Lafayette development establishes global standard

River Ranch flourishes

From 256 acres of farmland, a new community rose and beat the odds to become a symbol of a city's regrowth.

They said it couldn't be done, or wouldn't be done in their backyards, that its developers were dreamers stuck in a bygone era, that Lafayette wasn't ready or big enough to support it and that the project would ultimately fail.

But 10 years later, River Ranch has become the epitome of "smart growth," a boon to the economy, the envy of major cities across the South. It made celebrities of those behind it, especially the two most vocal, both of whom had knowledge of, but little experience with, the concept.

Attorney Robert Daigle, his partner Rodney Savoy, and architect Steven Oubre gambled that Traditional Neighborhood Developments, which emphasize walkability through mixed-development and high-density land use, could work in a permanent setting and more importantly, that it could work in Lafayette.

As a result, the success that has come from those 256 acres of prime, undeveloped real estate in the heart of the city has left other cities, big and small, both envious and confused as to how it could have happened here.

Today, similar projects are in the works in every major city in Louisiana and all along the Gulf Coast. All are eager to re-create the development's extraordinary economic success. "You can't buy that kind of marketing in an ad," said City-Parish President Joey Durel.

Numbers tell the story - Consider the numbers:
- ☐ 500 single-family, residential homes.
- ☐ 550 townhouses, apartments or condominiums.
- ☐ More than 800,000 square feet of commercial space comprising at least 77 businesses as of August. "To say that the River Ranch project has made a positive contribution to Lafayette Parish would be an understatement," said Conrad Comeaux, Lafayette Parish tax assessor.

That contribution comes from an enviable list of national, regional and local retailers and a limited supply of homes in high demand. The 50 brokered housing transactions this year alone have totaled about $28 million with an average closing sales price of more than $560,000. The development has fueled at least $300 million in construction costs with another $200 million expected in the next three years, when it is expected to be built out. It has become far more successful than anyone would have guessed, including its own developers. And looking back at its beginnings, it's a surprise that it even started.

A rough beginning Steven Oubre had been enamored by TNDs ever since 1984 when he was first introduced to the concept at a summer conference in Harvard. There he listened to Andres Duany, the mastermind behind Seaside, a resort in Destin, Fla., which single-handedly had brought TNDs to the forefront.

In the early '90s, Oubre began scouting out various areas in Lafayette that had all the makings for a TND and narrowed it down to about six, including a place called River Ranch. The property had just come up for sale, following the death of Adam Dugas, but was embroiled in a legal battle with the city over a proposed fivelane highway and a bridge set to run through the middle of it.

The debate ultimately killed a $14 million deal with a Baton Rouge company eager to buy the land for a conventional subdivision. The family hired Robert Daigle, an attorney who specialized in development and construction and a friend of Oubre's, to represent them in a suit against the city. Oubre recalled early conversations with Daigle about using the land for a TND. He asked Daigle to talk it over with his clients. They expressed interest, but the timing still wasn't right.

In 1996, things began to change. The city had just elected Walter Comeaux as its new city-parish president and several new council members. Many had made the Camellia extension and bridge a priority. City officials encouraged the family to continue with its plans to develop the land.

Daigle found a group of interested buyers. Among them was developer Tom Becnel, who envisioned a gated TND, despite that being an oxymoron of sorts. Daigle, too, jumped on board full time, leaving his law on the development. He took an equity interest with an option to purchase additional interest down the road. It was a decision he would later question, because when they announced the project, "all hell broke loose," Daigle said. It was the kind of battle that kills many of these projects, he said.

Early opposition

The main concern came from neighbors along Steiner Road, near the development. They feared that it, along with the Camellia project, would deliver a double blow to their quality of life and their property values. There were weekly meetings with compromises and promises but many still remained skeptical that the developers would live up to the bold plans. Daigle understood. "They had heard horror stories about developers who didn't keep their promises."

The thought at the time was that high-density and smallerthan- normal homes equated to poor design and cheap homes. They also feared that the development would have too many apartments or businesses and that the density would create both a hazard and an eyesore. The idea seemed foolish to some, said Eleanor Bouy, director of the Lafayette Parish Planning and Zoning Commission.

