Local Tools for Financing TOD and Transit:
Transit Benefit Assessment Districts

presented to
Rail~Volution Conference 2016

presented by
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| Public Investments | • Tax Increment Financing  
|                   | • Bond Measures  
|                   | • Sales Tax Measures  
| Development Incentives & Requirements | • Density Bonus Overlays  
|                   | • Transit Benefit Covenants  
|                   | • Development Agreements  
|                   | • Transit Impact Fees  
| Private Property Participation | • Community Facilities Districts  
|                   | • Transit Benefit Assessment Districts  

*I am presenting preliminary findings from ongoing TBAD feasibility study for BART*
Transit Benefit Assessment Districts (TBAD)

- Authorized by SB 142 in 2013 to allow transit agencies to form assessment districts
  - Property owners agree to assessment above current taxes and special charges
  - Can pay for “eligible transit projects”
  - Limited to ½-mile radius from stations
  - Sunsets in 2021 but TBADs formed will remain

- Subject to Improvements Act of 1911 and Proposition 218 / Article 13D of CA Constitution
  - Show “special benefit” rather than “general benefit”
  - Subject to “protest vote” of affected property owners
<table>
<thead>
<tr>
<th>Likely</th>
<th>Possible</th>
<th>Not Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pedestrian bridges and paths</td>
<td>• New stations</td>
<td>• Bike improvements</td>
</tr>
<tr>
<td>• Lighting and landscaping</td>
<td>• Intermodal improvements</td>
<td>• State of Good Repair</td>
</tr>
<tr>
<td>• Noise mitigation</td>
<td>• Station capacity upgrades</td>
<td>• Structured parking</td>
</tr>
<tr>
<td>• Transportation Demand Management</td>
<td>• Enhanced maintenance</td>
<td></td>
</tr>
</tbody>
</table>

Source: Strategic Economics; Willdan
• Property owners may perceive value gains from enhanced transit service/access
  • BUT assessment levels and “special benefits” cannot be linked directly to assessed value or property value creation

• Feasibility limits on potential assessment
  • Willingness-to-pay will vary by property owner/type
  • Target: Total Cost Burden < 1.75% of Assessed Value, but complicated by Prop 13
San Leandro TBAD

Projects:

• $4.9M of streetscape and pedestrian improvements in station area and on BART property

• Scrubbed of items deemed “general benefit”
  • Bike paths, station art, etc.

Source: Page/BMS
Special Benefits: Aesthetics and public safety

Special vs. General Benefit: 50/50 based on median walking distance to BART

<table>
<thead>
<tr>
<th>Category of Improvements</th>
<th>Total Value of Eligible Improvements</th>
<th>Special Benefit Proportion</th>
<th>Special Benefit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Site BART Station Improvements</td>
<td>$274,248</td>
<td>50%</td>
<td>$137,124</td>
</tr>
<tr>
<td>Other Station Area Improvements</td>
<td>$4,635,420</td>
<td>50%</td>
<td>$2,317,710</td>
</tr>
<tr>
<td>Total</td>
<td>$4,909,668</td>
<td>50%</td>
<td>$2,454,834</td>
</tr>
</tbody>
</table>
## Allocation Process within TBAD:

1) **Proximity to improvements**
2) **Relative usage based on trip generation**

<table>
<thead>
<tr>
<th>Zone</th>
<th>Description</th>
<th>Allocation of Total Special Benefit</th>
<th>Amount of Special Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Properties that physically abut the envisioned improvements</td>
<td>60%</td>
<td>$1,472,900</td>
</tr>
<tr>
<td>2</td>
<td>Properties on blocks receiving improvements, but not directly abutting those improvements</td>
<td>30%</td>
<td>$736,450</td>
</tr>
<tr>
<td>3</td>
<td>Properties elsewhere in the half-mile TBAD radius</td>
<td>10%</td>
<td>$245,483</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
<td>$2,454,834</td>
</tr>
</tbody>
</table>
Results: Believed to be feasible even at maximum levels

<table>
<thead>
<tr>
<th>Zone</th>
<th>San Leandro TBAD Assessment Levels, Annual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single-Family Residential (per lot)</td>
</tr>
<tr>
<td>1</td>
<td>$57</td>
</tr>
<tr>
<td>2</td>
<td>$27</td>
</tr>
<tr>
<td>3</td>
<td>$6</td>
</tr>
</tbody>
</table>

Major Need: Funding for other “general benefit” portions
Walnut Creek TBAD

Project: TDM program
~$335,000/year

Special Benefits: Services/subsidies for tenants of participating properties

Special vs. General Benefit: Almost all “special” but TBD based on more advanced planning of shuttle service route

Allocation Process within TBAD: Pro rata based on SF of commercial properties over 50,000 SF

Results: Believed to be feasible at $0.14 per building SF
Project: Pedestrian bridge maintenance ~$56,000/year

Special vs. General Benefits: Hard to say with current data

- Pedestrians vs. kiss-and-ride, etc.
- Best-served sites are not yet developed

Results: Too small to be worth setting up TBAD

Source: City of Fremont; Perkins + Will
**San Francisco TBAD?**

**Project:** Capacity improvements at Embarcadero and Montgomery stations

**Special vs. General Benefits:** Very high % of BART riders from properties within ½-mile

**Allocation Method:** Based on building square footage and occupancy density

**Results:** TBD

*Source: BART*
TBAD Conclusions and Next Steps

Conclusions:
• TBADs are promising but require voter approval and careful vetting
• Other mechanisms may be better in many cases
• Nice that transit agencies have this tool, though!

Next Steps for & after completing TBAD feasibility study:
• Legal review
• Outreach to cities and property owners
• Formal Engineers Report(s)
• BART Board action and voting process
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