

FINANCING TOD

Reality Show: the Real Issues
and Challenges of TOD

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October 23, 2012











STRATEGICECONOMICS

RAIL-VOLUTION 2013



TOD Development Contexts

<p>Existing Downtown/Urban Business District</p>	<p>Major Suburban Employment Area</p>	<p>Legacy Industrial Area</p>	<p>Mixed Use Neighborhood/ Main Street</p>
 <p><i>Downtown Boston Boston, Massachusetts</i></p>	 <p><i>Tyson's Corner, Virginia</i></p>	 <p><i>Arts District Los Angeles, California</i></p>	 <p><i>Lincoln Square Chicago, IL</i></p>
<p>Auto-Oriented Commercial Corridor</p>	<p>Industrial/ Distribution Area</p>	<p>Low Density Residential Neighborhood</p>	<p>Major Greenfield/ Infill Site</p>
 <p><i>University Avenue Twin Cities, Minnesota</i></p>	 <p><i>South Boulevard Charlotte, North Carolina</i></p>	 <p><i>Bethel Park, Pennsylvania</i></p>	 <p><i>NUMMI Plant Fremont, California</i></p>

Financing Approach Depends on Market Conditions

Financing Strategy in Strong Market Locations
(Value Capture):



Financing Strategy in Cooler Market Locations
(Investments that Enable Development):



Keys to Financing TOD

- Being realistic about the market
- Looking beyond individual projects – to leverage value and to achieve the vision
- Start with the needs, not the tools
- Identification of early funding sources that can leverage other investment

Hot Topics in TOD Finance

1. TIFIA
2. District-based value capture tools for TOD
3. Density bonus programs for community benefits

Transportation Infrastructure Finance and Innovation Act (TIFIA) Program

- Provides secured loans, loan guarantees or standby lines of credit for eligible transportation projects
- MAP-21 expanded program funding and made it easier to use for transit projects
- \$50 M minimum project cost
- Requires a dedicated revenue source
- Loan can be to public or private entity as part of a P3
- DOT expects to extend \$17 B in credit assistance under Map-21 over the next two years



Transbay Terminal,
San Francisco

District-Based Value Capture Tools for Transit and TOD

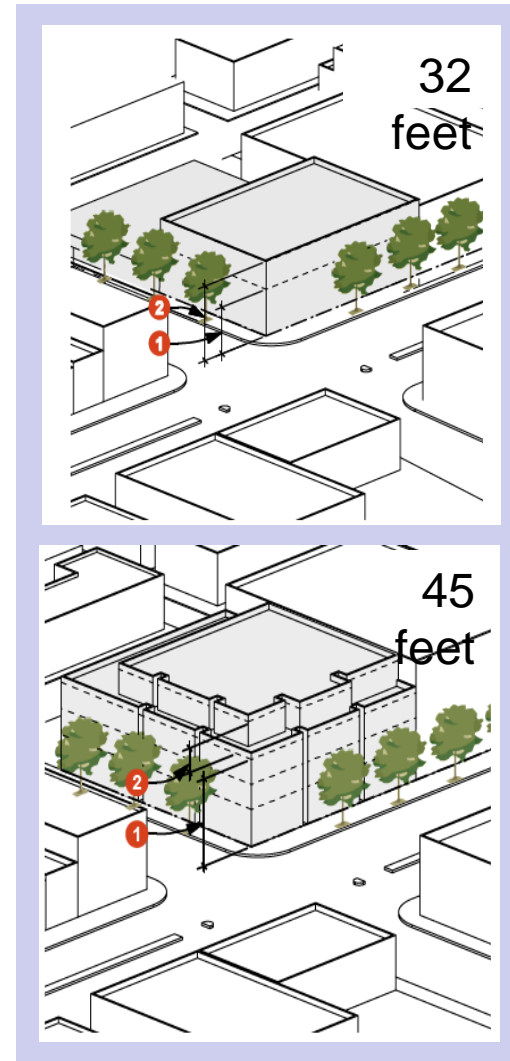
Examples:

- Dallas TOD TIF District
- PA Transit Revitalization Investment Districts (TRID)
- CA Benefit Assessment Districts for Transit (SB 142)



Density Bonus Programs for Community Benefits

- aka Incentive Zoning, Development Incentive Programs
- Allow developers to build additional density over a base amount in return for community benefits
 - Can be a contribution to a fund or built as a part of a development project
 - Can be defined in advance or negotiated for individual projects
- Distinct from developer fees because they are voluntary
- Examples: San Diego, Portland, Seattle, Salt Lake City





Thank You!

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