Transit Agencies Seeing Increased Interest in Transit-Oriented and Joint Development

By Federico Cura

Transit-oriented development and transit-adjacent development—terms referring to a form of urban planning that connects development with locations near public transportation properties—is growing in popularity as transit systems take an increasingly active role in the process along with developers and local governments.

Over the past two years, public transit agencies have been stepping up efforts to capitalize on underused agency properties that can be used for TOD in an effort to boost ridership, revenues, or for other benefits. In an era of tightening budgets, the agencies are looking for greater non-farebox revenues, which may include TOD.

TOD often incorporates some sort of mixed-use development, which may include high-density residential space and shops, commercial buildings, entertainment facilities, offices, and public open spaces. The proximity to a transit station connects the development to other places, and reduces the dependency on automobiles.

Transit villages typically create pedestrian-friendly environments that appear open and welcoming to the surrounding community. Neighbors may walk to a nearby station, pick up a cup of coffee and a newspaper on the way to work, and shop on their way home.

These developments are designed to bring potential transit riders closer to transit facilities, heading to increased ridership through a location at, or within one-quarter mile to one-half mile from, a transit stop, said G.B. Arrington, senior professional associate for transit-oriented development with Parsons Brinkerhoff Quade & Douglas in Portland, Ore., and chair of APTA's Land Use and Development Subcommittee.

Arrington noted that different transportation consultants define TOD in slightly different ways, such as mandating that the transit stop be part of a fixed guideway system such as rail transit or busway-dependent Bus Rapid Transit. He said the TOD process has broad potential in both large and small communities that are served by either bus or rail transit, adding that a successful TOD will reinforce both the community and the transit system.

Another term, joint development, refers to TOD projects located on transit agency property, sometimes replacing surface park-and-ride lots. It implies a partnership between a transit agency and a private-sector entity such as a developer.

Increased Ridership and Other Benefits

U.S. Rep. Earl Blumenauer (D-Ore.), a long-time supporter of "smart growth" planning, pointed to the numerous U.S. transit agencies taking a more active role in supporting TOD.

"The resulting increased ridership and revenue has benefited these transit agencies, engaged developers and others in the private sector, and—perhaps most importantly—significantly improved the quality of life of the surrounding communities," noted Blumenauer, who also is the founder and board president of the annual Rail-Vision conference that promotes building livable communities near transit.

While some transit agencies have turned joint development into a significant source of non-farebox revenue, others have found it helps them gain riders, as well as other benefits such as the possibility to expand their systems and reach more potential riders or markets.

Arrington cited a 2002 Parsons Brinkerhoff report for the state of California showing that TOD can yield 20 to 40 percent higher ridership at an individual transit station than at a non-transit-oriented station. And also want to attract these typically urban-oriented markets.

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"TOD may provide the answer to the challenges that TOD faces a number of obstacles and developer disincentives in addition to occasional community opposition. While demographics estimate that as much as 30 percent of the demand for housing is for denser, walkable, mixed-use communities, less than 2 percent of new housing starts are in this category," said Hank Dittmar, president of a livable communities advocate organization called Reconnecting America.

Reconnecting America recently created the Center for Transit-Oriented Development to tackle the many policy, zoning, and planning obstacles facing developers and transit agencies who want to create a TOD or joint development project. Moreover, Dittmar noted, building high-density development requires a developer with unique expertise, which tends to be rare. TOD may provide the answer to the chal-
A major joint development project is taking shape in Washington's Chinatown area at WMATA's Gallery Place/Chinatown Metrorail Station. The Metrorail pylon indicating the entrance to the station is located at the right of the Chinatown name. The Metrorail pylon is also adjacent to the MCI Center sports/entertainment arena, shown in background at right.

Changing the Rules

Tina Votaw, vice president of economic development at Metro in St. Louis, said that new transit stations offer the "opportunity to create new anchors for growth and development that is oriented to transit service."

Other benefits of TOD listed by transit officials include enhanced livability of surrounding communities; improved air quality that contributes to residents' health and overall quality of life; and a way to begin curbing suburban sprawl and vehicle miles traveled, and ultimately meeting stricter climate standards.

