 00:46:17:	the West side of Manhattan come available to the subway
00:46:17> 00:46:20:	network. So we negotiated with Metro to bring these.
00:46:20> 00:46:23:	So I think it's the seven line spur.
00:46:23> 00:46:26:	Into the center of our project that would make a
00:46:26> 00:46:30:	direct connection back to both Penn Station and Grand
	Central.
00:46:30> 00:46:31:	3rd, and maybe most importantly,
00:46:31> 00:46:34:	that project was built on top of the old rail
00:46:34> 00:46:38:	yard that was basically a place where Metro and Amtrak
00:46:38> 00:46:39:	could store their trains,
00:46:39> 00:46:43:	primarily Metro. So if you think about how computers come
00:46:43> 00:46:44:	into a city,
00:46:44> 00:46:47:	you got all these people coming into the city.
00:46:47> 00:46:50:	Then they all need to go home at night.
00:46:50> 00:46:54:	Where do those trains go during the day they get
00:46:54> 00:46:58:	parked in these railyards like 25 rails wide and back
00:46:58> 00:46:59:	up to the Hudson River?
00:46:59> 00:47:03:	The approach the project made use of that otherwise underutilized
00:47:03> 00:47:06:	land by building a deck over the top of it.
00:47:06> 00:47:09:	So we designed that deck coordinated the structure.
00:47:09> 00:47:13:	The foundations with Metro and created that Urban park at
00:47:13> 00:47:14:	the grade level to do so.
00:47:14> 00:47:17:	So we were involved in all of that infrastructure.
00:47:17> 00:47:20:	We paid for the cost of that infrastructure and then
00:47:20> 00:47:24:	we allocated it through an equitable allocation method to the
00:47:24> 00:47:24:	patrons.
00:47:26> 00:47:29:	Wow, uhm. OK, next question.
00:47:29> 00:47:32:	Thank you. You mentioned getting the mix right for large
00:47:32> 00:47:34:	scale mixed use developments.
00:47:34> 00:47:36:	Are there some rules of thumb to follow for ratios
00:47:36> 00:47:39:	of mixes and what are some tools or resources to
00:47:39> 00:47:43:	give designers a starting point when imagining initial design possibilities?

00:47:43> 00:47:45:	It's a great question. I'll
00:47:45> 00:47:47:	try to keep it brief,
00:47:47> 00:47:50:	but I could talk for an hour about it.
00:47:50> 00:47:52:	You have to start with the market.
00:47:52> 00:47:56:	OK, you've got to really understand your market and what's
00:47:56> 00:47:58:	missing and what's needed.
00:47:58> 00:47:59:	Once you establish the market,
00:47:59> 00:48:01:	you understand the man irrespective of zoning.
00:48:01> 00:48:05:	Then you'll at least know what you're trying to build
00:48:05> 00:48:06:	toward.
00:48:06> 00:48:11:	Next step, evaluate your zoning what can actually be accomplished?
00:48:11> 00:48:15:	It's, you know, you know it would be irresponsible to
00:48:15> 00:48:18:	assume that you could build a giant high-rise in an
00:48:19> 00:48:22:	area that's been otherwise zoned for shorter building.
00:48:22> 00:48:24:	You might be able to change that,
00:48:24> 00:48:26:	but you're going to have to look at the zoning
00:48:26> 00:48:29:	to see what you could actually put on the site.
00:48:29> 00:48:32:	3rd working with an architect who now has the zoning
00:48:32> 00:48:36:	and your priorities as far as what elements and program
00:48:36> 00:48:37:	you want to build,
00:48:37> 00:48:41:	they'll start to put together the shape of that project
00:48:41> 00:48:44:	and how the pieces would Orient to themselves and where
00:48:44> 00:48:48:	the entrances would go and what you'll find is that
00:48:48> 00:48:51:	there will be physical constraints that are greater than what
00:48:51> 00:48:53:	the constraints were on the zoning.
00:48:53> 00:48:56:	So you're going to have to make some tradeoffs.
00:48:56> 00:48:58:	We did so at the grand,
00:48:58> 00:49:01:	I think. We would prefer to have more retail because
00:49:01> 00:49:04:	we could get more critical mass and cover more merchandising.
00:49:04> 00:49:07:	Terry Martin or merchandising categories at the end of the
00:49:07> 00:49:07:	day,
00:49:07> 00:49:10:	although we plan for 215 thousand square feet of retail,
00:49:10> 00:49:13:	we ended up with about 100 and 64,000 square feet.
00:49:13> 00:49:16:	So it's an iterative process because then you're going to
00:49:16> 00:49:17:	take that design.
00:49:17> 00:49:19:	You're going to go out to your neighborhood and you're
00:49:19> 00:49:21:	going to get their commentary,
00:49:21> 00:49:24:	and they're going to say we want a public park
00:49:24> 00:49:24:	or Plaza.
00:49:24> 00:49:27:	That's going to take up some land area that's going
00:49:27> 00:49:28:	to increase the height.

