CREATING TRANSIT STATION COMMUNITIES
IN THE CENTRAL PUGET SOUND REGION

A Transit-Oriented Development Workbook

Puget Sound Regional Council

June 1999
The Puget Sound Regional Council is an association of local governments and state agencies in the central Puget Sound region of Washington State. It serves as a forum for developing policies and making decisions about important regional growth and transportation issues.

The Council is designated under federal law as the Metropolitan Planning Organization, and under state law as the Regional Transportation Planning Organization, for King, Kitsap, Pierce and Snohomish counties. In addition to the four counties, the Council’s members include 65 cities in the region, three ports, and two state agencies — the Washington State Department of Transportation and the Transportation Commission. Associate members of the Council are Island County, the Thurston Regional Planning Council, the Port of Bremerton, the Puyallup Tribe of Indians, and the Tulalip Tribes.

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Additional copies of this workbook may be obtained by contacting:

PUGET SOUND REGIONAL COUNCIL • Information Center
1011 Western Avenue • Suite 500
Seattle, Washington  98104-1035
206-464-7532 • FAX 206-587-4825 • infoctr@psrc.org

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CREATING
TRANSIT STATION COMMUNITIES
IN THE CENTRAL PUGET SOUND REGION

A Transit-Oriented Development Workbook

PREPARED BY THE PUGET SOUND REGIONAL COUNCIL
WITH ASSISTANCE FROM:
MAKERS CONSULTING, LELAND CONSULTING GROUP, BERK & ASSOCIATES, LOCAL CITIES, COUNTIES AND TRANSIT AGENCIES

June 1999
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Introduction

Creating Transit Station Communities: A Transit-Oriented Development Workbook has been prepared to help local jurisdictions and transit agencies in the central Puget Sound region achieve transit-oriented land use development. The workbook focuses on the role that high capacity transit stations can play in stimulating and supporting local land use changes. The overall purpose for promoting transit-oriented land use development at transit stations is to increase regionwide transit use and support local growth management objectives.

For the purposes of this workbook, high capacity transit stations include light rail and commuter rail stations as well as major bus transit centers and ferry terminals. These transit facilities provide locations that can generally support an intensive mix of residential and commercial development close to the station. Transit-oriented development is usually focused on land within one-quarter mile to one-half mile radius of the station facility — approximately a 5-10 minute walking distance.

The Concept of Transit Station Communities

Many transit stations will function as more than just major transit access points. They will often serve as community focal points with a variety of land use activities. In this workbook they are referred to as "transit station communities." A transit station community is a concept that encompasses both transit-oriented development and community building.

At its core, a transit station community is a compact, mixed use activity area centered around a transit station that by design encourages residents, workers, and shoppers to drive their cars less and ride mass transit more. The centerpiece of a transit community is the transit station — connecting the residents and workers to the rest of the region — and the civic and public spaces that surround it. The design, configuration, and mix of buildings and activities emphasize pedestrian-oriented environments and encourage use of public transportation. The land uses within a transit station community are linked with convenient pedestrian walkways, and parking is managed to discourage dependence on the automobile.

The land area in the immediate vicinity of a transit station generally offers an excellent opportunity for transit-oriented development.
Housing is a major component of a transit station community, along with commercial retail, employment, and cultural and recreational attractions. A variety of housing types — small-lot single-family homes, townhouses, condominiums, and apartments — promote a more compact and diverse community. Commercial uses might include food markets, restaurants, theaters, offices and even light-industrial activities. Urban open spaces and parks furnish focal points for community activity while streets provide settings for social interaction and active community life with wide sidewalks, street trees, and seating for pedestrians.

Transit-oriented development and transit station community building usually involve more than a single site or development. Transit-oriented development principles are achieved by coordinating several developments and public improvements. For example, a single-purpose mid-rise apartment building next to a transit station may not, in itself, achieve all transit-oriented development characteristics. However, if neighborhood commercial services and an office complex are added nearby and connected with attractive pedestrian paths, transit-oriented development can be achieved. Coordination between the various activities is most important.

TRANSIT-ORIENTED DEVELOPMENT THROUGHOUT THE U.S.

In recent years, transit-oriented development at station areas has emerged as a strategy for increasing transit ridership and managing growth in many different regions throughout the country.

- In San Diego, residential developments have been built at a number of new rail stations and planning is underway to convert more surface parking into housing.
- In Washington D.C., the transit agency and local governments have assembled land and provided developers incentives to achieve mixed-use developments at a number of station locations.
- In the San Francisco Bay Area, after 25 years of little influence on land use, Bay Area Rapid Transit (BART) is actively involved in a number of transit-oriented development projects at park-and-ride lots.
- In Portland, Tri-Met has used transit-oriented land use development at station locations as a major element in securing additional federal transit funding.
- In Los Angeles, station area development is supported by state legislation, called the Transit Village Act, which promotes transit-friendly development around stations.

These and other regional transit systems, including St. Louis, Atlanta, Baltimore, Dallas, Sacramento, San Jose, and Denver, are capitalizing on recent investments in public transit to stimulate land use changes and build transit station communities.
The Benefits of Transit-Oriented Development

Focusing growth around transit stations is a way to capitalize on expensive public transit investments to help produce a number of local and regional benefits.

For transit agencies, the most direct benefit of transit-based development is increased ridership and, in turn, increased revenues from operations. Data on the link between transit ridership and station proximity show that residents living near stations are 5 to 6 times more likely to use transit to commute to work than are other residents in the region.

For local governments and regional planning agencies, transit communities represent opportunities for more intensive development and less sprawl resulting in reduced auto congestion, reduced air pollution, and lower infrastructure costs. Transit-oriented development can be a major tool in achieving local and regional growth management objectives.

Among the many other benefits of transit-oriented development include:

• builds strong, cohesive, and sustainable communities by providing a focal point for concentrating growth
• increases the quantity of affordable housing and creates opportunities for more diverse housing options
• increases a local community's economic activity, property values, and tax base
• provides more travel options and better living environments for the transit dependent
• increases the transit trips to a station area and decreases the number of auto trips within the station vicinity
• improves air and water quality, and other environmental concerns due to reduced auto use
• increases safety for pedestrians and bicyclists, and creates a convenient and attractive setting for non-auto trips

Transit station communities offer a wide range of commercial and public services in a pedestrian-friendly setting.
Transit-oriented development builds strong, cohesive communities that provides many benefits.

- provides workers and residents with commercial, public, and recreational services close to where they live or work

Everyone can gain — transit agencies see transit-oriented development as a way to attract additional riders; developers see opportunities for different forms of development with excellent transit access; land use planners look at transit-oriented development as a move toward a more compact, livable, and sustainable communities with reduced auto dependence; and local officials see it as a way to increase an area's tax base.

Opportunities Exist Throughout the Region

The central Puget Sound region is in a unique position to capitalize on a large future investment in regional transit facilities. Currently, there are less than 30 major transit “stations” in the region. These include about 15 bus transit centers of various types and sizes and 12 ferry terminal locations. Over the next 10 to 20 years, as many as 100 new transit stations will be constructed throughout the region. Many of these locations will offer excellent opportunities for transit-oriented land use development near stations.
### FIGURE 1

Existing and Planned Transit Stations

<table>
<thead>
<tr>
<th></th>
<th>Commuter Rail</th>
<th>Light Rail</th>
<th>Bus</th>
<th>Ferry</th>
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<tbody>
<tr>
<td><strong>SNOHOMISH COUNTY</strong></td>
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<tr>
<td>Everett</td>
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<td>Mukilteo</td>
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<td>Edmonds</td>
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<tr>
<td>Lynnwood</td>
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<td>Mountlake Terrace</td>
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<tr>
<td><strong>KING COUNTY</strong></td>
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<tr>
<td>Shoreline</td>
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<tr>
<td>Seattle</td>
<td>4</td>
<td>20</td>
<td>3</td>
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<tr>
<td>Vashon Island</td>
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<td>Burien</td>
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<td>SeaTac</td>
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<td>Renton</td>
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<td>3</td>
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<td>Tukwila</td>
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<td>Poulsbo</td>
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<td>Silverdale</td>
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<td>Bainbridge Island</td>
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<td>Bremerton</td>
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<tr>
<td>Southworth</td>
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<tr>
<td>Gorst</td>
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<tr>
<td><strong>PIERCE COUNTY</strong></td>
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<td>Puyallup</td>
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<td>Lakewood</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>17</strong></td>
<td><strong>63</strong></td>
<td><strong>27</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

Approximate location, number and type of major transit stations that exist or are planned in the Central Puget Sound region (1999-2020)
Regional Transit Stations in the Central Puget Sound Region
EXISTING AND POTENTIAL FUTURE LOCATIONS (1999-2020)
INVESTMENTS IN NEW TRANSIT STATIONS
The most dramatic increase in capital facility investment will come from Sound Transit, the region’s Regional Transit Authority. In the first phase alone, the Ten-Year Regional Transit System Plan (also known as Sound Move) includes the development of approximately 26 light rail stations, 15 commuter rail stations, and six major bus transit centers. These facilities will be linked by rail and regional express bus services and integrated with local bus connections. Future phases of Sound Transit system (known as the Regional Transit Long Range Vision) could include an additional 50-60 new transit facilities, including light rail, commuter rail, and bus transit stations.

Other investments in public transit station facilities will be made by local transit agencies and the Washington State Department of Transportation (WSDOT). King County Metro, Pierce Transit, Community Transit, Everett Transit, and Kitsap Transit all have plans to expand their network of bus transit centers. WSDOT has plans to redevelop many of its existing ferry terminals and make investments in building new passenger terminals for future passenger-only ferry services. The combined investments that will be made by each of the transit providers in the region — Sound Transit, WSDOT, local agencies — will provide numerous and varied station development challenges and opportunities throughout the four county region.

