Breaking through the Barriers

- Making the public policy case
- Getting the Money
- Increasing Developer Certainty/ Reducing Risk
- Problem Solving Enroute
- Evangelizing
<table>
<thead>
<tr>
<th>Area</th>
<th>Transit Modal Share</th>
<th>Non-auto Modal Share</th>
<th>VMT per Capita</th>
<th>Auto Ownership per Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed Use/ Good Transit</td>
<td>11.5 %</td>
<td>41.9 %</td>
<td>9.80</td>
<td>0.93</td>
</tr>
<tr>
<td>Remainder of Region</td>
<td>1.2%</td>
<td>12.7%</td>
<td>21.79</td>
<td>1.93</td>
</tr>
<tr>
<td>Difference</td>
<td>942%</td>
<td>230%</td>
<td>45%</td>
<td>48%</td>
</tr>
</tbody>
</table>
Showing Early Results

Metro/University of Oregon Transit Ridership Survey

This slide illustrates the origin and destination of MAX riders in one six-hour time block. The building with all the dots was a project of Metro's TOD Program.
Market based rents are driven by many factors including the laws of supply vs. demand, government actions and infrastructure, geographic constraints, and retail exposure.

Land values are highly related to the net present value of rents.

Until land values surpass the costs associated with vertical construction, developers capture rents by building single-use low-rise buildings. When land values (supported by high potential rents) overtake the cost of vertical construction, developers build “up, not out.”

Thus, rent generated land values (as opposed to speculation based values) can be used to indicate the “threshold of urban development”.

**FIGURE 9–7** Land Bid Rent in Beltway City

This graph illustrates that people are willing to pay high rents to live or work in the central city. It also shows that proximity to transportation infrastructure (in this case, a freeway ring-road), generates rent premiums.

Studies indicate that proximity to transit also generates rent premiums.

In areas dominated by suburban land economics however, are these transit proximity premiums enough to push developers across the threshold of urban development?
When potential rents pushed this location across the Threshold of Urban Development, one-story strip commercial buildings were razed and replaced by this transit supportive mixed-use project.
3 of 4: In the Portland region, when rents support land values in the range of $15 to $40 per square foot or more, developers have a financial motivation to build vertically at transit supportive densities.
Land values throughout most of the region, however, indicate that the threshold of urban development has not moved much beyond the central city. Thus, public-private partnerships like Metro’s TOD Program are necessary to jumpstart transit supportive development patterns.
Cost per Induced Transit Rider: Various Transportation Investments

Major Transportation Investment Analysis (MTIA) for the St. Louis Cross-County Corridor

10 strategies, reduction in person hour of delay ranged from .3-13.3 (daily in thousands)

Chart at right shows two strategies:

Transit emphasis (12.6 delay reduction) consisting of LRT extension, interstate lane additions & interchange reconstruction.

Highway emphasis (12.8 delay reduction) consisting of interstate lane additions, HOV lane designations, interchange reconstruction, and minimal LRT extension.

So what? This is one of the only studies that relates freeway construction, LRT extension, and cost per induced rider.
Breaking through the Barriers

- Getting the Money
Joint Development Enabling Legislation

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

FTA Joint Development Policy & Threshold Criteria Published in Federal Register, March 14, 1997.

A development project IS a transportation project if it is physically or functionally connected to transit and enhances the transportation system.
Sources of Gap Funding

1. Developer equity
2. Investor equity
3. Construction loan
4. Tax exempt bonds
5. Tax credit equity
6. State Community Incentive Fund Loan
7. Metro TOD/Centers Program funding
8. City land contribution (purchased with CIF loan)
9. State weatherization funding
10. City funding for certain improvements
Breaking through the Barriers

- Increasing Developer Certainty/ Reducing Risk
Site Control & Entitlements In Place
Performance Based Development Agreements

1. Land In Public Or Private Ownership
   - Program Evaluates & Commits to Purchase (value established by market appraisal)
   - Public-Private Partnership Designs Feasible Project
   - Land Value Write-down Occurs (amount established by highest & best transit use appraisal)
   - Land Sold to Private Developer with TOD Conditions (enforced through development agreement)
   - Developer Builds Project
   - Land Sale Proceeds Return to Program for Use on Another Project
Reduce unnecessary competition

- System wide RFP
- Unsolicited Proposals
Breaking through the Barriers

- Solving Problems Enroute
Problem Solving: Creation of TOD Easement
Applied to City for code change to allow flexibility regarding balcony area
TriMet IGA increases Program flexibility

Main Street Phase II Opportunity Site
Harrison St. and Main St. Mixed-use Project, Milwaukie, OR
Breaking through the Barriers

- Evangelizing
Political Leadership is Key

Developers and consultants agree that Beaverton needs to focus on land assembly to facilitate project implementation.

Beaverton and Metro councils held a joint meeting to discuss opportunities and constraints in the Beaverton Regional Center.
So are informed planners, developers, and citizens.

2005 Events

Walking tours
On-site case studies
Networking events

March 31 Gresham Regional Center
May 5/6 ODDA conference
June 2 Lake Oswego Town Center
July 26 Beaverton Regional Center
September 15 Vancouver Regional Center
October 27 Hollywood Town Center