So it's just like. Any development you go round and
round,
it's just that now you're dealing with multiple elements,
but when you cannot lose sight up is what is
the market asking you to build that has to be
the fundamental starting point.
Now after that it's an art form.
Thank you the next question.
What techniques have you found most successful to obtain cooperation
and buy in from municipal stakeholders?
I think you have to convince the municipal stakeholders how
important this project is going to be to the economic
development of their city government is in the process.
They are in the business of economic development.
That is one of their major mandates.
They need to grow. They need to grow their tax
base so they can build infrastructure they need to accommodate
a growing population.
They need you to be there for them.
So when you can demonstrate to them.
With the market is demanding and then complement that with
things that you believe that the city needs like parks
or subway extensions or roads or any type of community
benefits including. Minimum wage or living wages.
There's a variety of things that the community needs that
you can add on top of that.
So when you have a robust package of community benefits
coupled with the economic generation numbers like I showed you
on the grand and a vision of revitalizing a part
of downtown, you have a compelling argument to where you
can go and ask for things to return.
One of my favorite things in my class at USC,
and with almost. Always shows up on my midterm is
tell me your top five asks as a mixed use
developer and the answers are favored nation status with all
other developers so that you get whatever the best was
that the other guys got right.
Low cost financing in the form of either public subsidy
grants or access to tax exempt bonds,
right and expedited approval or you know green permit or

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00:51:40 --> 00:51:42:
                          OK and then the fifth one.
00:51:42 --> 00:51:46:
                          My I'm failing my midterm now 'cause I can't remember
00:51:46 --> 00:51:46:
                          it.
00:51:46 --> 00:51:48:
                          I'm sure there's something else important,
00:51:48 --> 00:51:50:
                          maybe parking right there parking that you need for the
00:51:50 --> 00:51:50:
                          project,
00:51:50 --> 00:51:52:
                          but at any rate, there you have to know what
00:51:52 --> 00:51:55:
                          you want and you have to go with a compelling
00:51:55 --> 00:51:56:
                          argument for what they need.
00:51:59 --> 00:52:02:
                          The next question is how do you anticipate lower parking
00:52:02 --> 00:52:03:
                          demand in the future?
                          If So what do you do with the unused parking
00:52:03 --> 00:52:06:
00:52:06 --> 00:52:08:
                          within the parking structure?
00:52:09 --> 00:52:13:
                          The first answer is you don't build that much parking
00:52:13 --> 00:52:13:
                          right,
00:52:13 --> 00:52:17:
                          so at the grand when I arrived here in 2017,
00:52:17 --> 00:52:19:
                          we had 1600 parking spaces,
00:52:19 --> 00:52:24:
                          program, actual striped spaces. When I finished it was 800.
00:52:24 --> 00:52:28:
                          It met code, but arguably if you looked at each
00:52:28 --> 00:52:30:
                          of the standalone uses at their peak,
00:52:30 --> 00:52:34:
                          they yeah doesn't work. So you have to anticipate two
00:52:34 --> 00:52:34:
                          things.
00:52:34 --> 00:52:36:
                          One is in mixed, use.
00:52:36 --> 00:52:40:
                          Your parking demand peaks at different times for different
                          components.
00:52:40 --> 00:52:42:
                          Your hotel residents speak in the evening,
00:52:42 --> 00:52:46:
                          office peaks in the morning or in the middle of
00:52:46 --> 00:52:46:
                          the day,
00:52:46 --> 00:52:48:
                          retail peaks on the weekends,
00:52:48 --> 00:52:51:
                          and so when you do a thorough parking analysis,
00:52:51 --> 00:52:54:
                          you find out if you do valet parking or no
00:52:55 --> 00:52:55:
                          exclusive.
00:52:55 --> 00:52:59:
                          Parking you can accommodate a lot of that reduction just
00:52:59 --> 00:53:01:
                          in the diversity.
00:53:01 --> 00:53:03:
                          Now what do you do about the autonomous vehicles,
00:53:03 --> 00:53:07:
                          right? Because they're going to come and drop people off,
00:53:07 --> 00:53:09:
                          and they're going to park themselves outside the city.
00:53:09 --> 00:53:12:
                          So that's parking. Demand is going to go away.
00:53:12 --> 00:53:15:
                          Make sure that your parking floor plates are flat,
00:53:15 --> 00:53:18:
                          that you put a ramp at one location,
00:53:18 --> 00:53:20:
                          either in the middle or a corner.
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green pass entitlements.

