



# Edwards Addition, Monmouth, Oregon

**Project Type**

Mixed-use subdivision

**Description**

Number of single-family homes  
(at full build out): 470

**Site**

88-acre parcel  
Mixed Use (MX) Zone

**Location**

Monmouth, Oregon

**Developer**

Eric Olsen, Olsen Design  
and Development  
(503) 838-1600  
eric@olsencommunities.com

**Architect**

Martha Anderson,  
Olsen Design and Development  
(503) 838-1600  
martha@olsencommunities.com

**Realtor**

Tim Davis, Windermere  
Real Estate  
(503) 559-6439  
timd@windermere.com

**Lender**

West Coast Bank  
Jennifer Butler  
(503) 399-2908



Edwards Addition Development Cost Summary	
Total Project Cost (land only)	\$20,024,000
Lot Prices (range)	\$45,000-\$65,000
Housing Prices (range)	\$120,000-\$500,000
Total Units Built (as of June 2005)	60

# Introduction

In 1998, when Eric Olsen decided to develop the family-owned 88-acre grass seed farm on the outskirts of the small town of Monmouth, Oregon, he had a vision. He recognized the land's value for development and decided to develop it himself in order to assure the quality and integrity of the design. While attending Oregon

State University, Olsen was introduced to the concept of smart growth by one of his professors and knew that he had found a concept that matched his vision. Olsen envisioned a neighborhood with a variety of lot and housing sizes, a pocket park/playground, and a site set aside for a school (which Olsen hopes to

donate to the school district) as well as a mixed-use small scale commercial center. He wanted to develop a place that would foster connections among its residents and leave an enduring legacy on his family's property—one that would stand the test of time and contribute in a positive way to the community.



“People don’t buy ideas, they buy what’s there. I had to show the community what smart development was.”

– Eric Olsen  
Olsen Design & Development

“People have really enjoyed designing their homes and being involved in the design process. That is very typical of traditional developments.”

– Martha Anderson  
Architect  
Olsen Design & Development



# A New Idea

When Olsen initially approached the City of Monmouth with his plan for a high-end residential subdivision that incorporated the basic tenets of smart growth, his ideas were met with skepticism. According to Martha Wiebe, the planner for the City of Monmouth, people didn't have a sense of what smart growth looks like. Elements like alleys and shared driveways were new and different. Neighbors were concerned that the mix of uses would decrease property values, and the idea of mixing housing sizes and types was relatively unheard of in this small (population 7,800) college town. Due to public opposition, the permitting process went slowly; Olsen spent the better part of three years educating citizens and decision-makers about smart growth and the various design elements of Edwards Addition. Today, Edwards Addition is a showcase neighborhood for the community and is a favorite walking place of people from all over the City.

When Olsen began the permitting process, the City did not have a mixed use zoning code; instead he used the City's Planned Unit Development zoning designation to accommodate his vision. Although the City did not allow narrower



streets, it allowed these innovative design features:

- alleys,
- reduced set backs,
- varied lot sizes,
- shared driveways,
- curb extensions,
- recessed garages,
- accessory dwelling units (granny flats), and
- diversification of lot and home sizes.

The result is a residential neighborhood that looks and feels distinctly

different from the other neighborhoods in Monmouth. Tidy rows of craftsman style homes, from small cottages to three story houses, face streets with tree lawns and ample sidewalks. The neighborhood boasts a community garden, playground, and some of the highest property values in Monmouth.

The final master plan calls for a total of 470 units, in a mixture of housing types, including single family detached, town homes and second story apartments above the commercial center, which will eventually house a small café/deli and office space. The plan is for a total of 15 phases; the project is currently in the third phase. Houses range from 700 square feet to over 3,000 square feet, with lots ranging from 2,000 square feet on the interior of the block to 10,000 square feet on the corners. The range of lot and housing sizes allows for a greater mixture of housing prices.

## The Master Plan

- 470 units total, 60 built as of June 2005
- Mix of single family, town homes and apartments and accessory dwelling units
- Includes a 16,000 square foot neighborhood commercial center with café/deli and office space
- 15 total phases- 3 phases completed to date
- Houses range from 700-3,000 square feet
- Lots range from 2,000-10,000 square feet
- Home prices range from \$140,000-\$500,000
- Lot prices range from \$45,000-\$65,000

# Transportation Choices Enhanced by Design Features

Edwards Addition enhances transportation choice by providing walkable streets and compact design. A commercial center, a café or a small store, and a neighborhood school will be within walking distance for most residents.

One distinction between Edwards Addition and more conventional subdivisions is the attention to detail and design; each element is considered both on its own merit and is weighed against the whole. Anderson spent the first year of the project traveling the United States and researching different neighborhoods and housing types. “Architects today are designing a part of the whole, not the whole part...It’s all about designing in context,” Anderson said. That context is the neighborhood as a whole, not just the individual home. This philosophy is reflected in the careful proportion and scale of the development, which feels authentic and balanced.

