
Funding for TOD

October 29, 2008

Panel Members

- Moderator: Cheri Bush, Wilbur Smith Associates, Dallas TX
- Megan Gibb, Metro, Portland OR
- Doug Johnson, MTC, Oakland CA
- Paul Marx, Sacramento Regional Transit District, Sacramento CA
- Jack Wierzenski, DART, Dallas TX

TRANSIT ORIENTED DEVELOPMENT



IN THE PORTLAND METRO REGION



Presented by: Megan Gibb

A History of Bucking Convention

- 1973 Oregon Land Use Laws –enables Urban Growth Boundary
- 1976 Mt. Hood Freeway – canceled highway project and built first light rail line with the \$
- 1979 Metro Council elected (first in nation)
- Legacy of public/private partnerships – civic minded developers in partnership with government to create a desirable community



TOD Program Strategies



- **Create market comparables** for higher density buildings near transit and centers
- **Develop developers** with expertise in higher-density mixed-use buildings in suburban settings
- **Increase acceptance of urban style buildings** through high quality design
- **Carry out place making** and contribute to local identity

Transit-Oriented Development

Public Investments to Help Offset Added Costs of Mixed Use Higher Density Projects



- TOD Easements and land write-downs
- Funding to offset “cost premiums”
- Capitalized value of increased transit ridership used as threshold test of investment
- Providing educational services as well as funds

Who Said We Could Do This?



Legislation Codified under Section 49 USC 5309 (a)(5) and (f); and 5309(a)(7).

FTA concluded that: A development project ***IS*** a transportation project if it is ***physically or functionally connected*** to transit and ***enhances*** the transportation system.

- Took three years to get approval, starting in 1995, first (only?) program in the country to use transportation funds for TOD Projects
- Since 1998 have not operated a direct FTA program

How Are We Funded?

- Grant program – have to apply every other year, MTIP funds
- Regional flexible transportation funds are “switched” with local funds – if FTA would not be able to do our program
- Currently about \$2.5 million a year for capital expenditures and program staff (5)
- Grossly underfunded



How Does it Work?

1. Cost Premium Analysis (project must have cost premiums)
2. Capitalized Farebox Revenue (must have delta, daily transit fare x 30 years = capitalized farebox revenue – enhances overall system effectiveness by bringing users to the system) TOD Steering Committee
3. 7 day notice to Metro Council (de-politicizes funding decisions)
4. Development Agreement
 - Preconstruction performance prior to transfer of deed or release of funds
 - Approval of preliminary plans
 - Approval of construction drawings
 - Proof of permit
 - Construction bid
 - Proof of equity capital and mortgage financing (you have a project!)

Example Projects

North Main Village – City of Milwaukie



4 stories
64 workforce rentals
33 condominiums, townhomes
8,000 ft² ground floor retail
TOD Funding: \$550,000



Example Projects

The Rocket – Central City Portland



4 stories

16,037 ft² Mixed Use Commercial

Restaurants & creative office

LEED Platinum

No Parking

TOD Funding: \$275,000



Challenges

- Empty retail
- Construction costs
- Market dynamics
- Local/regional conflicts
- Funding



Program Results to Date



2,950 Housing Units

(Including 989 Affordable
Units and 344 Senior)

**3,541 Induced Transit
Riders Per Day**



438,436 sq. ft. Retail



783,737 sq. ft. Office

Program Results to Date



**Relieves Pressure on the
Urban Growth Boundary
Preserving Valuable Farmland**

**-TOD Projects have
consumed 80 acres**

**-Conventional development
would have consumed 504
acres**

-424 Acres Saved

Key Messages

- Compact, transit-oriented urban form will not happen on its own in many communities
- Need to be creative
- Engage the private sector



- Incentives are needed to facilitate TOD projects and leverage transit investments