00:51:38 --> 00:51:40:

00:53:20> 00:53:22:	Because sloped floor plates don't work.
00:53:22> 00:53:25:	Who knows what those land uses will be in the
00:53:25> 00:53:25:	future?
00:53:25> 00:53:28:	We may need spaces for charging vehicles that we don't
00:53:28> 00:53:30:	even think about today.
00:53:30> 00:53:33:	Indoor hydroponic farms? Of variety of things like that,
00:53:33> 00:53:36:	but if the grand because we were in transition,
00:53:36> 00:53:38:	you know if I was wrong in the parking and
00:53:39> 00:53:42:	we opened and 1600 spaces were needed day one,
00:53:42> 00:53:43:	I would turn people away.
00:53:43> 00:53:45:	That may never come back.
00:53:45> 00:53:48:	So what we did was we knew that there were
00:53:48> 00:53:51:	a lot of office buildings next door that were connected
00:53:51> 00:53:54:	through an underground Rd that we could move cars that
00:53:54> 00:53:57:	were going to be parked there all weekend.
00:53:57> 00:54:00:	Like for the residence or the hotel and move them
00:54:00> 00:54:01:	to the office.
00:54:01> 00:54:05:	Parking over the weekend during our peak in empty spaces
00:54:05> 00:54:09:	and basically shave our peak so there's a variety of
00:54:09> 00:54:10:	ways to do it,
00:54:10> 00:54:12:	but I will tell you this.
00:54:12> 00:54:15:	Throw away the ULI tables on parking.
00:54:15> 00:54:19:	We re evaluated those through statistical analysis today on
	how
00:54:19> 00:54:22:	much people actually drive to restaurants and what's the real
00:54:22> 00:54:23:	demanded hotels.
00:54:23> 00:54:25:	Hotels went from like 50%
00:54:25> 00:54:30:	of the patrons were driving a car to less than
00:54:30> 00:54:30:	25%.
00:54:30> 00:54:32:	There used to be about 885%
00:54:32> 00:54:35:	of restaurant patrons would drive try like 50%
00:54:35> 00:54:38:	today. Those are major demand components that are vanishing overnight.
00:54:38> 00:54:41:	But how you do that in a transition?
00:54:41> 00:54:43:	You'll have to be really clever.
00:54:47> 00:54:49:	And the next question is,
00:54:49> 00:54:53:	before we started developing destination mixed use neighborhoods,
00:54:53> 00:54:55:	areas grew organically and some died organically.
00:54:55> 00:54:59:	A lot of the lifeblood or vibe of the neighborhood
00:54:59> 00:55:02:	comes from the organic growth which you mentioned.
00:55:02> 00:55:06:	Can you share more ideas for purposely designing or
	injecting