OPPORTUNITIES TO ENCOURAGE LAND USE CHANGES
Transit-oriented development is certainly not a new concept. The streetcar suburbs developed at the turn of the century are models of transit-oriented development because they provided easy and convenient access to the streetcar network. Many locations throughout the central Puget Sound region already contain transit-oriented development, including Capitol Hill and University District in Seattle, downtown Edmonds, downtown Kirkland, and downtown Bainbridge Island.
Numerous jurisdictions throughout the region have or are in the process of preparing comprehensive plans that include general location, design, access, and land use objectives for the planned transit facilities within their boundaries. Some cities have prepared specific station area plans, city center plans, or other studies that more directly address the transit station area and how the facilities will impact the immediate surroundings. A few jurisdictions have adopted specific design guidelines or zoning code provisions to support their plans, such as Tacoma’s Tacoma Dome Station Mixed-Use Zoning District. Other examples of ongoing activities include:

- Kent, Sumner, and Auburn are adjusting their land use regulations and upgrading their pedestrian connections into their older downtowns in support of future commuter rail service.
- Mill Creek, Federal Way, and Silverdale are planning new downtown areas that embrace transit-oriented development objectives to be served by bus transit centers.
- Seattle, SeaTac, and Tukwila are conducting planning efforts for potential light rail stations within the city including developing station area market studies.
- King County has developed a Transit-Oriented Development (TOD) Program that is focused on attracting housing development above new parking structures at transit centers.

In Federal Way, a new bus transit facility provides an opportunity to establish a new downtown where there is an existing mall.
The region's transit system will connect a rich matrix of diverse communities, ranging from metropolitan downtowns, historic neighborhoods, emerging suburban centers, and redeveloping small town centers. Many of the planned future transit stations will be constructed in locations that can and should support significant changes in land use activity. Because of their diversity in physical setting, social character, local objectives, and administrative structure, each station area must be addressed individually.

Some of the common challenges involved in supporting high levels of transit service include low employment densities, nonexistent residential development, poor pedestrian linkages between buildings and transit stops, and the segregation of land uses in general. Most of these challenges can be addressed by encouraging infill and increased density, improving the pedestrian environment, locating buildings closer to transit stops, and allowing commercial and residential uses near employment areas.

**Different Stations Offer Different Opportunities**

Regional transit planning in the central Puget Sound region features numerous and varied opportunities for creating and enhancing station communities. Many of these transit facility investments will serve as redevelopment focal points in their local communities.

Light rail stations in Seattle, Tacoma, SeaTac, and Tukwila offer the chance to build more compact mixed-use, pedestrian-oriented centers. Sensitive infill development, appropriate infrastructure and open space, and careful integration of transportation systems will be very important considerations. Fast, frequent, all-day services will provide numerous opportunities to encourage transit-oriented land development patterns near stations.

Commuter rail stations will connect many older towns that historically were developed around existing rail lines such as Auburn, Kent, and Puyallup. Commuter rail will also link to emerging employment centers such as Tukwila. Because commuter rail service is oriented to peak-period commute trips, the development opportunities will be different than at light rail stations.
Regional bus transit centers offer diverse opportunities in both urban and suburban settings. In many cases there is the opportunity to stimulate the development of emerging downtowns, such as within Burien, Lynnwood, and Federal Way. Some of the bus transit centers could be converted to rail stations in the future. Development opportunities will differ dramatically based on community objectives and how the transit facilities function.

Ferry terminals provide unique challenges because of space constraints due to the need for large staging areas and multimodal access. However, because of their waterfront amenity and good transit connections — such as commuter rail in Edmonds and Mukilteo — many ferry terminals will provide exciting redevelopment opportunities. Also, future WSDOT investment in a passenger ferries promises to add significantly to land development options at certain locations.

Obstacles to Transit-Oriented Development

The growing dominance of automobile use over transit and foot transportation in the last half century has produced patterns of auto-oriented development that have become common place and accepted as the norm, particularly in the development community's mindset. In fact, auto-oriented development has been so dominant that many cities' development codes contain provisions, such as setbacks, use restrictions, and parking requirements, that actually preclude transit-oriented development.

It is not often easy to convince potential developers and financiers that transit-oriented development patterns emerging from a more balanced transportation system can be profitable. Sometimes a developer's efforts to use transit-oriented development principles are impeded by conservative lending institutions.
or “formula tenants” who demand that their facilities adhere to specific auto-oriented site planning models. In most cases, local governments must make special efforts to educate and interest developers in the special development opportunities found in transit station areas.

Beyond the institutional barriers, creating transit station communities can also involve substantial infrastructure investment needs that require extensive public investment. Usually several funding sources must be combined, requiring a “menu” of funding sources local governments can use to piece together a funding program. Complicating the problem, a number of funding strategies that have been used successfully in other parts of the country are not available to jurisdictions in Washington State, such as tax increment financing and other tax abatement programs.

Finally, achieving transit-oriented development and creating transit station communities involves special challenges that require a coordinated team effort. The cooperation and coordination between all participants needed to create station area transit-oriented development places additional hurdles in the development process. Achieving transit-oriented development depends on all parties achieving their goals and managing their responsibilities. The major players that will be involved in the station area development process include local jurisdiction staff and elected officials, transit agency staff and their governing boards, property owners and the development community, and the general public.

Participants in Station Area Development
Each community with a high-capacity transit station has a unique context and the station area planning process will vary between jurisdictions. One common element is the need to understand the interests and motivations of other participants in the station area development effort. Below is a general description of some of the roles of various partners in the transit-oriented development process.

The local jurisdiction plays the most significant role in the station area planning and development process. It is responsible for leading the
planning and coordination effort. Local governments will frame the regulatory environment and build much of the supporting infrastructure. They should also conduct market analyses, work with local residents, and promote the area’s opportunities to developers.

The public transit agencies are responsible for station design and construction, which will have an impact on development opportunities. As part of mitigating the impacts of the new stations, transit agencies may also construct supporting infrastructure, such as road and signal improvements. Transit agencies could participate in joint-use parking programs and joint development at stations. In addition, the manner in which local bus service coordinates with regional transit will, in part, determine the effectiveness of the total transit system and the extent of transit-oriented development opportunities.

Property owners, developers, and citizens should be invited into all phases of planning and development work, from providing input early in the station siting decisions to helping to develop a realistic market strategy, and, ultimately, to reviewing the implementation measures. Their perspective is necessary to help ensure that the strategic planning is realistic, that there is broad-based community support, and that the implementation steps have the desired effect.

Structure and Contents of the Workbook
Much has been written about transit-oriented development, primarily on the planning and design steps of the process. This workbook augments the literature by concentrating on the pragmatic implementation steps needed to achieve transit-oriented development by following basic physical design characteristics, developing a market-based development strategy, creating
# FIGURE 2
Responsibilities in the Station Area Planning and Development Process

<table>
<thead>
<tr>
<th>GOVERNMENT</th>
<th>CITIZENS</th>
<th>TRANSIT AGENCIES</th>
<th>DEVELOPER</th>
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<tbody>
<tr>
<td><strong>PRELIMINARY PLANNING</strong></td>
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<tr>
<td>Coordinate input on alignment selection and alternative station locations.</td>
<td>Participate in station siting decisions.</td>
<td>Evaluate alternate alignments and station locations.</td>
<td>Provide early input regarding potential development opportunities.</td>
</tr>
<tr>
<td><strong>STATION AREA PLANNING</strong></td>
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</tr>
<tr>
<td>Mobilize the local community.</td>
<td>Actively participate in all phases of planning.</td>
<td>Support station area planning with technical information.</td>
<td>Engage actively in the station area planning process.</td>
</tr>
<tr>
<td>Lead station area planning.</td>
<td>Identify local impacts and concerns.</td>
<td>Purchase necessary land and right-of-way.</td>
<td>Review economic analysis and station area opportunities.</td>
</tr>
<tr>
<td>Incorporate public and transit agency input.</td>
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<tr>
<td><strong>IMPLEMENTATION</strong></td>
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<tr>
<td></td>
<td>Focus public input.</td>
<td></td>
<td>Build auxiliary facilities to support station.</td>
</tr>
<tr>
<td>B. Revise regulatory system</td>
<td>Audit and revise regulations.</td>
<td>Review and provide input to regulatory changes.</td>
<td>Assist with code revision and analysis.</td>
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<tr>
<td></td>
<td>Simplify permit process.</td>
<td></td>
<td>Build infrastructure to mitigate impacts.</td>
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<td></td>
<td>Secure funding and determine level of mitigation.</td>
<td></td>
<td>Contribute to mitigation of development impacts.</td>
</tr>
<tr>
<td>d. Undertake public/private development</td>
<td>Institute incentive programs.</td>
<td>Coordinate efforts between local business groups and developers.</td>
<td>Seek joint development by selling or leasing unneeded land.</td>
</tr>
<tr>
<td></td>
<td>Help create a development authority.</td>
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<td>Lease or sell air rights over parking.</td>
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<td></td>
<td>Work with lending institutions to improve financing.</td>
<td></td>
<td>Assemble land for development.</td>
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<td></td>
<td>Construct joint-use parking.</td>
<td></td>
<td>Seek financing.</td>
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<td></td>
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<td>Design and build development.</td>
</tr>
</tbody>
</table>
an effective regulatory environment, funding capital infrastructure, and building public/private partnerships.

**Part I - Guiding Principles for Creating Transit Station Communities** — describes the land use characteristics that define transit-oriented development in transit station areas. This section provides an overview of “guiding principles” of transit-oriented development. Local communities should develop more specific guidelines tailored to their communities based on these principles. The guiding principles are grouped into the following categories:

- Mix of compact land development activities.
- Site layout and design that encourage walking.
- Well-managed parking that accommodates the pedestrian.

**Part II - Assessing the Market for Transit-Oriented Development** — provides a framework for understanding the real estate market and assessing development potential at station locations. This section outlines how local planners can develop a work program for a market analysis and how to translate a market analysis into a market strategy to attract desired development.

**Part III - Implementation Tools for Creating Transit Station Communities** — focuses on the specific strategies that can be used to help create transit-oriented development at station areas. Strategies are grouped within three major areas:

- Creating a permit and regulatory environment that encourages rather than discourages transit-oriented development.
- Pursuing various funding sources that will support development activity and leverage private investment.
- Promoting the development opportunities through public actions by working proactively with the development community.

