

DPZ creates venture capital fund

With funding from an investor, the architecture and town planning firm Duany Plater-Zyberk (DPZ) & Company has created a \$5-million venture capital fund to plan and permit new urban communities throughout the US. The Fund for New Urbanism seeks to partner with municipalities that are eager to foster new urban development.

The goal is to forge five to ten such partnerships. The fund's resources will be used for acquiring purchase options, planing — done by DPZ — and entitlements. The fully permitted, planned, and coded sites will be sold, according to Demetri Baches, a DPZ Director. The fund aims to yield returns “at least at the industry average for venture capital of 20 to 30 percent over the course of a five-year period,” says Baches.

DPZ hopes to use its reputation as a New Urbanism standard-bearer to partner with municipalities who would like to see this type of development, but have been unsuccessful or disappointed in previous attempts at introducing new urbanism to their communities, he adds. Municipalities are sought that will identify a site where

New Urbanism could or should occur and will cooperate in approvals. The support of public works officials — or the political will to override these officials — is also key. “If we can't get the narrow streets [for walkability], we won't do it,” says DPZ architect Jeff Speck. The focus of the fund's search will be on high growth metropolitan areas with barriers to development.

The long-term goal is to gain the confidence of Wall Street, and then get into more ambitious investments — including greyfields and brownfields redevelopment projects. Baches sees a lot of other design firms that are gaining expertise in New Urbanism — which DPZ and a handful of other firms pioneered. Getting more into development is a way to maintain our competitive edge, he says.

The private investor is not being disclosed as this point, although it will come out in time, says Baches. The investor is a well-known firm that owns land but has not engaged in real state development as a core operation within its business, he says. □