0.00.55.09 —> 0.0.55.11: It all starts with zoning, 0.00.55.11 —> 0.0.55.15: so here in LA. The Los Angeles Department of Planning, which is headed by a guy named Vince Bertoni, who is a bit of a legend before having changed downtown Pasadena in the decade that he oversaw land planning.  0.00.55.26 —> 0.0.55.29: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.29 —> 0.0.55.33: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.33 —> 0.0.55.33: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.33 —> 0.0.55.33: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.33: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.33: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.38: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.38: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.34: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.45: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.45: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.45: downtown Pasadena in the decade that he oversaw land planning.  0.00.55.34 —> 0.0.55.35.45: downtown land a very	00:55:06> 00:55:08:	that that into our development?
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00:55:15> 00:55:19:which is headed by a guy named Vince Bertoni,00:55:19> 00:55:22:who is a bit of a legend before having changed00:55:22> 00:55:26:downtown Pasadena in the decade that he oversaw land planning.00:55:26> 00:55:29:He is adopted and a very flexible zoning approach to00:55:33> 00:55:33:the point where he doesn't even require a certain amount00:55:33> 00:55:34:Anticipating these changes that are coming that will allow land00:55:38> 00:55:38:Lun, to adjust based on the demand in the market00:55:44> 00:55:44:Uu, to adjust based on the demand in the market00:55:44> 00:55:45:Uu, to adjust based on the demand in the market00:55:44> 00:55:46:Uu, ti's not everything right?00:55:46> 00:55:46:Uu, ti's not everything right?00:55:40> 00:55:51:So someone has to build some of these components that00:55:51> 00:55:54:may not be necessarily desirable by the market today,00:55:56> 00:56:00:Right, the zoning has to be there to allow it,00:55:00> 00:56:03:and then it just has to happen again.00:56:00> 00:56:03:Downtown LA, which was part of industrial zoning from back00:56:07> 00:56:09:is just now redoing its plan.00:56:13> 00:56:12:All the projects you see that are growing in downtown00:56:16> 00:56:20:so those were built based on the demand at that00:56:20> 00:56:21:but went through this cover some three year devilment process.00:56:22> 00:56:27:Your zoning process has to allow for fast. <tr< th=""><th></th><th>C,</th></tr<>		C,
00:55:19> 00:55:22:         who is a bit of a legend before having changed           00:55:22> 00:55:26:         downtown Pasadena in the decade that he oversaw land planning.           00:55:26> 00:55:29:         He is adopted and a very flexible zoning approach to the point where he doesn't even require a certain amount of parking.           00:55:33> 00:55:34:         the point where he doesn't even require a certain amount of parking.           00:55:38> 00:55:38:         Anticipating these changes that are coming that will allow land use is to,           00:55:38> 00:55:42:         uh, to adjust based on the demand in the market that organic growth is so important,           00:55:44> 00:55:46:         but it's not everything right?           00:55:46> 00:55:48:         Some of it does it?           00:55:54> 00:55:54:         so someone has to build some of these components that may not be necessarily desirable by the market today, so it's a subtle balance.           00:55:54> 00:55:54:         may not be necessarily desirable by the market today, so it's a subtle balance.           00:55:00> 00:56:01:         Right, the zoning has to be there to allow it, and then it just has to happen again.           00:56:00> 00:56:03:         Downtown LA, which was part of industrial zoning from back in the 1960s, is just now redoing its plan.           00:56:07> 00:56:09:         All the projects you see that are growing in downtown           00:56:20> 00:56:12:         All the projects you see th		
00:55:22> 00:55:26:         downtown Pasadena in the decade that he oversaw land planning.           00:55:26> 00:55:29:         He is adopted and a very flexible zoning approach to the point where he doesn't even require a certain amount of parking.           00:55:33> 00:55:34:         Anticipating these changes that are coming that will allow land           00:55:38> 00:55:38:         Anticipating these changes that are coming that will allow land           00:55:38> 00:55:38:         Use is to, use is to, use is to, outside that organic growth is so important,           00:55:42> 00:55:42:         Use is to, use is to, outside that organic growth is so important,           00:55:44> 00:55:45:         but it's not everything right?           00:55:44> 00:55:51:         Someone has to build some of these components that may not be necessarily desirable by the market today, so it's a subtle balance.           00:55:56> 00:55:56:         so it's a subtle balance.           00:55:60> 00:56:00:         Right, the zoning has to be there to allow it, and then it just has to happen again.           00:56:01> 00:56:02:         Downtown LA, which was part of industrial zoning from back in the 1960s, is just now redoing its plan.           00:56:10> 00:56:09:         All the projects you see that are growing in downtown ellee were all individually zoned as special zoning projects, so those were built based on the demand at that time, but went through this cover some three year devilment process.           00:56:20> 00:56:21:         Your		, ,
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00:56:20> 00:56:20:       time,         00:56:20> 00:56:23:       but went through this cover some three year devilment process.         00:56:23> 00:56:27:       Your zoning process has to allow for fast.         00:56:27> 00:56:30:       Effective approvals so developers can move quick and respond to         00:56:31> 00:56:32:       those conditions.         00:56:32> 00:56:35:       The market will tell you what to build.         00:56:35> 00:56:36:       That's organic growth.         00:56:39> 00:56:43:       Thank you, it's busy jotting that down,         00:56:43> 00:56:46:       so that's it's great content,         00:56:50> 00:56:53:       uhm? Is there a minimum project size slash units per         00:56:50> 00:56:53:       acre density to make this scale of mixed use work?         00:56:53> 00:56:57:       In other words, what places in Utah have the capacity	00:56:13> 00:56:16:	ellee were all individually zoned as special zoning projects,
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00:56:27> 00:56:30:       Effective approvals so developers can move quick and respond to         00:56:31> 00:56:32:       those conditions.         00:56:32> 00:56:35:       The market will tell you what to build.         00:56:35> 00:56:36:       That's organic growth.         00:56:39> 00:56:43:       Thank you, it's busy jotting that down,         00:56:43> 00:56:46:       so that's it's great content,         00:56:46> 00:56:49:       uhm? Is there a minimum project size slash units per         00:56:50> 00:56:53:       acre density to make this scale of mixed use work?         00:56:53> 00:56:57:       In other words, what places in Utah have the capacity	00:56:20> 00:56:23:	,
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00:56:57> 00:57:00: to support a project along the lines that you are	00:56:53> 00:56:57:	In other words, what places in Utah have the capacity
	00:56:57> 00:57:00:	to support a project along the lines that you are