These strategy areas are based on the premise that to achieve transit-oriented development, local jurisdictions and other public agencies must do more than just passively allow transit-oriented development at station areas. They must also encourage it, support it with public investment, and actively pursue partnerships with the development community.
Selected Resources


Building Livable Communities through Transportation, US Department of Transportation, Washington, D.C., October 1996.


Part I

Guiding Principles for Creating Transit Station Communities

Although all station areas have unique characteristics, there are a number of common, fundamental principles that should be addressed for each area to function as a transit station community. These “guiding principles” are intended to provide broad direction for planning in the vicinity of transit station areas to create transit-oriented and pedestrian-friendly land use development. Each jurisdiction needs to determine how and to what extent the guiding principles are addressed in their station areas. Local jurisdictions should consider these principles in developing more specific transit-supportive land use guidelines for their station area communities.

The guiding principles address a broad range of land use planning issues that affect the creation of station area communities. Most of the concepts are already evident in older streetcar neighborhoods and business districts in many communities throughout the Puget Sound region. However, newer communities developed in the latter half of the century often lack the patterns and characteristics that encourage transit use or walking.

The guiding principles are grouped into three major categories:

**COMPACT, MIXED-USE DEVELOPMENT.**

A sufficient variety and intensity of land uses should be provided within walking distance of the station facility.

**Pedestrian-Friendly Design.**

Building siting and orientation should be designed to create an environment that is conducive to walking in the vicinity of the station facility.

**Parking and Access Management.**

Automobile and bicycle parking should be planned in a way that balances the needs of motorized travel and bicycling and walking.
Implications of Different Station Types
As mentioned, each station area has its own unique characteristics that determine how the guiding principles should be applied. Most likely, the mix of uses and development configuration for a light rail station in SeaTac will be different from a bus transit center in Lynnwood. Local transit-oriented development teams must adapt the principles to fit community goals, station area context, and local market conditions.

Another consideration affecting station area development is the station type and its function. Each major type of station—light rail, commuter rail, bus, and ferry—has different transportation characteristics, development impacts, and design considerations. Figure 3 presents some basic information to keep in mind for each major station type.

Compact, Mixed-Use Development
Two related and dependent concepts are combined in this category: compact development and mixed-use development. Compact development refers to the relative density or intensity of land use activity in a given area. Mixed-use development refers to the variety of land uses that are in close proximity to one another. Taken together, a compact mix of land uses is where many different activities, such as housing, jobs, and entertainment, are clustered at relatively high densities within walking distance of a transit station facility. The key concept behind compact, mixed-use development is to create station communities where a variety of daily activities are closely integrated rather than separated or spread out.

Density and mix of land uses will vary depending on where the station community is located and the type of transit service available. Generally speaking, station areas with higher levels of transit service will support a more intensive mix and variety of land uses. Land uses within walking distance of a station facility should be planned at densities that provide enough transit riders to support a multitude of commercial uses so that many routine activities can be performed without using a car. The mix of uses within each station community should strike a balance between satisfying market demand for different land uses, complementing the physical character of an area, and generating the ridership necessary to support the type of transit service that will be provided.

Importance of Compact, Mixed-Use Development
Transit station areas are excellent locations to encourage a mix of different land uses and compact development. The mix and density of land use devel-
**FIGURE 3**

Typical Characteristics and Considerations of Different Station Types

<table>
<thead>
<tr>
<th></th>
<th>LIGHT RAIL</th>
<th>COMMUTER RAIL</th>
<th>BUS TRANSIT CENTER</th>
<th>FERRY TERMINAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TYPICAL CHARACTERISTICS</strong></td>
<td>• High volumes.</td>
<td>• Moderate to low volumes compared to light rail.</td>
<td>• Varies, although typically lower than rail.</td>
<td>• High, especially on weekends and commute periods.</td>
</tr>
<tr>
<td><strong>FREQUENCY OF SERVICES</strong></td>
<td>• Very frequent: 5 to 10 minute headways, all day service.</td>
<td>• Less frequent: 30 minutes headways, commute period only.</td>
<td>• Frequent: 15-30 minute headways depending on time of day.</td>
<td>• Varies according to ferry run and time of day.</td>
</tr>
<tr>
<td><strong>LOCATION</strong></td>
<td>• From high-intensity urban centers to small neighborhood centers.</td>
<td>• Often serve older downtowns of various sizes.</td>
<td>• Located in a wide variety of areas.</td>
<td>• Established waterfronts, from major urban centers to small towns or neighborhoods.</td>
</tr>
<tr>
<td><strong>STATION DESCRIPTION</strong></td>
<td>• Parking varies considerably • Underground, at-grade, or aerial configurations • Sometimes combined with private development</td>
<td>• From simple platforms, to large multimodal terminals • Usually have moderate to large parking lots associated with the facility-use parking at employment centers.</td>
<td>• Varies, considerably from major infrastructure investment to simple waiting areas.</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER CHARACTERISTICS</strong></td>
<td>• Infrastructure and vehicles good for serving dense areas. • Great flexibility due to variety of station and alignment types.</td>
<td>• Parking lots can have a substantial impact on development and pedestrian access • Large locomotives reduce ability to serve dense areas</td>
<td>• Moderate to high vehicle impacts, depending on situation • Numerous and frequent bus routes pose challenges to pedestrian design</td>
<td>• Pedestrian access can be hampered by auto parking and circulation. • Influx of traffic can congest communities</td>
</tr>
<tr>
<td><strong>TYPICAL CONSIDERATIONS</strong></td>
<td>• Larger, auto-oriented station footprints make pedestrian access a challenge. Special efforts may be needed to stimulate the development market.</td>
<td></td>
<td>• Generally provide less of a stimulus for development unless other inducements are provided. Design stations to minimize impacts to adjacent properties.</td>
<td>• Large expanses of surface devoted to auto can be a serious barrier to development. When located in auto-oriented areas, longterm phased redevelopment strategies are appropriate.</td>
</tr>
<tr>
<td><strong>COMPACT MIXED-USE DEVELOPMENT</strong></td>
<td>Development often includes infill within established areas. Key issues include: zoning to allow higher density, design guidelines, and range of housing types.</td>
<td>Larger, auto-oriented station footprints make pedestrian access a challenge. Special efforts may be needed to stimulate the development market.</td>
<td>Generally provide less of a stimulus for development unless other inducements are provided. Design stations to minimize impacts to adjacent properties.</td>
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<tr>
<td><strong>PEDESTRIAN-FRIENDLY DESIGN</strong></td>
<td>Design guidelines and sidewalk improvements are very important. Provision for easy bus transfers must be balanced with pedestrian connections.</td>
<td>Pedestrian connections are necessary if the station is to stimulate residential and employment-focused development in the vicinity of the station.</td>
<td>Varies with station area characteristics. Attractive pedestrian amenities are a good way to offset bus noise and layover impacts.</td>
<td>Connect to trails and pathways. Parking areas must have good pedestrian routes. New development should provide interior and perimeter pedestrian links.</td>
</tr>
<tr>
<td><strong>PARKING MANAGEMENT</strong></td>
<td>Discourage minimum parking requirements that result in dedicating large areas of surface parking. Institute residential parking zones and metered parking to prevent impacts to local areas.</td>
<td>Creates high parking demand that must be managed carefully to avoid impacts on adjacent development. Opportunities for joint use parking.</td>
<td>Highly dependent upon characteristics of the area. Opportunities for joint-use parking with other uses, such as restaurants and theaters. Pursue structure parking when possible.</td>
<td>Investigate joint-use possibilities. When land values increase, consider consolidating parking into garages with ground floor uses and redevelop adjacent land at higher densities.</td>
</tr>
</tbody>
</table>
A transit station community will generally include a wide range of different land uses that complement each other.

Development at station areas has a direct impact on the function and character of a station community and, in turn, influences transit ridership. The more people that live and work in, or are otherwise attracted to, a station area, the greater the opportunity for encouraging transit use.

A compact mix of land use activities helps to create transit station areas where people do not need to rely on a car to conduct essential trips. Placing local retail, parks, daycare, civic services, and transit stops within station areas reinforces the opportunity to walk or bike for many errands, as well as combine a trip on transit with other stops. Beyond the transportation benefits, compact mixed use can also create more livable and active station communities and can increase economic opportunities in and around the station area.
GUIDING PRINCIPLES TO ACHIEVE COMPACT, MIXED USE DEVELOPMENT

SITE AND DESIGN TRANSIT STATION FACILITIES TO MAXIMIZE DEVELOPMENT OPPORTUNITIES.

Transit facilities should be planned, sited, and designed to be a major focus of a station area. To maximize pedestrian access, stations should be sited in areas that have or are planned to accommodate a high density of mixed land uses, including major employment locations, significant cultural or educational facilities, and other regional destinations. While park-and-ride lots are extremely important components to building the ridership of the overall transit system, they typically detract from the uses, densities, and activities that create a pedestrian-oriented station community. Stations that will have a significant amount of parking (200 or more surface parking spaces) should be sited in locations where major development is not planned for the immediate future.

DETERMINING ACCEPTABLE WALKING DISTANCES

Walking is the most convenient means of transportation for short distances up to 500 yards, but as distance increases, the car or bus or bike becomes more attractive. The secret of successful pedestrian improvements is to reduce the walk length with shortcuts, intensify activity, and improve intermediate distance alternatives such as bus, bicycle and taxi. It is usually best to focus on small improvements. Shortening a walk from 700 to 500 feet could benefit more people than reducing a 2,000-foot distance to 1000 feet.

