

Financing TOD In A Down Market

A Owner's Rep Perspective

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Dan Cohen - Quick Bio

- Educated as an urban planner - M.C.P. from MIT
- Planning consultant for a decade in San Francisco
- TOD Developer for 6 years with Fortune 500 REIT
- Civic: Planning Comsn., Urban Renewal Auth., ULI-CO TOD Chair
- UIG:
 - TOD advising & owner's rep (current client: Denver RTD)
 - Entitlements, land brokering, and project management

Is TOD In Fact More Difficult to Finance?

... there's never an easy answer, of course

Arguments for:

- deal complexity
- doesn't fit typical lender "box"
- equity still needs education

Arguments against:

- transit investments
- sustainability
- demographics



Some Non-Traditional Finance Mechanisms

... a smattering of examples include:

DOLLARS

- Development fee waivers
- Grants (regional, state, and federal)
- Re-purposing transit allocations

STRUCTURAL

- Urban renewal districts
- Land acquisition assistance/PPP
- In-lieu infrastructure

DOLLARS

- Development fee waivers
- Grants (regional, state, and federal)
- Re-purposing transit allocations



LAND USE

- Entitlement process
- Density bonuses

secret sauce:

**setting
market-realistic
project vision &
expectations**

Case-In-Point: Denver RTD Arvada Project

- The PPP
- The project
- The preparation
- The procurement



• Evaluated financial capabilities of...



- **Evaluated financial capability of each development team**
- **Got developer feedback on feasibility of PPP vision**
- **Got developer insight on deal structure/financing tools**
- **Currently working on deal with selected developer**

Key Take-Aways

1. All TODs are not created equal
2. More goodies = steeper financing challenges
3. Think of financing more broadly than just capital

Thank You!

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