00:57:00> 00:57:04: 00:57:04> 00:57:08:	describing? That's a great question and I don't have the academic response for that would encourage anyone on the
	call
00:57:08> 00:57:11:	who has the academic background to answer it.
00:57:11> 00:57:16:	Uhm? I believe in dense environments when you could have
00:57:16> 00:57:20:	a mixed use project that is very low density.
00:57:20> 00:57:24:	Just go to any suburban community with an effective kind
00:57:24> 00:57:28:	of Town Center and you'll see a great example.
00:57:28> 00:57:31:	All you need in your Town Center is single Storey
00:57:31> 00:57:36:	storefronts that attract great retail restaurants and entertainment uses.
00:57:36> 00:57:40:	With some residential up above it to make sure there's
00:57:40> 00:57:45:	enough foot traffic there to keep the sidewalks busy.
00:57:45> 00:57:48:	It really comes down to foot traffic and what you
00:57:48> 00:57:49:	want to desire the best.
00:57:49> 00:57:53:	In my opinion, the best spaces around the country are
00:57:53> 00:57:55:	the ones that have a vibrant feel,
00:57:55> 00:57:57:	which means you gotta have people living there.
00:57:57> 00:58:00:	Residential is going to be key to this.
00:58:00> 00:58:02:	You know you've got to be able to create enough
00:58:02> 00:58:04:	demand or enough supplies,
00:58:04> 00:58:06:	or a residential to accomplish the demand.
00:58:06> 00:58:09:	You need to get that foot traffic going.
00:58:09> 00:58:13:	Office because it's only there during the day and gone
00:58:13> 00:58:14:	at night and weekends.
00:58:14> 00:58:17:	Less important, but you also need to account for the
00:58:17> 00:58:19:	fact that people like walking to work.
00:58:19> 00:58:22:	Now. That's why these urban environments are so popular.
00:58:22> 00:58:25:	It's really again a puzzle you have to solve for
00:58:25> 00:58:26:	about.
00:58:26> 00:58:29:	How do you get people on the ground 24/7 when
00:58:29> 00:58:33:	when Jeff and I were working in Shenzhen on Shanghai?
00:58:33> 00:58:37:	We had Cesar Pelli do this great study of when
00:58:37> 00:58:41:	the peak demand would be for different types of people
00:58:41> 00:58:42:	in the district.
00:58:42> 00:58:44:	Hotel visitors, office workers, residents,
00:58:44> 00:58:48:	shoppers, diners and you could literally see these vertical bars
00:58:48> 00:58:52:	and realize that you needed a combination of all that
00:58:52> 00:58:53:	different parts.
00:58:53> 00:58:56:	Let that daily foot traffic demand.
00:58:56> 00:58:59:	Be the backbone of your design for what you're creating.
00:58:59> 00:59:00:	Start with that.

```
00:59:05 --> 00:59:06:
                          we are up against time,
                          but we have two more questions.
00:59:06 --> 00:59:08:
00:59:08 --> 00:59:10:
                          Do you have time to answer those for us?
00:59:10 --> 00:59:15:
                          OK, thank you so much Haley Jonah finished this one.
00:59:15 --> 00:59:19:
                          Uhm, yes. So the city government of Los Angeles wanted
00:59:19 --> 00:59:21:
                          the project to happen.
00:59:21 --> 00:59:25:
                          What are some of some political risk risks that could
00:59:25 --> 00:59:26:
                          happen?
00:59:26 --> 00:59:29:
                          Should the winds of change shift against such a large
00:59:29 --> 00:59:31:
                          scale development projects?
00:59:32 --> 00:59:35:
                          Uhm, those those political winds shift overnight.
00:59:35 --> 00:59:37:
                          Uhm, we are fully entitled,
00:59:37 --> 00:59:41:
                          fully capitalized, so we are on our way to completion.
00:59:41 --> 00:59:44:
                          But if you were to go back,
00:59:44 --> 00:59:48:
                          you know 10 years prior before we broke ground.
00:59:48 --> 00:59:50:
                          Uhm, we put in place.
00:59:50 --> 00:59:54:
                          I'm sorry, let me go back to 2007 and 2007.
00:59:54 --> 00:59:57:
                          We put in place a development agreement which with the
00:59:58 --> 01:00:00:
                          city which memorialized our zoning.
01:00:00 --> 01:00:06:
                          And it froze. Any changes to regulations that would require
01:00:06 --> 01:00:11:
                          different design requirements or programming?
01:00:11 --> 01:00:15:
                          We froze those in 2007 for 20 years,
01:00:15 --> 01:00:19:
                          so you build that into your protections otherwise.
01:00:19 --> 01:00:22:
                          You could end up with either an anti development regime
01:00:22 --> 01:00:25:
                          or a group that just changes their focus and cause
01:00:25 --> 01:00:28:
                          you to go back to the drawing board.
01:00:28 --> 01:00:30:
                          So get a development agreement in place that the city
01:00:30 --> 01:00:33:
                          is happy with that you're committed to that protects you
01:00:33 --> 01:00:36:
                          from future changes in politics and regulation.
01:00:38 --> 01:00:42:
                          OK, uhm the examples you have shown are all based
01:00:42 --> 01:00:43:
                          in cities with very large,
01:00:43 --> 01:00:46:
                          dense existing populations of millions of people.
01:00:46 --> 01:00:49:
                          How does mixed use work in a market like Salt
01:00:49 --> 01:00:51:
                          Lake City with 300,000 people,
01:00:51 --> 01:00:52:
                          right? So
01:00:52 --> 01:00:55:
                          I'll go back to some of the better town centers.
01:00:55 --> 01:00:58:
                          I'm sure you lie has infinite case studies,
01:00:58 --> 01:01:00:
                          but I would encourage everybody in Salt Lake.
01:01:00 --> 01:01:04:
                          He's doing this for the first time.
01:01:04 --> 01:01:07:
                          Get on a plane after you're vaccinated and fly around
01:01:07 --> 01:01:10:
                          and go visit some of these great town centers that
```