Acceptable walking distances will vary considerably depending on topography, weather conditions, pedestrian environment, walking routes, trip purpose, and level of transit service. Research on transit riders generally cites that on average individuals are willing to walk between 1,000 to 2,000 feet to get to a major transit station. That is between a quarter-mile and a half-mile or a 5 to 10-minute walk. In determining more specific distances, keep the following in mind:

- The most important influences on how far people will walk are whether the walkway system is direct and complete and the walk environment is enjoyable and safe.
- People will walk farther to transit stations that provide a very high level of transit service, such as to a light rail facility.
- People will tend to walk farther between a station and residential or employment than they will to retail establishments.
- People will walk only very short distances (less than 500 feet) to transfer between travel modes (e.g., between car and bus, or bus and rail).
ESTABLISH A COMPACT MIX OF LAND USES WITHIN A DEFINED STATION AREA.

A station area should generally include parcels within one-quarter mile to one-half mile walking distance of the transit facility. However, barriers such as busy streets or steep slopes can reduce this distance, while pleasant walking routes, such as an unrestricted pedestrian path, can increase the size of a station area. Each station area should be specifically defined based on local conditions, including the level of transit service provided, the likely purposes of the trips to be taken, and the pedestrian qualities in the immediate vicinity of the facility. Within a defined station area, the mix and density of land uses should be planned based on the location and access to the station. The highest density developments should, ideally, be located closest to the transit facility.

ESTABLISH A RANGE OF COMPLEMENTARY LAND USES WITHIN THE STATION AREA.

Different land uses serve different needs and help to support and generate different kinds of transit trips. Successful transit stations are generally used throughout the day off-peak periods as well as peak periods. Stations that attract trips all day generally serve many trip purposes providing access to work, shopping, recreation, and other activities. Ideally, a transit station area serves both as a destination (such as an employment location) and as a point of origin for trips from nearby residential development. Different station areas will have different mixes and types of land uses, but should be considered for as many of the following as possible: employment, residential, commercial retail, public or civic uses, and recreational station community, adding to the vitality of street life opportunities, such as small parks.

The mix of land uses should support and generate trips throughout the day.
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Concentrate commercial retail close to the station facility.
The amount and type of commercial retail uses will vary considerably between station areas because they are based on local market conditions and community objectives. At a minimum, commercial uses should provide opportunities for transit riders to conduct some non-work errands as part of the commute trip or during the workday. Retail services reduce the need for making other trips on the way to and from the station and make using transit more convenient. A wider variety of commercial uses helps to attract additional transit patrons to station areas and creates an active, interesting place for people to walk. Generally speaking, a small amount of retail space can serve a local neighborhood’s day-to-day needs, which are the kind that generate a lot of trips.

Establish an employment base close to the station facility.
An employment base in a station area is an excellent way to attract transit riders. Job sites provide a regular daily destination at specific periods each day where frequent transit service can be concentrated. To the extent possible, the job sites should be located near the commercial core to provide services for employees. Research indicates that at employment densities of 25 jobs per gross acre will support frequent, peak period transit service. For a station area of 600 acres approximately one-half-mile walking radius this would be about 15,000 jobs. Office employment provides the opportunities for the greatest job-intensities and therefore the greatest ridership potential.

Using Gross vs. Net Density
There are two primary ways of measuring density — gross density and net density. Gross density means the total number of units (e.g., jobs, households, population) divided by the total land area. Net density refers to the total units divided by the net land area, excluding roads, public open space, parking lots, environmentally sensitive areas, and other land area that does not contain buildings. The difference between net and gross can be considerable, since area for roads and parking alone can often consume 20 percent of a land in a station area. Both measures are useful for different purposes.

Net density is a good measure for a specific project site because it deals only with the land that is available for development and represents how efficiently a specific site has been utilized. Gross density is a better measure for a large area, such as a station area, because it more accurately captures how all land buildable and unbuildable contributes to the pedestrian environment and overall intensity of development.
Residential development near stations provides a ready market for transit trips. A variety of housing types, costs, and ownership will establish diversity in a community and will lead to more transit trips throughout the day. More people will be around the and supporting local commercial establishments. Research indicates that 15 housing units per gross acre will support a high level of bus or rail service to a station area. High-density single-family, townhouses, and apartments should be combined to achieve an adequate housing density. To maintain a good balance of activity, the number of jobs in the station area should not exceed the number of households by more than 3 to 1.

Establishing Density Targets

Although density is only one variable influencing transit use, numerous studies have found that transit ridership increases significantly with increased land use density. There is no magic number for an appropriate density target for transit station communities. Many different variables should influence any density targets that are established. For example, household densities can be lower if employment and commercial densities are high, and vice versa. Transit stations without associated parking would require higher land use densities than those with parking available; and rail stations with 5-10 minute headways would obviously support higher densities than stations with 30 minute headways. Consider the following general guidelines in establishing density targets:

- Residential densities should approach 7-8 households per gross acre to support local bus service connections to a transit station. Household densities should reach, at minimum, 10-20 dwelling units per gross acre close to a transit station facility.
- Employment densities of 25 jobs per gross acre will support frequent high-capacity transit service if employment is clustered close to the facility. A density of 50 jobs per acre is a preferred target for higher frequency and high-volume service provided by light rail.
- Commercial uses with surface parking should strive to achieve an floor area ratio (FAR) of between .5 to 1.0; and an FAR of 2.0 can be easily achieved with structured parking. Density is less important for commercial retail than is a mix of appropriate services.
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**Encourage infill and/or redevelopment of underdeveloped land.**

Underdeveloped or underutilized parcels should be identified within a station area as potential opportunities for new development. An infill strategy cultivates the efficient use of land and can be a way of increasing density gradually near stations. Any infill development should be integrated with existing uses that are complementary to the established neighborhood. Existing and planned infrastructure capacity should be assessed and infrastructure upgrades and other mitigation measures determined to support new development. Where capacities would be exceeded by new uses, the benefits should be weighed against potential negative impacts.

**Encourage the mix of uses both within buildings and on adjacent sites.**

Mixed use can occur when more than one land use is within a single building or when different uses are located in separate buildings close to each other. The important component is that good walking access must exist between the different land uses. Mixed use within buildings (known as “vertical mixed use”) is an excellent way to increase building density while integrating mutually supportive land uses. Residential above commercial will create all-day activity and a functional place for pedestrians while increasing transit rider-ship. The same can be achieved with mixed use in separate buildings (known as “horizontal mixed use”) if they are in close proximity and have adequate pedestrian connections.

**Discourage automobile-oriented land uses in the station area.**

Land uses that relate to automobile usage, such as gas stations, car washes, storage facilities, motels, and warehousing, should be discouraged in station areas. Such developments minimize pedestrian activity and transit usage by spreading out land uses and generating non-transit trips, such as large-scale freight deliveries, that conflict with transit operations and pedestrian activity. Where they do occur, they should be designed for pedestrian activity. Other land uses that require large tracts of land, such as certain industrial uses, may not be appropriate within the station area.

A mixed use strategy should include both vertical (above) and horizontal mix of different land uses.
NEW RESEARCH ON TRANSIT-SUPPORTIVE LAND USE DENSITIES

A wide range of studies conducted over the past 25 years support the conclusion that greater densities result in increased transit ridership. It is relatively easy to understand the relationship between density and transit use. More routes to a relatively large number of points can be offered, the cost per rider of operating transit is reduced as ridership increases, and increased density allows transit service to be provided more frequently. Where numerous activities are accessible within a small area, the average trip distance between activities decreases and the likelihood of walking or bicycling increases.

A recent study conducted by Parsons Brinckerhoff for the Transit Cooperative Research Program (Commuter Rail and Light Rail Transit Corridors: The Land Use Connection, TCRP, 1996) focused specifically on the effects of density at rail stations. The study analyzed 261 stations on 19 light rail lines in 11 regions and 550 stations on 47 commuter rail lines in six regions. The study confirms previous findings that transit adjacent to higher density residential and employment locations will have a significant impact on transit use, holding constant other factors that influence ridership. More importantly, the study demonstrates the considerable difference that exist between light rail and commuter rail stations, especially regarding their relationship to a region’s central business district and the ridership impacts of different land uses.

The TCRP study shows that light rail and commuter rail serve distinctly different markets and land use patterns. Light rail, with its more closely spaced stations, attracts more riders per station when it is located in denser residential areas and functions well in regions with a wide range of central business district sizes. Commuter rail depends more on park-and-ride lots at stations in lower-density, high-income suburban areas farther from a central business district. Light rail is most effective in attracting passengers close to a central business district, whereas commuter rail attracts the largest number of its riders far (about 35 miles out) from the central business district. Light rail, with its more frequent service, averages about twice as many daily boarders per station as commuter rail.

Commuter rail ridership appears to be most dependent on employment density increases within a major central business district, whereas light rail ridership is influenced more by household density increases at stations along a rail alignment. For residential, the study found that a 10 percent increase in household densities near light rail stations yields on average 5.9 percent more riders per station, whereas similar household density increases at commuter rail stations result in only a 2.5 percent increase. For employment, the study showed that a 10 percent increase in employment density within the central business district increased light rail boardings at stations by about 4.0 percent. For commuter rail, a 10 percent increase in central business district employment density yielded on average 7.1 percent more boardings. The study concludes that there is a strong need to integrate transit planning with land use planning at the earliest possible stage.
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LOCATE PUBLIC BUILDINGS WITHIN THE STATION AREA.
Civic buildings in station areas, such as a city hall, courthouse, post office, police and fire stations, and a community center, provide residents and workers with important public services. These land uses provide a good way to increase the activity in a station area and establish a destination for transit riders. The additional activity will help attract retail business and further develop the attractiveness of a station area.

ESTABLISH ADEQUATE PARK SPACE IN A STATION AREA.
Parks, plazas, or other public open spaces provide informal gathering places and recreation opportunities that add to the vitality of a station area. Parks should be integrated into the fabric of the community, developed in locations that are convenient to residents, workers, transit riders, and other visitors to a station area. Park space might include a number of small parks or a central park that serves as the living room of the station area community.

CONSIDER THE IMPORTANCE OF LAND USES OUTSIDE OF THE DEFINED STATION AREA.
Station areas should be developed as a part of, and not separate from, the surrounding community. Geographic areas that are close to but outside of a defined station area should be recognized for their importance in developing the station area. These areas provide an important customer base that will support both the commercial core and transit station facility. Adjacent neighborhoods often provide opportunities for lower-density development that could generate transit ridership and also provide the space necessary for large, land-intensive developments. Some public and private uses which require larger land areas, such as community parks and industrial sites, should be located outside the immediate vicinity of the station area with strong street and pedestrian connections to the station facility.