Olsen Design and Development used time-tested designs and adapted them to the modern family. There are 14 different floor plans for the



homes in Edwards Addition, all wired for cable/internet and able to be modified to meet the needs of the buyer. Most homebuyers have been very involved in the design process and Olsen and Anderson have been surprised by how much their clients have enjoyed participating in the design of their homes. “With most

developers, the client can choose between eggshell white or linen white paint, and that’s the level of decision making power they have. Here every client is involved in the design process if they want to be,” Anderson commented.

While the various design elements of Edwards Addition added cost and time to the project’s completion, Olsen and Anderson considered them essential to bringing their vision to fruition and creating a great place to live. Olsen omitted alleys from the first phase of the development and opted for shared driveways because “people perceived alleyways as places where kids get into mischief.” He went ahead with the alleys in Phase II and “they’ve worked beautifully.” “There were a lot of roadblocks, and if we had been less dedicated to these [smart growth] principles, it would have been really easy to say that we could have done without these things,” Anderson remarked.



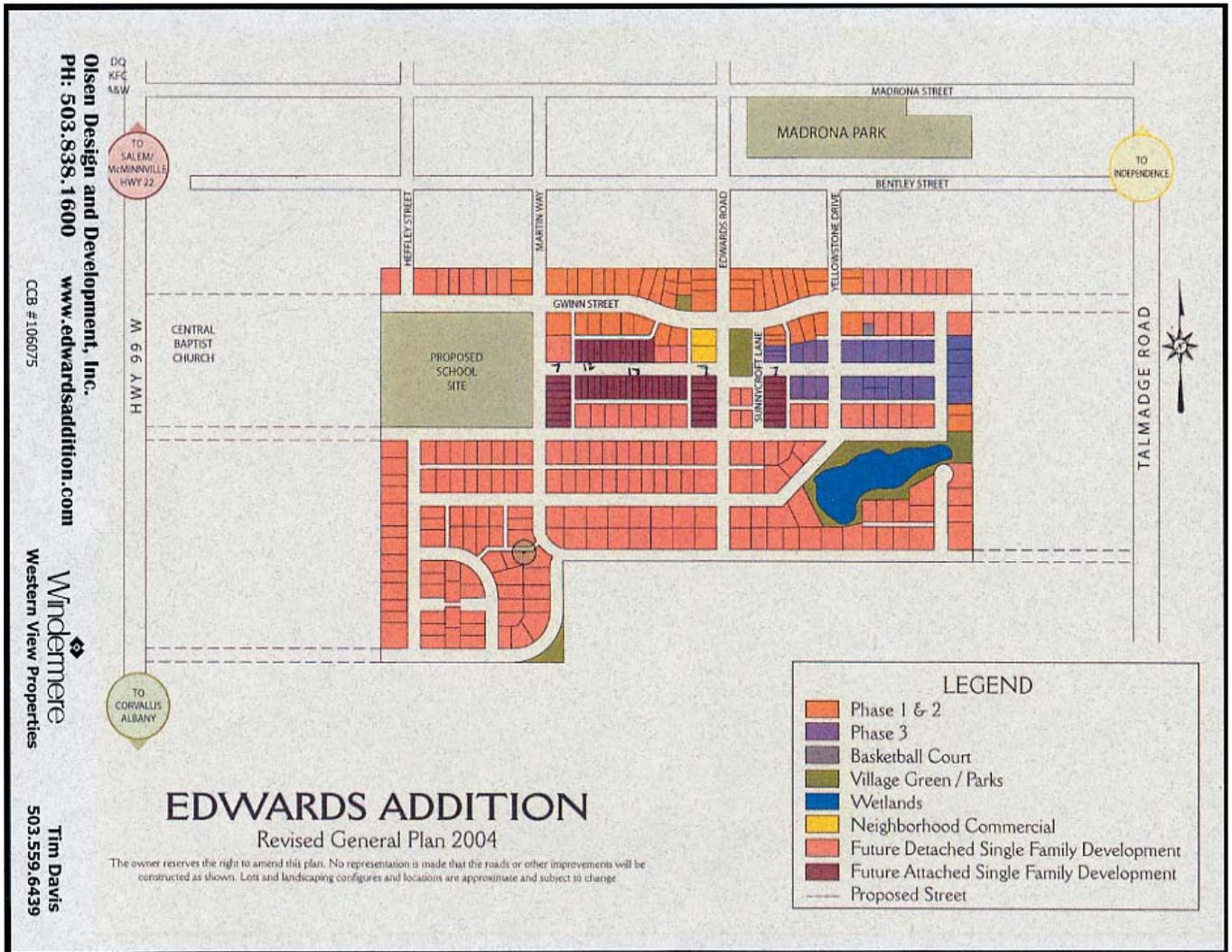
# A Sense of Community

One testimonial to the success of Edwards Addition is the fact that Eric Olsen himself, as well as the Project Manager, Architect and Bookkeeper for the project all live there. Anderson drops her two-year-old daughter off at a neighbor's house enroute to her office and is able to pick her daughter up for lunch on the front porch in the afternoon. "I think we are creating a commu-

nity, or at least putting together the pieces that allow for human interaction and are providing good positive elements that encourage neighborhoods," she said.

