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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Evolution of Smart Growth Funding


- TLC capital
- HIP
- Station Area Plans
- TLC planning
Station Area Planning Grants

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

- Railroad Ave.
- EBART
- San Leandro BRT
- Santa Rosa SMART

Housing Units

- Planned
- Existing
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