SEATTLE MIXED LAND USE STUDY
A study of mixed-use development for the City of Seattle indicates that mixed-use projects are most likely to succeed where commercial uses are clustered in compact areas surrounded by reasonably dense residential areas. The study concludes that the requirements for mixed-use development, and even requirements for ground floor retail, can be successful when applied in the cores of existing commercial centers such as in transit station communities.
PROTECT AND PRESERVE IMPORTANT NATURAL FEATURES.
Although station areas have an urban character, natural features can and should be incorporated into the mix of land uses. Natural features provide visual relief, establish a unique character for a community, and serve the dual purpose of resource protection (e.g., wetlands) and public access (e.g., trails). Major creeks, riparian habitat, slopes, and other sensitive environmental features should be conserved and protected as open space amenities and incorporated into the design of station areas. Pedestrian access should be provided when appropriate.

PROTECT AND PRESERVE HISTORIC CHARACTER.
Because they were developed before the automobile became the dominant transportation mode, most historic areas are by their very nature pedestrian-oriented mixed-use districts. The key to successful transit station community building in these situations will be sensitive infill development that is in keeping with its older neighborhoods. For areas with a distinctive historic character, design guidelines should be developed that ensure that new buildings incorporate some of the elements, qualities, and materials common in the district.

A CHECKLIST FOR PLANNING A MIX OF LAND USES
- Are land uses complementary?
- Are uses linked by sidewalks or paths?
- Do uses create all day activity?
- Are uses within walking distance?
- Do buildings fit in with each other?

ESTABLISHING MIXED-USE TARGETS
To ensure that an adequate mix of different land use activities is created within a station area, jurisdictions in other regions have established targets for mixed-use development. Below are some examples. Actual development needs be monitored on a regular basis and zoning adjusted if targets are not met. Local targets should be based on specific station area land use goals.

- Public uses, including park space and civic uses 5 to 15 percent of total land area
- Commercial retail space 10 to 50 percent of total land area
- Residential development 20 to 80 percent of total land area
- Employment 20 to 60 percent of total land area

ESTABLISHING MIXED-USE TARGETS
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- Public uses, including park space and civic uses 5 to 15 percent of total land area
- Commercial retail space 10 to 50 percent of total land area
- Residential development 20 to 80 percent of total land area
- Employment 20 to 60 percent of total land area
Pedestrian-Friendly Land Use Design

In pedestrian-friendly areas, land use activities are designed and arranged in a way that emphasizes travel on foot rather than driving by car. Creating an environment at a pedestrian scale requires careful consideration of the dimensions of the human body and the proportion of spaces that people use. The factors that encourage people to walk are often subtle, but they most regularly focus upon the creation of a pleasant environment for the pedestrian.

Most people do not feel comfortable walking in a wide open area with busy traffic passing closely by. Pedestrians are, instead, drawn to streets and paths with a feeling of intimacy and enclosure. This feeling can be created by locating buildings close to the sidewalk, by lining the street with trees, and by buffering the sidewalk with planting strips or parked cars. People on foot enjoy small details, such as displays in shop windows, street-level lighting and signs, and public art and displays.

To achieve pedestrian-friendly design, the circulation network must serve as the framework for placing and orienting buildings. Whenever possible, pedestrian routes should be along, not separate from, the street system. Streets should be designed for all travel modes, not just cars. Clear, formalized, narrow, and interconnected streets and small blocks make destinations visible and easier to access. They also provide the shortest and most direct route for pedestrians and bicyclists.

Importance of Pedestrian-Friendly Design

Increasing the likelihood that people will walk to and within a station area significantly increases the probability that they will use public transit and improves the viability of the entire station community. A 'walkable' environment is the key ingredient to a successful station community. Just locating a mix of high-density development does not guarantee a good walking environment. Success in attracting people to walk rather than drive depends on the quality of the walkways, type of destinations, perceptions of safety, and number of obstacles or conflicts encountered along the way. If projects are to be more transit-oriented, they must be sensitive to the differing requirements of pedestrians, bicyclists, and transit customers.
GUIDING PRINCIPLES TO ACHIEVE PEDESTRIAN-FRIENDLY DESIGN

IDENTIFY AND ENHANCE ‘PEDESTRIAN STREETS’ WITHIN THE STATION AREA.

Pedestrian streets should be identified that are primarily designed to serve people on foot. Auto travel should be minimized, speeds reduced, on-street parking allowed, and bike travel encouraged. Pedestrian streets should be designed with street widths, turning radii, and design speeds kept to a minimum, without compromising automobile safety, on-street parking, or bike access.

DESIGN STREET RIGHT-OF-WAY FOR PEDESTRIAN TRAVEL.

The design of the street right-of-way is very important in enhancing the walking environment. Narrow streets help to slow traffic, reduce crossing distances, and provide space for landscaping, bike access, and on-street parking. Wider sidewalks, limited curb cuts, street trees, awnings, and arcades can help to create a more active pedestrian environment. Public works standards should be reviewed and revised if necessary to ensure that new street design projects are sensitive to pedestrian needs.

STREET PLANS AND BLOCK SIZE

An interconnected street system is essential to making a station area function as a pedestrian-oriented activity center. A major function of the street system is to facilitate pedestrian circulation within the district and to link adjacent neighborhoods. The street system should provide direct connections to transit facilities, commercial uses, parks, and other destinations in the station area. The street pattern should be simple, memorable, and direct. The street hierarchy should include principal arterials for fast, through traffic, minor arterials for direct local connections, and local streets for direct access to other land uses within a station area. Dead-end streets, cul-de-sacs, and circuitous routes should be avoided wherever possible. In areas where large blocks exist, new internal streets should be built to provide pedestrian-friendly connections to work places. Development sites, including parking lots, should be subdivided into blocks by local streets with sidewalks. Block perimeters should average 1,200 feet, with a range of 800 feet minimum to 1,600 feet maximum.
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**Importance of Street Crossings**

Transit passengers are likely to make frequent crossings, some at mid block, depending on the location and design of the transit stop. Adjacent street design must recognize the need for easy, safe, and fast pedestrian access, by providing sufficient auto and pedestrian visibility distances, stop signs or manually operated traffic signals, and clearly marked pedestrian crossings. Under-crossings and bridges or other routes requiring grade changes are discouraged because they are more circuitous and are often unused. Use only when addressing critical access problems in already developed areas where at-grade options are unsafe or inconvenient.

**Establish Continuous and Uninterrupted Walking Routes.**

A continuous sidewalk system should be established within the station area. Pedestrian routes should be located along or visible from all streets and provide clear, comfortable, and direct access to the core commercial area and transit stop. To establish walking routes, block sizes should be kept small. Where street connections are not feasible, short pedestrian paths should provide walking connections. Walkways should be provided between buildings when blocks are large.

**Ensure Safe, Convenient, and Frequent Street Crossings.**

Pedestrians must be able to cross streets easily and safely at many different points within the station area if they are to do without their automobiles. Signalized, well-signed pedestrian crossings should be provided at all road intersections in the station area. “Bulbs” and median strips should be used to shorten or break up crossing distances, and mid-block crossings should be established where intersections are far apart.

**Design Intersections that Balance Pedestrian and Auto Movements.**

Intersections should be designed to facilitate both pedestrian and vehicular movement by slowing traffic and reducing pedestrian crossing distances. Minimizing curb radii at intersections reduces pedestrian crossing distances, as well as the speed of cars. Unless absolutely necessary for safety, right- and left-turn lanes at intersections should be avoided.
ACCOMMODATING CARS IN STATION AREAS

Transit station communities should be developed recognizing that many trips even within the station area — will still be made using cars. To that end, the street system within the station area is very important and needs to be designed to accommodate the, at times, conflicting demands of auto and pedestrian travel. The traditional grid pattern with interconnected streets and small blocks provides the greatest level of accessibility within station areas and to the rest of the community. A grid (or other dense network of interconnected streets) has the shortest trip lengths, greatest choice of routes, and is easiest to expand. In contrast, typical suburban street systems create large blocks with wide arterial spacing and few local street connections. These areas often lack direct routes between station areas and adjacent neighborhoods. Research has demonstrated that grid network designs can result in more direct routing of vehicles than suburban street networks. Comparisons of activity areas with similar land uses have shown that vehicle miles traveled can be reduced by between 10 to 40 percent where streets are interconnected along a system of small blocks.

LOCATE BUILDING ENTRANCES CLOSE TO PUBLIC WALKWAYS.

Buildings within station areas should be required to be built to (or close to) the sidewalk edge. This creates better access for pedestrians and establishes an interesting walking environment connected to other land use activities. Larger setbacks are okay in certain cases, such as to create streetside outdoor cafes and pedestrian plazas. Parking should be in back of or within these buildings.

ORIENT COMMERCIAL ESTABLISHMENTS BASED ON THEIR DIFFERENT NEEDS.

Large, anchor stores have greater parking needs and depend on visibility from the street. Such stores should be oriented to arterials, as well as station entrances where possible. Smaller businesses are more dependent on pedestrian visibility and easy walking access. These businesses should be in buildings along pedestrian streets. Businesses that have entrances oriented to parking lots should also have entrances oriented to the street.

DESIGN PARKING AREAS FOR PEDESTRIAN MOVEMENT.

All parking lots within the station area should be planted with sufficient trees and screened from streets with buildings or landscaped treatments. Lots should have clearly delineated walkways throughout to allow pedestrians easy access to building entrances. Connections should be made from parking lot walkways to public walkways.

Awnings and seating areas are ways of encouraging pedestrian activity.
Establish a Coordinated System of Bikeways.

Important destinations, such as core commercial areas, transit stops, employment centers, schools, and other community facilities should be linked by bike routes. Designated bike lanes should be provided on through streets that converge on the commercial core at or adjacent to the transit station. Bikeways should provide direct connections between the station facility and other land use activities in the station area.