Federal policies also are contributing to TOD's popularity, according to Arrington and other transit experts. The Federal Transit Administration increasingly encourages New Starts project applicants to pursue joint development and TOD projects; with the competition for federal funding for high-capacity transit projects, particularly for light rail, at an all-time high, Arrington said, "land use can make a difference in which projects are recommended for federal funding."

Help from Local Government

The Charlotte Area Transit System in Charlotte, N.C., will be able to foster increased TOD near its future light rail and commuter rail stations and other facilities thanks to a crucial local government endorsement.

In May, the Charlotte City Council, Mecklenburg Board of County Commissioners, and the Metropolitan Transit Commission adopted the CATS Transit Station Area Joint Development Policy Guidelines. These guidelines and a set of similarly named CATS principles provide a framework for local governments to encourage TOD at transit stations, and will ensure consistency with the region's long-term urban and transportation plans.

The primary goal of Charlotte's land use plan is to transform uncoupled development patterns in corridors and wedges into compact, mixed-use, pedestrian-friendly development along corridors and in station areas.

Despite the facilitation of TOD proposals for five of the stations, RTD representatives already have received TOD proposals for five of the stations, and are working with developers to better accommodate the projects by adapting the line's alignment, and station and parking design and location, among other things.

TOD was most often an afterthought in development," the report states.

The report lists the 10 principles as follows:

• Make It Better with a Vision;
• Apply the Power of Partnerships;
• Think Development When Thinking About Transit;
• Get the Parking Right;
• Build a Place, Not a Project;
• Make Retail Development Market Driven, Not Transit Driven;
• Mix Uses, But Not Necessarily in the Same Place;
• Make Buses a Great Idea;
• Encourage Every Price Point to Live Around Transit; and
• Engage Corporate Attention.

In keeping with a growth plan or “vision” released by the city of Toronto last year, developers worked with the Toronto Transit Commission to build a large condominium complex near the site of a future TTC station, according to TTC spokesperson Marilyn Bolton. Construction of both the station and the condos was completed at the same time.

In Boston, the Massachusetts Bay Transportation Authority recently agreed to a land exchange, part of the largest TOD project on MBTA property in its history. The project known as the North Point will help the agency relocate its Green Line, locate a new interoperable station along the new alignment, and eventually sell a viable extension of the line, said MBTA General Manager Michael H. Mulhern.

The relocation of the line, Mulhern explained, not only will include a new station serving Cambridge and new tracks, but also is expected to increase the line’s ridership by attracting residents to live, shop, and work in a high-density, mixed-use project that the developer plans to build and fully integrate with the new station. Moreover, MBTA has several projects underway to sell “air rights” over MBTA right-of-way for rail and BRT, which also will help the agency increase its non-farebox revenues. Joint development and TOD projects account for 10 percent of current subway ridership in the nation’s capital, said Denton Kent, director of the Office of Property Development and Management at the Washington Metropolitan Area Transit Authority. WMATA expects to earn $12 million from joint development projects in Fiscal Year 2004, an amount estimated to grow to $15 million by FY 2006. Because of projections for major population growth projections in the region, WMATA decided some years ago to make TOD one of its top four policy priorities for capital projects.

Kent noted a connection between the type of living provided through many TOD projects and the recent introduction of Fannie Mae’s Smart Commute Program in Washington, which allows a mortgage applicant to qualify for a larger mortgage amount to purchase a property near a transit station or major stop. WMATA has pledged to give free transit passes for those acquiring these mortgages.

Alberto Parjas, chief of management services for the Dade County Office of Public Transportation Management in Miami-Dade County, said he expects the introduction of the Smart Commute program in September may trigger more interest in TOD from developers.

Parjas also oversees the county’s Joint Development Program, which he said has a long history of success in fostering TOD around Miami-Dade Transit’s rail stations, and is currently gathering public input to have TOD-directed around BRT stations in its South Dade Busway’s extension to Florida City. The city of Homestead, Fla., also is planning its own urban transit village around a future busway station serving its community.