



TRANSIT ORIENTED DEVELOPMENT

# TOD Lessons Learned

Results of FTA's Listening Sessions With Developers, Bankers, and Transit Agencies on Transit Oriented Development



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With Thanks To:  
Portland, Oregon  
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# TOD and the American Dream

In the popular imagination, the American Dream brings visions of a suburban home with a big back yard and a car in the garage to carry “Dad” into and out of the city for his job each day. This image recalls the postwar baby boom that went hand in hand with the suburban boom. In 1954, an estimated 9 million people had moved to the suburbs since the end of World War II, lured by affordable, massproduced, single-family homes on the peripheries of cities.

But, if demography is destiny, the prospects look bright for a new, twenty-first century version of the American Dream — one shaped by transit, the development it attracts, and a growing appetite for affordable housing in urban areas. Population groups that covet housing very close to transit are precisely the populations that will grow exponentially in the next decades. They include older Americans who will comprise 35 percent of our population by 2025; immigrant families who will account for almost one-third of population growth in the next two decades; and the nearly 70 percent of households without children. The Twin Cities (Minneapolis and St. Paul) alone are on pace to add 930,000 residents in the next 25 years, and many of the new residents will seek out housing near transit. Between them, the cities of Minneapolis/St. Paul, Portland, Oregon, Phoenix, and Charlotte could add over 445,000 households in transit zones by 2025.

Skeptics will say that suburban developments that depend on cars get built because that is how people want to live. But communities across the nation, from Charlotte to Portland to Washington D.C., have proven that there are many variations on the American Dream. These communities have demonstrated that transit-oriented development supports the timeless essence of the American Dream: the dream of owning a home; of living in an attractive, thriving neighborhood; of setting down roots and feeling part of a community; of enjoying the walk to a neighborhood coffee shop or a short train ride to see a movie. Transit-oriented development promises to let Americans hang a figurative sign on suburban sprawl that says, “The American Dream: Visit Us At Our New Location.”

This booklet summarizes the results of listening sessions that the Federal Transit Administration (FTA) has undertaken with several cities in which new transit investments either have taken place, or are about to be built. We hoped that by listening to the planners, developers, and bankers in these communities, we could learn what works, what doesn’t work, and what facilitates the kind of community that we believe exemplifies the American Dream.



# What do we mean by “TOD”?

- “TOD” is transit-oriented development
- To begin with, it is a neighborhood or community centered on a transit station.
- It has enough density of people and activities to use the transit station to access a variety of daily activities.
- It includes a mix of uses, including residential, retail, and commercial, within easy walking distance of the transit station.
- The station and its neighborhood have to have good service, including good connections with other transportation such as neighborhood buses and bicycle trails.
- The streets around the station are easy to walk, and attractive to pedestrians and bicyclists.



Metro Transit, Minneapolis, MN

## ...and what are its benefits?

- A better fit of the transit service into the neighborhood.
- More people using the transit system for every day activities.
- A more pedestrian-friendly, human-scale community that is safe, relaxing, and attractive.
- A healthier, cleaner environment as more people walk and bicycle and take public transportation.
- Preservation of farmland and green space as people use less land to live, work and play.



Metro Transit, Minneapolis, MN



# FTA Listening Sessions

FTA held listening sessions around the country to learn about what has worked and what has not worked in starting up transit-oriented developments.

We visited Portland, where the region has embraced land use and transportation planning for many years, and where the light rail system is large and growing. We visited Minneapolis, an older, larger city where the first light rail segment had just gone into revenue service. And we visited Phoenix and Charlotte, places where the light rail systems are still under construction.

Our goal was to discover whether there are basic lessons we could learn and pass on about fostering new, transit-supportive development around new public transportation systems. What follows are those basic ideas, as told to us by municipal, banking, and development leaders in each city.

In addition to these success stories, the ideas are organized in three broad categories: Overcoming Barriers; Promoting TOD; and Identifying Research Opportunities. This booklet concludes with some highlights of what FTA is doing right in TOD now and our next steps.



# Overcoming Barriers

TOD makes inherent sense in our dispersed, congested, and hectic lives. We want to live near many activities, including work, shopping, medical care, and entertainment. However, most developers and bankers have been reluctant to build and invest in such communities. For example:

- Few firms that finance development are familiar with TOD, as such with fewer bankers, financing is more expensive and harder to come by.
- TOD is design-intensive, often requiring land assembly, landscaping, and plans for supportive infrastructure such as roads or bike trails. These factors raise startup costs.
- Structured parking, and the amount of parking required per residence or per office, often raise the cost of TOD or delay implementation.
- TOD often requires holding developed property for longer terms than single-use development – that is, for seven or ten years, as opposed to five, making it harder to turn a quick profit.
- Because the attractiveness of riding on and living near transit depends on the number and variety of destinations that are reachable by transit, a limited transit network limits the appeal of TOD.

“Creating walkable neighborhoods with attractive transit options requires innovation and determination by developers, financial partners, local jurisdictions and the transit agency. In the Portland metro area, consumer demand for transit oriented development is strong and growing.”