Provide Attractive, Safe, and Convenient Transit Stops.

Comfortable waiting areas, designed for year-round weather conditions, should be provided at all transit stops within the station area. Shelters should be designed with passenger safety and comfort in mind, should be easily recognized yet blend in with the surroundings, and should provide appropriate amenities, such as adequate lighting, trash cans, and a bike rack.

Provide Pedestrian Amenities within the Station Area.

Incorporate landscaping, weather protection, public art, street furniture, street lighting, public phones, and other pedestrian amenities in public and private developments. These amenities will establish a more comfortable and visually interesting place for pedestrians. Small details also help to create an identifiable character for an area, such as providing an adequate supply of public benches, requiring that continuous awnings be provided, or planting street trees at regular intervals along pedestrian streets.

Street Trees, Lighting, and Weather Protection

Street trees, lighting, and weather protection are important pedestrian amenities to consider in a station area. Light fixtures along pedestrian routes should be between 10 and 12 feet in height, incorporate ornamental features and details, provide .75 to 1.5 foot-candles of illumination, and serve as buffers between pathways and roadways. Weather protection could include awnings along buildings, trees with a continuous canopy, and free-standing shelters in exposed areas. Street trees should be spaced no more than 30 feet apart in planter strips or tree wells. Trees can also be integrated into the street design within the parking lane. Tree species should be selected to create a unified image for the street and provide an effective canopy. Lining streets with a selected species of trees can help to identify neighborhoods and will signify them as important pedestrian routes.
Parking and Access Management

Station area communities are not intended to be auto-free. Cars will continue to be a major transportation option to access station areas and transit facilities. However, a major objective of station communities is to balance the need for automobile access with the desire to create compact, mixed-use, pedestrian-friendly station areas that emphasize transit, walking, and biking.

Providing parking for station area users—transit riders, shoppers, workers, and residents—is one of the most difficult tasks to be confronted in creating a station area community. Parking management can help balance the conflicting demands of various travel modes. Parking management should address the supply, cost, location, and design of automobile as well as bicycle parking. Among the issues that should be considered include: appropriate parking standards, strategies for redeveloping existing lots, structured parking facilities, and on-street parking.

Importance of Parking and Access Management

Managing the growth of surface parking represents a major challenge to transit-oriented development. Typical suburban development projects devote 50 to 75 percent of their sites to surface parking. The result is land use densities that are too low to serve with frequent and fast regional transit service. A more limited parking supply encourages residents, employees, and shoppers to use transit.

Properly designed, and located, parking lots will have significantly less impact on the pedestrian environment.
Surface lots separate buildings from public streets, making it difficult for pedestrians to walk between buildings and to transit facilities. Parking management provides alternative strategies to traditional surface parking and can result in more compact developments. If properly designed and located, auto parking can be provided to meet demand and not negatively impact the pedestrian environment.

### Guiding Principles for Effective Parking Management

**Carefully Control the Total Supply of Parking.**

Too much parking in a station area discourages transit-oriented development by discouraging pedestrians, since parking lots are an unpleasant pedestrian environment and make distances between uses inconveniently great. Large parking lots also thwart transit-oriented development by consuming land that might otherwise be developed with uses that could attract new transit riders. Finally, abundant, free parking makes driving too convenient, which is a disincentive for people to use transit. Controlling the parking supply is an excellent way to shift people to other modes of travel including transit.

**Use Parking Charges to Control Demand for Parking.**

There is no such thing as free parking; it is always paid by somebody usually the employer or business. Shifting the cost of parking from the employer or retailer to the vehicle driver can significantly increase transit use and nonmotorized travel. To discourage auto commuters, preferential parking rates should be given to short-term parking and ride-share vehicles; higher rates should be charged for all-day parking.

### The High Costs of Parking

By some estimates, less than 5 percent of automobile commuters in the U.S. pay to park. This “free” parking acts as a major incentive to drive, regardless of trip length. Surface parking can cost between $3,000 and $5,000 per space to construct, depending upon land prices and other factors. When costs such as maintenance and property taxes are factored in, parking is far from free — somebody is paying for it. People now pay the costs of “free” parking through lower wages or higher prices on goods. Directly charging drivers for the cost of their parking space would result in a more efficient method of covering the costs of parking while encouraging alternative travel modes. Many tools that influence parking pricing are available to local officials. Parking cash-out policies are preferred by many economists as a method to correct distortions in the transportation market. Other tools include parking taxes and surcharges, and reduced parking rates for carpools at municipal parking facilities.
**Keep the size of surface lots small.**

Where large surface parking lots exist, they should be visually and functionally segmented into several smaller lots, using landscaping, street placement, or building design. Generally, surface lots should not exceed two acres in size. Additional parking can be fitted into small spaces behind buildings, adding to the supply of parking without the visual or physical impact of large lots.

**Design and plan surface lots to convert to other uses over time.**

The amount of land devoted to surface lots could be reduced over time if redevelopment is considered in advance. As land values increase, redevelopment of parking areas to more intensive land use or to structured parking is more likely. This type of strategy allows for surface lots as a temporary, first phase of a longer-term development strategy.

Encourage the development of parking structures.

The single most effective way of reducing the impact of large areas devoted to parking is to build parking structures. Property values, proximity to riders, and existing development character all play a role in the viability of structured park-and-ride facilities. When planning and designing park-and-ride facilities, create an environment that encourages walking.

**The Influence of Excessive Off-Street, Surface Parking**

An on-street parking space requires about 190 square feet of land compared to about 340 square feet for an off-street parking space which requires drive aisles, landscaping, and other extra features. Using typical suburban off-street parking requirements, a station area of mixed uses would need almost two blocks of surface parking for every one block of two-story buildings. This means that 2/3 of all land would be reserved for cars and 1/3 for people (mainly buildings and landscaping.) Because density — building up rather than out — is a key strategy for clustering growth, the extra land area devoted to parking can cause a serious problem. If densities are increased, more land area must be devoted to parking and the distance between buildings increases, making the environment more hostile to pedestrians. Under many current parking standards used within the region, it would be nearly impossible to achieve a pedestrian-scaled environment or transit-supportive densities at station areas. The best solution for station area development is to lower parking ratios and put as much parking as possible on-street, in garages or, better yet, underground.
Encourage development on street-side edges of parking structures.

Design parking lots and structures so they do not dominate the frontage of pedestrian-oriented streets or establish impediments to pedestrian routes. Retail or other land uses should be located on the ground floor and incorporated into the building's design. Portions of parking structures that do not have first-level retail uses should be designed to have an appearance that blends with neighboring structures.

Carefully plan and design park-and-ride lots.

While park-and-ride lots are extremely important components to building transit ridership of the overall system, they do not necessarily complement the uses, activities, and densities of a mixed-use station area. The location and type of park-and-ride lots should be considered in terms of the goals and function of the entire transit system. At station areas where transit-oriented development is being encouraged, park-and-ride lots should be carefully sited. Surface lots should not overwhelm the area or create barriers for accessing the station.

Locate parking lots behind buildings or in the interior of a block.

Surface parking should not discourage pedestrian access to building entrances from the transit station or stop. When parking lots are provided along a pedestrian street, they should be screened to reduce the visual impact of rows of parked cars and define the street side edge of a sidewalk. Alleys or driveways off side streets should be encouraged to provide parking access from the rear.

Revising Parking Requirements

Many jurisdictions set minimum on-site parking requirements at about 1 stall per 200 to 250 square feet for commercial uses and 1.5 to 2 stalls for each dwelling unit. At 1 stall per 250 square feet, the resulting commercial floor-to-land-area ratio (FAR) would be approximately .35 to .4 FAR, whereas an FAR of 1 is more appropriate. The parking standards are generally too high to achieve transit-oriented development and may not be needed given the high level of transit access in a station area. Specific parking standards or performance criteria should be established that modify parking requirements based on the station area land use objectives and the level of transit service available.

Both maximum parking “allowances” and minimum parking “requirements” for all commercial and employment development should be established within the station area. Minimum requirements help to avoid “spillover” parking in retail areas or nearby neighborhoods, maximums guard against overly generous parking supplies that discourage transit use. Short-term parking controls should be utilized in commercial core areas to discourage commuter parking near retail uses.
**Some Parking Design Considerations**

Parking lots should be configured to reinforce the street with active, visually interesting features. Entrances to parking should be carefully controlled when they occur across a public walkway; parking entrances should avoid crossing heavily travel pedestrian routes. Whenever possible, parking should be sited in the rear or to the side of a building and accessed from an alley or side drive. Garage entrances should be recessed behind the front facade to reduce their visual impact.

Walkways within parking lots will help reduce the impact that large lots have on pedestrian activity.
Design parking lots and garages with pedestrians in mind.

All auto drivers become pedestrians after they park. Pedestrian walkways should be provided within parking lots to all building entrances and out to the street. Walkways should be clearly delineated, well lit, and provide a complete, interconnected circulation system. Landscaping, canopies, or other weather protection should also be used to provide shade and cover along walkways.

Provide adequate bicycle parking.

Provide bicycle parking that is centrally located and easily accessible to building entries in commercial areas, at major employment sites, and close to public facilities. Bike parking should be closer to the building than auto parking and visible from the street or parking lots. Surveys should be conducted of actual demand, but the base supply for bike parking should always exceed expected demand to ensure availability. Bicycle parking should be separated from wheelchair access or other walkways.

Encourage joint use of parking spaces.

Parking demands fluctuate at different times of the day, creating opportunities for joint use of the same space by different users. Shared parking is convenient to all nearby uses. Joint-use parking is recommended for adjacent uses with staggered peak periods of demand. Retail, office, and entertainment uses can generally share parking areas and quantities.

Support the creation of public community parking lots.