Another unique aspect of the project is the integration of residents of all ages and different occupations. Two separate families have purchased homes in Edwards Addition whose

parents have later purchase homes there as well. The residents of Edwards Addition come from a variety of occupational backgrounds; several are employed by Western Oregon University, or are teachers. A police officer, state employee and several retirees also call the neighborhood home.



# Putting the Deal Together

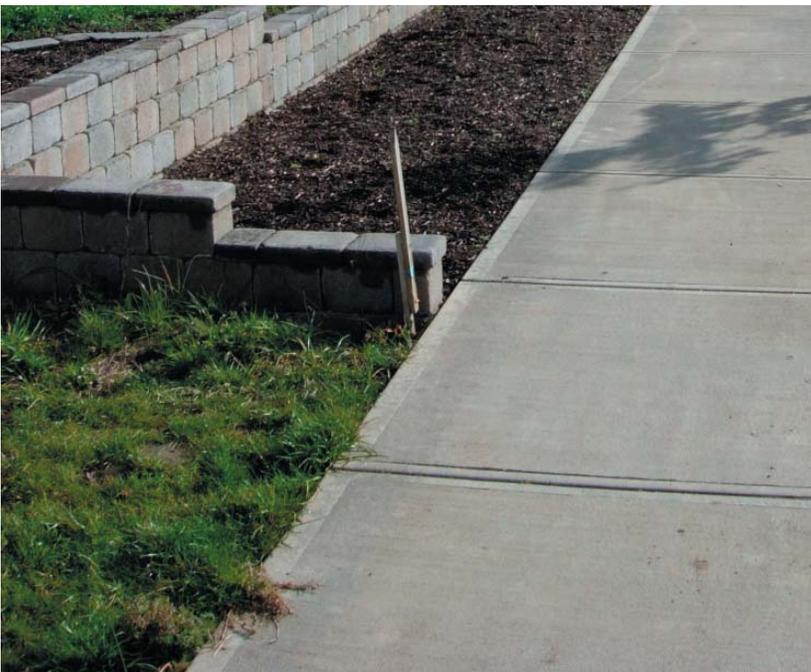
Olsen inherited the land that Edwards Addition is built on, giving him a huge advantage. Had he not owned the land outright, he never would have been able to complete the project. Because he had minimal carrying costs on the land, he was able to take the time to educate the community and elected officials about his vision and work through the permitting process. Furthermore, Olsen was able to secure funding by using the land as collateral.

Financing Edwards Addition proved to be a challenge for Olsen. He approached five different lenders before one agreed to capitalize the project. Most lenders prefer a proven track record, and smart growth projects are often perceived to be riskier financially than more conventional developments. Generally, lenders require a “comparable” (one within 7 miles of the project) development in order to verify market demand and the potential success of a proposal. Nothing like Edwards Addition had ever been built in Monmouth before, so there were no comparables. The lenders that Olsen initially approached used a less than successful conventional subdivision on the other side of Monmouth as the project’s comparable and chose not to fund the project based on the performance of the other “comparables”. Finally, Olsen’s lender agreed to finance 75% of the appraised value of his concept, using the land as collateral, for the first phase of residential homes.



The first two years of the project, Olsen built all of the homes on speculation. Now, 80% of the homes built are sold before they are built. Olsen feels that the smart growth components of Edwards Addition were not a big selling point in the beginning, “People don’t buy ideas, they buy what’s there...Initially, it was the quality and design [of the homes]. Now, people are paying a premium of up to \$30,000 more to live in Edwards Addition.”

While Olsen acknowledges that costs for infrastructure, such as the planter strips, curb extensions, common space and alleys, were higher than for a traditional subdivision, he believes it will pay off in the long term. He projects that the smart growth components, in conjunction with the quality design and neighborhood amenities, will result in a higher return on investment over the life of the project. However, he is quick to point out that, “making money can’t be your primary objective; there are much easier ways to make money. I wanted to build a development that was a great place to live.”



# Smart Development Principles

Edwards Addition is an excellent example of a small town application of the smart development principles.

Through the incorporation of shared driveways, alleys and the location of the development near the downtown area of Monmouth, Edwards Addition *uses land and resources efficiently*.