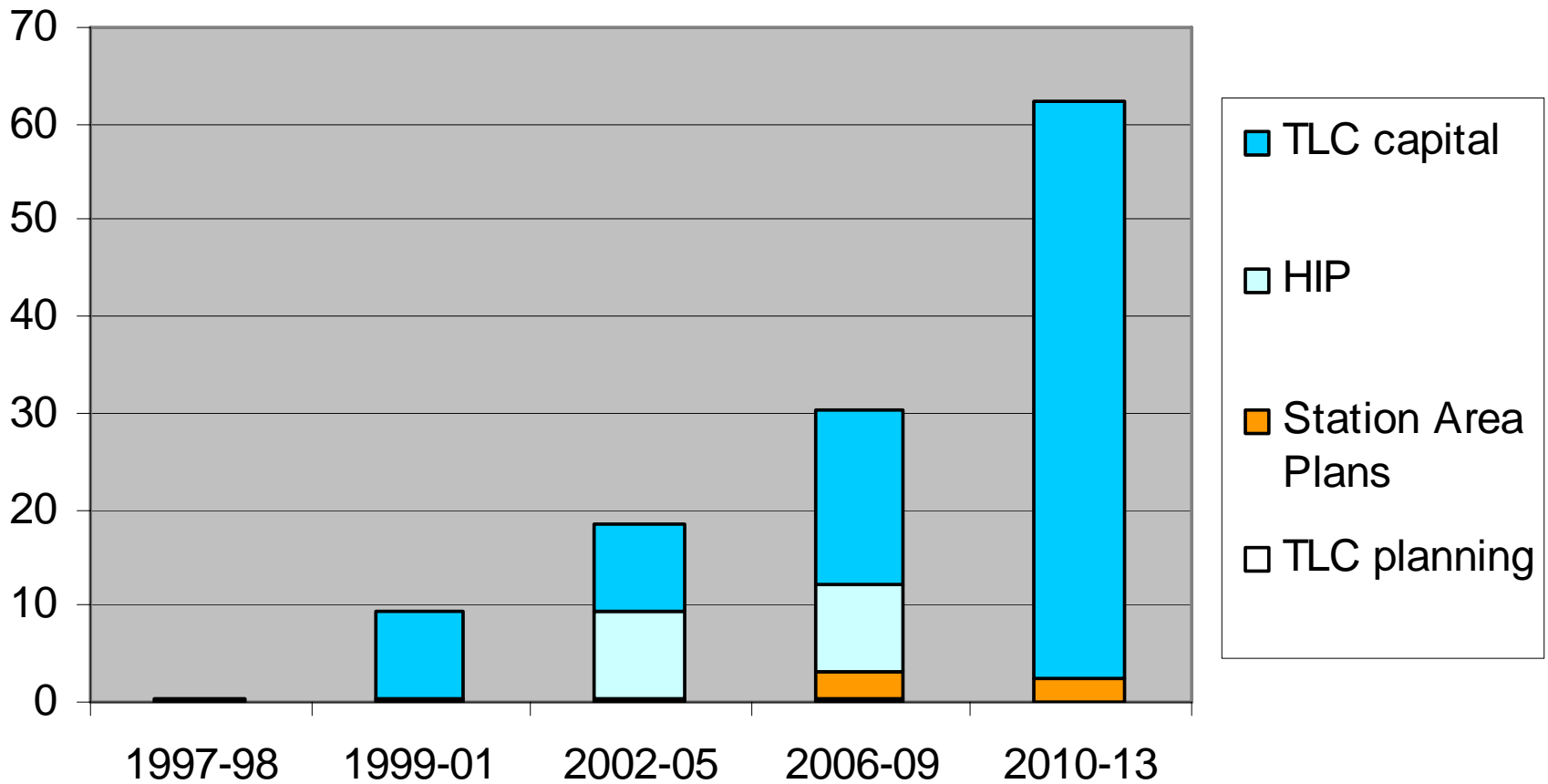
Doug Johnson

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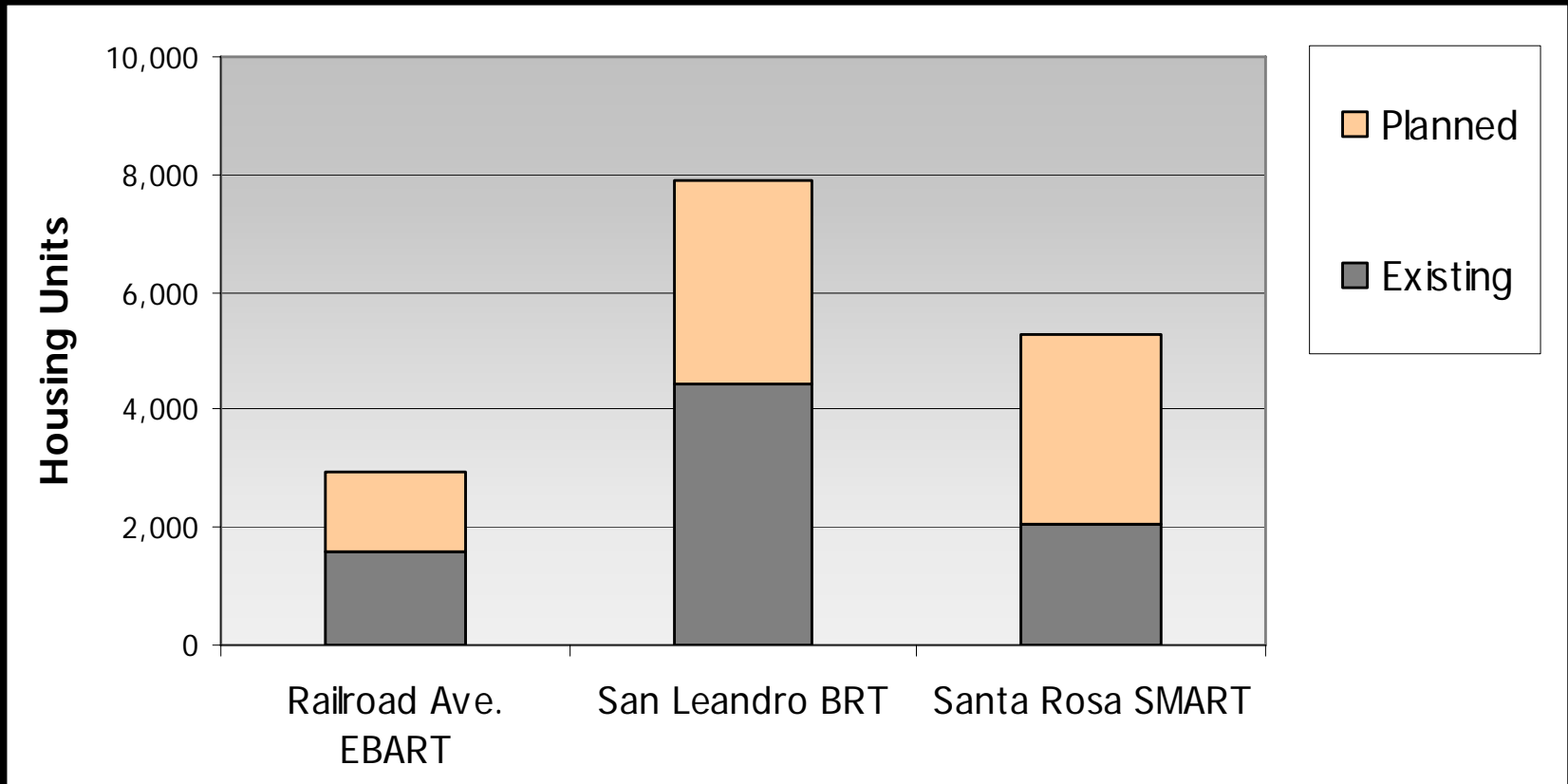
djohnson@mtc.ca.gov

Evolution of Smart Growth Funding



Station Area Planning Grants

Up to \$750,000 in STP funds for local land use plans
Locally driven, regionally supported



Richmond Intermodal Station

**Intermodal
station for
BART, Capitol
Corridor rail,
AC Transit and
Golden Gate
Transit**

**HIP Grant:
\$1,100,000**

**TLC Grant:
\$1,580,000**



TLC Program Evaluation: 10 Years

- 78% report increased pedestrian volumes
 - 59% report increased bicycling
 - 46% report increased transit usage
- TLC funds leveraged over \$200 million in local match
- 57% reported new or re-development in the project area
- 97% say their TLC project enhanced their community's sense of place and quality of life

What's Next: TLC 2.0 may include

- Infrastructure upgrades
 - Street, sewers, water, etc.
- TOD easements for minimum densities
- Land assembly / banking
- TOD parking
- Affordability and accessibility improvements

Issues With Funding TOD

Paul Marx

Sacramento Regional Transit District

Internal

- Operational perspective
- No “home” for the activity