- Fred Hansen, General Manager, Tri-Met

- Some question transit’s ability to generate new economic activity, rather than simply relocate economic growth that would occur elsewhere. This makes it difficult for elected officials to maintain the long-term perspective necessary to support a transit investment that takes ten years or more to complete.
- Neighbors often oppose high-density development near their community and it may be difficult to convince neighbors to re-zone nearby land for the densities needed to support high quality development projects.



# Success Stories

With many challenges to overcome, are any TOD's being built? Of course there are!

- The image on the right is from the Pearl District, which has become a new 24-hour community in downtown Portland, Oregon. Loft apartments, restaurants, shops, and services have been revitalized since the Portland Streetcar service began in July 2001.
- Down the coast, in Santa Clara County, California, the Ohlone Chynoweth station was redesigned as a mixed-use community, including a pedestrian village center, apartments, and retail space. Part of the land used for the development provides a revenue stream to the Valley Transit Authority.
- On the opposite coast, in Baltimore, Maryland, the metro station at Center Square has provided the opportunity for the City to offer 30 acres for redevelopment as TOD. It will link the metro station with a light rail station surrounded by many existing city and county offices and cultural attractions. The Maryland Department of Transportation held a public design charrette to help define the project.
- Further south, in downtown Atlanta, Georgia, Southern Bell Corporation has consolidated several of its offices into a single TOD development around the Lindbergh Metro station. This development includes commercial offices, retail, and residential space, all centered on the metro station.

These are only a few of the projects we are working on with our partners to emulate across the country.



Portland Streetcar, Portland, OR



# Promoting TOD

So what do these success stories all have in common? What does it take to promote TOD?

**Proactive Planning** – Local and regional entities must invest in community outreach and a master plan - a signal to the development community that the public is eager for TOD. Participants stressed the need to take time to do the planning process right.

**Focus on Mixed-Use Development** – Building commercial, employment, and entertainment centers near transit stops provides an opportunity to increase the number and quality of destinations reachable by the transit network.

**Land Assembly** – Preserve and assemble parcels around transit stations to facilitate eventual development.

**Public Funding** – TOD projects may be encouraged if site preparation and related startup costs are partially financed with Federal, State and local funds as part of a transit project as allowed by Federal Transit laws (Section 5302).

**One Size Doesn't Fit All** – Each station's development requirements may be different, as each town or each neighborhood is different.



Above, Boulder, CO.



Left, Scaleybark Road Station, Charlotte, NC.



# Promoting TOD



SEPTA Trolley, Media, PA

“Pro-active implementation. Go out, figure out what the developers need in order to make the transportation there more competitive and try to respond. The mayor mentioned the zoning. Try to go out and pre-zone land for that type of development. And most importantly, outreach education and partnerships, because without you as our partners this isn't going to be a vision that we accomplish... I mean, honestly, how many of you 5, 10, 20 years ago would ever think that Charlotte would get to this point?”

- Debra Campbell, Charlotte-Mecklenburg Planning Commission

**Prepare For What You Need** – Conduct a market analysis, then request the zoning changes to meet the market.

**Timing is Key** – Current property values may be based on a lower capacity, non-transit use – make sure the property is ready for TOD.

**Placemaking Matters** – Many are willing to pay a higher market rate if improvements are visible in the environment and streetscape, such as with trees, sidewalks, lighting, etc.



Portland Streetcar, Portland, OR



# Identifying Research Opportunities

**Additional Market Research** – Participants want more information on the market for TOD and what type of product is most attractive.

**Documenting the economic benefits of transit** - Respondents believe that economic modeling from the FTA would provide an independent source of information that could break political bottlenecks over transportation investments.

**Interagency Coordination** - FTA could partner with other Federal agencies to coordinate transit, housing, and environmental policy.

**Research on Land Assembly and Joint Development** - Participants want more information on how to best make land available and assemble and clean up parcels that have good potential for TOD.

## What we're doing now...

FTA has initiated a joint project with the U.S. Department of Housing and Urban Development to study how public transportation works with affordable housing.

The University Transportation Center at the University of California, Berkeley, is researching performance measures to use in evaluating the success of TODs for FTA.

FTA is revising its joint development policy to clarify requirements and implement new authority provided by the recent surface transportation authorization.

FTA is preparing a joint development web site, that will include guidance for joint development, a listing of existing joint development projects, and contact information for current TOD and joint development practitioners.



## Credits

Cover:

Top Left: Metro Transit, Minneapolis, MN

Top Right: Portland Streetcar, Portland, OR/Paul Marx, 2004

Bottom Left, Clockwise from Top Left:

Phoenix, AZ; Scarleybark Road Station, Charlotte, NC; Redmond Downtown Project, King County, WA; Boulder, CO.

1. What do we mean by TOD?/Metro Transit, Minneapolis, MN/Paul Marx, 2004

2. ...and what do we get from it?/Metro Transit, Minneapolis, MN/Paul Marx, 2004

3. FTA held listening sessions/Metro Transit, Minneapolis, MN/Metro Transit/Illustration by Tony Cho

4. Success Stories/Portland Streetcar, Portland, OR/Paul Marx, 2004

5. Promoting TOD/Boulder, CO.

6. Promoting TOD/Scaleybark Road Station, Charlotte, NC.

7. Promoting TOD/SEPTA Trolley, Media, PA/Tony Cho, 2004

8. Promoting TOD/Portland Streetcar, Portland, OR/Paul Marx, 2004

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