The project *mixes uses* through the juxtaposition of a neighborhood commercial center, live/work units and housing. Additionally, the variation in lot and housing size as well as the mix of single family, town homes

and apartments is rare in conventional subdivisions and allows for a greater mix of incomes and residents.

Edwards Addition will establish a new center of development through the commercial component of the neighborhood and is *located in a city or area with full urban services*.

The project *encourages transportation choices* through the integration of pedestrian friendly streets, connectivity to adjacent neighborhoods and compact urban form,

allowing neighbors to walk and bike to their destinations.

The neighborhood is creating a unique, livable and welcoming atmosphere, thanks to its use of *detailed, human-scale design* such as front porches and curb extensions.

In all, Edwards Addition does an admirable job of incorporating smart growth principles into a unique neighborhood that is responsive to consumer preferences. The development is a model for the successful and realistic integration of these concepts in a small town context.

Table 1: Comparison of Edwards Addition and Conventional Development

	<u>Edwards Addition</u>	<u>Conventional Subdivision</u>
<b>Entitlement Process</b>	+	-
	4 years with TGM Assistance	1-3 years
<b>Land Acquisition Costs</b>	-	+
	Already owned land valued at \$2.4 million	\$2.4 million
<b>Development Costs</b>	+	-
	Infrastructure costs higher	-
<b>Density</b>	7 dwelling units/acre	7 dwelling units/ acre
<b>Housing (n=41)</b>		
<b>Average Price</b>	\$196,000	\$166,740
<b>Range</b>	\$122,000-\$343,000	\$123,900-\$280,000
<b>Average Price/ Sq.Ft.</b>	\$117	\$104
<b>Absorption</b>	12 homes per year	N/A
<b>Profitability/Return on Investment</b>	+	-
	Over longer period	

Table 1 presents a general comparison of Edwards Addition to a conventional subdivision. This analysis highlights the differences between the two and shows the differences in financing between them. A plus sign indicates an area where there were cost or time increases associated with Edwards Addition compared to the development of a comparable conventional subdivision and a

minus sign indicates less time or cost. As discussed in this case study, the entitlement process for Edwards Addition was much longer than that for a conventional subdivision. Olsen spent a tremendous amount of time educating both the public and elected officials about his vision for Edwards Addition and smart development principles. Despite the fact that smart development costs are

generally higher initially than for conventional developments, due to the additional neighborhood amenities, Olsen anticipates that his profitability will be greater in the long term.

Edwards Addition also has a greater range of housing prices than the comparison sample.

## Lessons Learned

### For more information...

#### ***Oregon Transportation Growth Management (TGM) Program:***

635 Capitol Street, N.E.  
Suite 150  
Salem, OR 97301  
Tel- (503) 373-0050  
[www.oregon.gov/LCD/TGM/index.shtml](http://www.oregon.gov/LCD/TGM/index.shtml)

#### ***Congress for the New Urbanism:***

[www.cnu.org](http://www.cnu.org)

#### ***Urban Land Institute:***

[www.uli.org](http://www.uli.org)

#### ***Smart Growth America:***

[www.smartgrowthamerica.com](http://www.smartgrowthamerica.com)

#### ***Center for Excellence in Sustainable Development:***

[www.sustainable.doe.gov](http://www.sustainable.doe.gov)

#### ***National Neighborhood Coalition:***

[www.neighborhoodcoalition.org](http://www.neighborhoodcoalition.org)

#### ***Local Government Commission:***

[www.lgc.org](http://www.lgc.org)

#### ***Joint Center for Sustainable Communities:***

[www.usmayors.org/uscm/sustainable](http://www.usmayors.org/uscm/sustainable)

#### ***Smart Growth Network:***

[www.smartgrowthonline.org](http://www.smartgrowthonline.org)

- Patience and perseverance are key to the development of a successful project, particularly in the context of smaller communities, because the permitting and entitlement process may take longer than conventional developments.
- Smart development requires a strong commitment on the part of the developer due to the delayed profitability and additional time and energy these projects sometimes require. Many of these projects have a longer pay off time, and while the return on investment may be higher, developers should be prepared for the fact that it often comes later down the road.
- The permitting and approval process can often be much longer than for a conventional development. Cities can assist in implementing these projects by streamlining the entitlement process and putting in place the regulations necessary to accommodate smart growth development.
- Appropriate scale and attention to design are important components of an authentic smart growth neighborhood. Details such as tree lawns, wide sidewalks, recessed garages and curb extensions all contribute to the neighborhood feel of the development.
- Educating the community and local government officials about the benefits of smart developments can help garner support for these types of developments. Taking the time to conduct outreach and involving the public in the decision making process can help alleviate Not-In-My-Backyard (NIMBYism) sentiment.
- Projects such as Edwards Addition can have long-term impacts on the way that communities think about development on a broader scale. The City of Monmouth, in response to Edwards Addition, developed a new mixed-use zoning designation for the City.