Bouy, who was a cityparish planner then, was an early supporter and attended many of the neighborhood meetings. The question was: Who would want to live in small homes on tiny lots that are crammed close together amid a commercial district full of traffic? "In their defense, it's very hard to imagine such a foreign concept," she said. "They were completely clueless as to what a new Traditional Neighborhood Development was."

Up to that point, the only model had been Seaside and it was a resort and not a permanent community. That was one of Pat Briney's concerns. Briney, a lawyer and longtime Steiner Road resident, led the opposition. He was familiar with TNDs and had often visited the Seaside resort. "I knew it could work," Briney said. "I just wasn't sure it could work in Lafayette."

Durel also had his concerns. His family had purchased land off Steiner Road and planned to build their family home there. But he said he knew going in that the land was there and that it could be developed. He attended many of the meetings and eventually took an unpopular stance in support of the project. His friendship with Daigle developed during this time, he said. Early on, Durel said he saw something more than a money-driven developer. He saw someone who was trying to contribute something massive to the community. "He has gone way beyond the call of duty," he said.

But the opposition did not grow any quieter and the deal began to collapse in summer 1997. Becnel left as did the Moody family, which had a majority stake in the project. Fortunately, Daigle quickly called on Rodney Savoy, a successful CPA who was a friend, a believer and a man with deep pockets, and after a single meeting the deal began to move forward again. Bouy believes that at least part of that had to do with Becnel's departure. She described him as a bull in a china shop. After he left, doors began to open again within city hall, the concept of a gated community was abandoned and a compromise that entailed moving the planned town center to the opposite side of Camellia and away from Steiner Road appeased many.

In September 1997, the first bit of dirt was turned and the project got under way. Finding a residential niche The demand for housing was immediate. During an early meeting at City Club in 1997, the developers sold nearly every lot in the first phase. So they decided to build out four phases at once. Back then, prices still were affordable and initially lived up to both Oubre's and Daigle's goal of creating a mixed-income settlement, one that put teachers and firefighters next to doctors and lawyers. In 1997, a small lot sold for about $6 a square foot withhomes coming in at about $115 per square foot. Today, the same lots sell for about $20 per square foot with a home going for about $220 a square foot.

Daigle still believes they've been successful at achieving a good demographic mix. But Oubre says despite River Ranch being a great thing and a huge success, a less-than-expected demographic mix still is his biggest disappointment. Many of the houses have flipped three or four times at 30 percent of the cost. "So, now what we have is a community that has become gentrified," Oubre said.

Gloria and Daryl Burrow were among the early buyers who came in with modest incomes. A teacher and furniture salesman, the Burrows had lived in a subdivision between Broussard and Youngsville for more than two decades. When their children left home, Daryl convinced her they needed to downsize and saw River Ranch as the perfect place to do it. Here, their 1,800 square foot home is much smaller and everything they need in most cases is just a short walk away. "There are some weekends where we don't leave the neighborhood," she said.

Adding commercial to mix

While Daigle felt confident that the housing would sell, he was less sure about the commercial side. Early on, developers brought in a number of consultants to help gauge the level of commercial interest. They projected the demand for office space at upward of 70,000 square feet and retail space at up to 50,000 square feet. Office space is now at 500,000 square feet while retail space clocks in at 300,000 square feet, he said. A walk through the development turns up national, regional and local retailers consisting of snack shops, restaurants, doctors, dentists, salons, grocery stores, drug stores, lawyer's offices, banks and bars.

Bill Bacqué, CEO of Van Eaton and Romero, was among the early believers. He saw promise in the wide open space surrounding a lonely sales office, which was the first building completed. "We felt very strongly, even when there was nothing but tractors and dust, we felt that River Ranch was going to be a significant player and we wanted to be a part of that." So far this year, Van Eaton and Romero has accounted for about 70 percent of all of the brokered sales in River Ranch.

That will only continue as River Ranch continues to grow while Camellia continues to expand, Bacqué said. "We believe this move is going to be very, very positive," he said. Even Briney, who today rides his bike and walks through River Ranch, had to admit that the development lived beyond expectations. It actually has increased surrounding property values, substantially in some cases. He still is glad he voiced his concerns. He points to the five-story hotel that recently went up across from River Ranch on Kaliste Saloom Road as proof of what happens when residents don't voice their concerns. "That was our great fear," he said.