Common lots can provide a supply of parking that is pedestrian-friendly, good for short-term use, and close to businesses. Coordinated redevelopment plans for urbanized areas could identify sites for shared parking lots or structures that are mutually financed through assessment districts or other mechanisms.
**Reducing the Impact of Large Parking Facilities**

Consider locating large park-and-ride lots a short distance away from the station facility to provide more land for compact, mixed use development close to the transit facility. Freeway interchanges and major arterials and other locations where pedestrian activity is not encouraged are good locations for large park-and-ride lots. Another strategy is to break up large lots into smaller lots throughout the station areas. This will allow parking facilities to serve both the transit station facility and nearby uses.

Provide on-street parking on pedestrian streets.

On-street parking is critical to keeping the focus of a community on the street, rather than the interior of lots. On-street parking helps to create street activity, as well as buffer the pedestrian from vehicle traffic. It provides convenient access for guests or patrons, reinforcing the orientation of building entries to the street. On-street parking can be compatible with bicycle travel, provided that auto speeds are slow enough to allow bicyclists to travel safely in the street.

Ensure convenient access for transit vehicles.

The location and design of parking lots should not cause conflicts with transit vehicle circulation. Parking lot entrances and exist should be located away from heavy bus traffic where possible. Where transit riders must cross parking lots to enter buses, safe travel routes should be provided.
Part I — Guiding Principles for Creating Transit Station Communities

Selected Resources


Design Guidelines to Enhance Pedestrian and Transit Interaction, Texas Transportation Institute, Texas A & M University System, College Station, Texas, November 1994.


LRT/Land Use Coordination: The Land Use Element of the Regional Transit Boards Light Rail Transit Coordination Plan, Regional Transit Board and Metropolitan Council of the Twin Cities Area, St. Paul, Minnesota, August 1990.


Planning and Design for Transit, TriMet, Tri-County Metropolitan Transportation District of Oregon, Portland, Oregon, March 1993.


Part II
Assessing the Market for Transit-Oriented Development

This chapter of the workbook provides a framework for preparing an analysis of the market potential for transit-oriented development. The framework is broken up into three major sections. The first section describes the importance of understanding the market context in determining development potential in station areas. The second section identifies basic "ground rules" that should be considered in conducting a market analysis. The final section describes a sequence of steps in assessing the market for transit-oriented development.

Market Context for Assessing Development Potential

The presence of a transit line, the location of stations, and the demand factors that stimulate transit ridership all have a bearing on the nature and amount of transit-oriented development near stations. However, many other variables also play important roles in determining the amount of development to plan for. Two of the more significant factors are: (1) the state of the present and future regional economy, and (2) opportunities for real estate development in the specific corridor where the transit station is located.

All transit-oriented development projects are different, reflecting the specific location, land value, nearby development pattern, local demographics, his-
Public policy can also have a powerful impact on the nature, magnitude, and timing of transit-oriented developments. Designation of urban growth areas, implementation of regional and local plans, aggressive zoning, and establishing rigorous standards for density and design in rail corridors are all measures that can support or, if not done properly, detract from development at stations.

All successful development, including transit-oriented development, responds to real estate opportunities. Developers and investors make real estate market decisions to locate near transit based on the belief that their projects can be enhanced by proximity to transit. The fundamental investment decision responds to an identified real estate market opportunity. If the target real estate market does not exist, then the necessary development capital will not be invested.

A theme throughout this workbook is that real estate developers and investors make market-driven real estate decisions, not transit decisions. Those decisions are based on a thoughtful understanding of supply and demand, a realization that there is an unserved or underserved market, and/or a belief that a new project can capture market share from less desirable, poorly located, or otherwise less advantaged projects.

**Market Study versus Market Strategy**

Market studies should be distinguished from market strategies. A market study has a limited shelf life. Supply and demand are constantly in flux and local market conditions can change considerably in a year’s time, particularly if the development community is aggressive in responding to market opportunities. The pattern begins with understanding the greater region down through the corridor, corridor segments, particular station locations, and opportunity sites. A market study or analysis is particularly appropriate for a project that is “ready to go” and, therefore, must respond to the current opportunity in the marketplace.

In contrast, a market strategy examines the tools, programs, incentives, policies and other levers to enhance the opportunity for a particular type of transit-oriented development. A market strategy is a long-term, proactive process that does not merely respond to current unmet demand. Market and implementation strategies involve the shaping of conditions to create and respond to

<table>
<thead>
<tr>
<th>DEMAND</th>
<th>SUPPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>residential</td>
<td>public lots</td>
</tr>
<tr>
<td>office</td>
<td>commercial lots</td>
</tr>
<tr>
<td>retail</td>
<td>off street dedicated</td>
</tr>
<tr>
<td></td>
<td>private</td>
</tr>
<tr>
<td>joint use</td>
<td>on street</td>
</tr>
<tr>
<td>commuter/</td>
<td>long term</td>
</tr>
<tr>
<td>retail</td>
<td>short term</td>
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</tbody>
</table>

Supply and demand are the key determinants of market potential for transit-oriented development.
opportunities. Such efforts are frequently the responsibility of the public sector and include strategies, such as removing regulatory constraints and other barriers, providing both incentives and supportive policies, cleaning up blight, installing infrastructure and amenities, and reducing crime.

This chapter focuses primarily on methods and rationale for conducting a market study. Market implementation strategies are discussed in more detail in Part III of this workbook.

**Four Phases of the Real Estate Market Cycle**

**Phase I —** At the bottom of a cycle, the marketplace is in a state of oversupply, either from previous new construction or from the lack of demand. Vacancy rates are at their peak. As a market begins to pass beyond the bottom of a cycle, demand growth begins to slowly absorb the existing oversupply. As excess space is absorbed, vacancy rates begin to fall, allowing rental rates in the market to stabilize and even increase. Eventually the market reaches equilibrium, where supply and demand are in balance and the only excess space is that which is expected to fulfill future demand.

**Phase II —** Demand growth continues to increase, creating a need for additional space. As vacancy rates fall below the equilibrium, rents begin to rise until they reach a cost-feasible level. At this point new construction typically commences. During periods of tight supply, rapid rental growth — also known as rent spikes — can be experienced. Once cost-feasible rents are achieved, demand growth and supply growth may continue at similar rates for a period of time. As long as demand growth rates are higher than supply growth rates, vacancy rates will continue to fall. The cycle peak is called the inflection point; a point at which the rate of demand growth drops below the rate of supply growth.

**Phase III —** When the inflection point is reached, vacancy rates are at their lowest and well below the equilibrium; the market is still strong. Supply growth is higher than demand growth — known as hypersupply — and this causes vacancy rates to rise back toward the market equilibrium. While there is no oversupply during this period, new supply completions compete for tenants in the marketplace. As more space is delivered to the market, rental rate growth slows. Eventually market participants realize that the market has turned; commitments to new construction typically slow or stop.

**Phase IV —** The market moves past equilibrium, with high supply growth and a decrease in demand. During this down-cycle landlords realize that they will lose market share if their rental rates are not competitive. Market liquidity is also low or nonexistent as the bid-ask spread in property prices becomes too wide. The cycle eventually reaches bottom as new construction and completions cease, or as demand growth turns up and begins to grow at a rate higher than that of new supply being added to the marketplace.
Ground Rules for Evaluating Market Potential

The market for transit-oriented development is determined by a wide range of factors. Each station location will have different influences and will respond to different strategies. This section provides some common “ground rules” for better understanding these influences on development potential at transit stations. The ground rules provide direction for shaping an analysis of market potential, writing public policy, or working directly on a transit-oriented development project. The ground rules also provide information that will help in assessing development opportunities and constraints around transit stations.

Ground Rule #1
Define Transit-Oriented Development Objectives

Individuals and groups responsible for promoting “transit-oriented development” in a particular area should work together to develop a common understanding of the specific transit-oriented development objectives. Defining the transit-oriented development objectives provides consistency in interpreting how a variety of transit-oriented developments can be successfully developed in different areas. A clear definition of the development objectives is needed to accurately access the market potential at each station location. Part I of this workbook — Guiding Principles for Creating Transit Station Communities — provides a framework that will help define transit-oriented development objectives.

Potential Components of a Market Strategy to Promote Transit-Oriented Development

- Preparing a regional demographic and economic forecast that is broken down to the corridor or station level.
- Establishing supportive intergovernmental agreements.
- Working with decision-makers to draft enabling legislation to support transit-oriented development.
- Writing model policy and codes for adoption by local governments.
- Supporting public relations and advertising to promote desired projects.
- Removing regulatory barriers from existing local codes.
- Investing public dollars strategically to effect change, including infrastructure and utilities.
- Removing other barriers, such as derelict buildings, unkempt properties, and crime.
- Providing on-going advertising and public relations efforts to publicize successful transit-oriented developments.
- Conducting educational programs at the local level for lenders, developers, and others.
**Factors for Successful Transit-Oriented Development**

- A strong overall market. A stronger market for development, particularly higher density residential and office space, will help create the critical mass of development at station area locations.

- The locational advantages of each station area. These advantages are carefully considered by potential investors, and successful development is focused at those station areas with multiple advantages, including good auto access, as well as transit access.

- Land use and transportation planning coordinated at the regional and local levels.

- Land use regulations that permit higher density residential and commercial development at station areas.

- The public sector actively involved in development partnerships with the private sector. Public sector actions can include investment in pedestrian and transit improvements, land assembly, site preparation, and development subsidies.

The real estate industry, like any major industry, is subject to cycles. This is true of the industry as a whole and each of its components (residential, retail, office, industrial, and other sectors). Real estate industry cycles tend to be long, usually four to seven years of growth followed by two to four years of slowdown and recovery before growth takes off again. At the top of a growth curve land costs are high because of the supply-and-demand relationship and the demand for building services in a strong market. Logic suggests that for a local government to purchase land near stations in advance of development at the top of the growth cycle would be poor timing. It may be better to wait for the market to “cool down” and then acquire property.