Hey Rick, I'm gonna just jump in really quick 'cause

00:59:02 --> 00:59:05:

01:01:10> 01:01:11:	they published.
01:01:11> 01:01:14:	Uhm, really creative solutions, not huge scale.
01:01:14> 01:01:17:	Just like the scale I just talked about.
01:01:17> 01:01:22:	Single story retail storefronts. Two or three levels of residential
01:01:22> 01:01:25:	on the top and go see what they did to
01:01:25> 01:01:26:	make it work.
01:01:26> 01:01:29:	It has everything to do about the scale,
01:01:29> 01:01:33:	the thoughtfulness, the design and thinking about the pedestrian environment.
01:01:37> 01:01:39:	Thank you and I think that,
01:01:39> 01:01:43:	UM, that is it, Rachel.
01:01:43> 01:01:45:	Yes, thank you also for attending.
01:01:45> 01:01:47:	Thank you right. This was just a wealth of information.
01:01:47> 01:01:50:	We're so grateful for your time and thank you to
01:01:50> 01:01:52:	stack real estate for sponsoring and all of our annual
01:01:53> 01:01:55:	sponsors and we hope to see you guys at some
01:01:55> 01:01:57:	of our upcoming events like our Bike tour.
01:01:57> 01:01:59:	That's going to be our first in person event in
01:01:59> 01:02:00:	quite some time,
01:02:00> 01:02:02:	so we hope to see you all there.
01:02:02> 01:02:04:	Thank you. Have a great day.
01:02:05> 01:02:05:	Thanks everyone.

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