- RT does not control land use
- Lack of funding
 - (Capital Projects get more attention)

External

- Sacramento's sprawl pattern
 - Newest growth areas – Elk Grove, Natomas
- Split development market
 - Traditional single-use vs. Sustainable
 - Infill vs. Greenfield
- Finance
- Market Coincidence
- FTA Joint Development

RT's Transit for Livable Communities

Folsom Line

Economic Profiles

[65th Street Station](#) — **PDF 38kb**
[Butterfield Station](#) — **PDF 65kb**
[Cordova Town Center Station](#) —
PDF 32kb
[Hazel Station](#) — **PDF 35kb**
[Horn Station](#) — **PDF 35kb**
[Mather Field Station](#) — **PDF**
35kb
[Sunrise Station](#) — **PDF 35kb**
[Watt / Manlove Station](#) — **PDF**
35kb
[Zinfandel Station](#) — **PDF 35kb**

Land Use Plans

[Butterfield](#) — **PDF 1.17mb**
[Hazel](#) — **PDF 1.18mb**
[Horn](#) — **PDF 852kb**
[Mather Field / Mills](#) —
PDF 1.22mb
[Sunrise](#) — **PDF 1.01mb**
[Watt / Manlove](#) — **PDF**
1.13mb

Conceptual

Development
Plans
[Mather Field /](#)
[Mills](#) — **PDF**
171kb

Jack Wierzenski

Director, Economic Development
& Planning

Dallas Area Rapid Transit

Audience Participation!

- Ask Questions
- Share YOUR successes or lessons learned