**Ground Rule #2 Understanding Responsibilities for Transit-Oriented Development**

Once transit-oriented development objectives are defined, the responsibility for implementation must also be determined. Some of the desired objectives are the responsibility of the private sector, while others fall to the public sector to implement. Many transit-oriented development responsibilities are shared by both the public and private sectors. Figure 4 provides an example of how public and private implementation responsibilities might be shared.
FIGURE 4
Responsibility for Achieving Transit-Oriented Development

<table>
<thead>
<tr>
<th>SELECTED TRANSIT-ORIENTED DEVELOPMENT ACTIVITIES</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define a station area where development is concentrated</td>
<td>PUBLIC</td>
</tr>
<tr>
<td>Design and site stations to maximize pedestrian access</td>
<td>PUBLIC</td>
</tr>
<tr>
<td>Establish a wide range of land use activities</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Promote development densities to support transit use</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Develop a commercial core within the station area</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Promote adequate commercial land use intensities</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Provide an adequate amount of retail</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Promote residential development near station areas</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Encourage a mix of different housing types</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Promote residential units above ground</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Promote and provide incentives for infill</td>
<td>PRIVATE</td>
</tr>
<tr>
<td>Plan and manage parking effectively</td>
<td>PRIVATE</td>
</tr>
</tbody>
</table>

GROUND RULE # 3
Determine Realistic Expectations for Each Station Area

Building transit-oriented development requires a change from traditional expectations. For example, communities will need to understand the benefits of higher density developments and lenders will need to consider more complex financing strategies involving multiple land uses. There must be realistic expectations about what can or cannot be achieved with any individual transit-oriented development project. No single development project will likely incorporate all the features desired for transit-oriented development. But collectively, a group of projects in a transit station community area can and should achieve many of the preferred characteristics.

GROUND RULE # 4
Understand That Developers Make Real Estate Decisions

Developers make real estate market and investment decisions, not light rail or transit decisions. While developers may base their decision on the belief that their projects will be enhanced by proximity to transit, the fundamental investment decisions are in response to a real estate market opportunity. This understanding is essential to achieving transit-oriented development. If the target real estate market does not exist, the necessary development capital will not be invested.
**Ground Rule #5**

**Demonstrate Public Commitment to Private Investment**

Knowledgeable private investors and developers are often reluctant to “pioneer” non-traditional developments. This is especially true in locations that are economically distressed, have little in the way of recent investment by others, or have a reputation for crime or other social problems. A station area plan should outline the public investments necessary to spur private development. The most significant of barriers to investment must be removed or neutralized by public commitment in the form of personnel and capital. This sends a clear signal that the public sector is prepared to pave the way and make it safe for private capital to follow.

**FIGURE 5**

**Development Opportunities at Different Station Locations**

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>GENERAL DEFINITION</th>
<th>TYPES OF DEVELOPMENT OPPORTUNITIES</th>
</tr>
</thead>
</table>
| Regional Urban Center     | A regional urban center is an area of high density and intensity of uses that support the primary transit connections in the region (e.g., Downtown Seattle, Bellevue, Everett, and Tacoma). | • Mixes of high-density and high-intensity uses which include mid-rise and high-rise offices, retail and specialty shopping, support services, high- and medium-density residential, and cultural and public facilities.  
  • Opportunities for redevelopment and infill development. |
| Community or Town Center  | A community or town center is a focal point for a smaller community or a major grouping of neighborhoods, such as Kirkland, Puyallup, and Edmonds. | • Medium-to high-density housing, commercial uses, and office uses.  
  • Redevelopment and infill opportunities.  
  • Scale of development is lower in neighborhoods.  
  • Small-scale mixed uses along main streets connecting to transit facility. |
| Emerging Suburban Center  | A typical suburban center is a major gathering place, such as a shopping center or office park (e.g., Southcenter, Northgate, Tacoma Mall, Lynnwood). | • Primarily commercial and office-related uses, with some opportunities for medium-density multifamily development.  
  • Opportunities for future development of parking lots and redevelopment of obsolete buildings. |
Ground Rule #6
Consider Location as Primary Determinant of Market Potential

While the transit station type and level-of-service characteristics can influence the type of development in a station area, the real estate market will be influenced most heavily by the station’s location and setting. Therefore, when projecting new development opportunities, consider the location very carefully. Figure 5 presents relative transit-oriented development opportunities at various types of generalized locations. Each site must, of course, be evaluated individually with regard to its unique characteristics.

Market Research and Analysis

Market research for transit-oriented development involves analyzing market and economic conditions at various geographic levels. The objective of the market analysis is to look at the state of the economy and real estate market at the regional level and work down to the site level. This graduated process recognizes the relationship between the region, the corridor, the corridor segment, the station area, and individual sites.

It is important to understand the relationships between the different levels of the market because the regional economy and market influence the development that occurs at and around stations. Also, the transit corridor must compete for market share with other corridors in the region, and each station area may compete with other station areas for new development — depending upon

Factors Influencing the Feasibility of Transit-Oriented Development

- Relatively higher densities enable a lower land cost per unit.
- Lower up-front infrastructure costs are required prior to building and selling the first units, compared with a conventional master-planned community.
- Greater product flexibility throughout the neighborhood enables quick response to changing market demand characteristics.
- The market can be deeper than just “new home buyers.”
- Residual value is enhanced. Appreciation of dwelling units in later phases of development should occur at a higher rate than within conventional master-planned communities.
- Integrated-use development creates a broader, more balanced tax base for local governments.
- Public maintenance and infrastructure costs are lower for higher-density development because of the greater economies of scale, shorter runs of lower cost infrastructure (for example, intersections rather than overpasses).
- The retail environment is constantly renewed as the shopfronts change, upgrade and evolve.
The real estate market is influenced by the region, the corridor, the corridor segment, the station area, and individual sites.

The real estate market is influenced by the region, the corridor, the corridor segment, the station area, and individual sites.

Three Levels of Market Analysis

There are three key levels to focus on in the process for conducting a market analysis of development potential at a transit station area. The different levels require the skills of a number of people as well as a variety of data sources.

The first key level is the **regional market analysis**. This broad scale analysis is conducted to determine "the big picture" economic and demographic context for transit-oriented development in general. This level of analysis provides an understanding of the housing and job growth environment in which transit-oriented developments do business and compete for market share. Regional and corridor forecasts are highly complex and demand a lot of resources. They are best performed by a regional planning entity having the broadest geographic responsibility, such as the Puget Sound Regional Council.

The second level is the **corridor-segment market analysis**, which defines the development potential of specific segments of the corridor. In urban regions it may be typical for particular types of land uses to concentrate in a particular sector or a region, or along certain corridors. For example, in the Seattle area, there is a significant concentration of industrial and commercial development in the Duwamish River corridor. Any transit corridor in this sector would have to plan for continued commercial and industrial uses.

The corridor segment market analysis is probably best performed by an economics consultant working closely with the city or transit agency staff. Local government can assist considerably in the process by collecting and performing ongoing maintenance of the necessary demographic and economic data. Information on building permits, local demographics, employment, property values, and similar items is extremely valuable in the market research process.
The final level is the market analysis for the station area and specific sites. This analysis is the more detailed because it deals with a specific group of properties. It is at this level that careful consideration is given to specific land use relationships and the opportunities for the desired development projects to support transit. The detailed analysis of the station area and individual sites is probably best performed by local government staff working with private developers and neighborhood interests.

The following discussion outlines the general steps for evaluating the development potential of station areas at each of the three key levels in the market analysis process, with a focus on station area opportunities.

**Conducting a Regional Market Analysis**

To determine the development potential of a transit station area there must be a clear understanding of real estate market conditions and demographics, both regional and local. The regional analysis establishes a detailed picture of historical, current, and projected population, household, and employment growth. Below are some steps to follow in conducting a regional market analysis.

**Develop a Regional and Local Demographic Profile** — Regional and local demographic data can be collected from many different sources, including state and regional agencies, public institutions, and private research firms. The regional demographic analysis should provide, at minimum, the following information: population size, household size, age distribution of the population, income composition of households, and employment by sectors.

**Determine the Population and Employment Growth for the Transit Corridors** — The next step is to identify and quantify the potential regional employment growth and housing development that can reasonably be expected to occur in each corridor. The basic information to be derived includes the demand for housing units, based on population and household size, and the demand for commercial and industrial uses (square footage) based on employment growth.
The potential regional growth will not necessarily be distributed evenly among transit corridors. Any corridor may capture a disproportionate share of the market, depending on such factors as: the pattern of existing land uses, investment history, quality of the built environment, proximity to buying power, relative lack of crime, and social conditions. These factors have a direct bearing on investment and the ability to produce revenues, through sale or rents, commensurate with that investment.

**Estimate the Type and Amount of Development Likely to Be Attracted to the Transit Corridor** — The final step in the regional/corridor analysis is to identify the type of development likely to be attracted to the individual transit station corridor and whether transit facilities will effect a shift in demand to the corridor. This step identifies the competitive position of areas along the corridor and considers how competitive conditions will be changed or enhanced by transit facilities.

This step should establish the current and projected market supply and demand for moderate-density housing, commercial retail, commercial office, and light industrial uses. For each type of use it is important to collect existing market data for the area, including primary research on market conditions (for example, interviews with real estate professionals and developers). Information on current market conditions, as well as knowledge of the key demographic and economic trends, is useful in determining future demand for different types of uses. From this information, conclusions may be drawn about the level and type of development that may occur in the transit corridor area.

**Conducting a Corridor Segment Market Analysis**

This level of market analysis identifies development potential based on general market conditions and development opportunities within a specific segment of a corridor. Just as no two stations are exactly alike, corridor segments can vary. And, while a full corridor has a general competitive position

**REAL ESTATE MARKETS ARE UNFORGIVING**

Markets respond to people's needs, their desires, and especially their ability to pay to meet those needs and desires. In a real estate context, development responds to the needs and desires of people in the form of housing, places to work, places to shop, places to learn, and places for recreation. People are the market; people know what they like and don't like; and people can and will reject a real estate product that is not responsive to their needs and desires. Transit-oriented development principles should reinforce market needs and desires, not oppose them. For example, a policy requiring unrealistic — or premature — reduction of automobiles in a transit-oriented development may damage the project's market acceptance. Projects should be designed to establish a desirable base and then evolve over time.
Regional Population Growth by FAZ (1999-2020)
REGIONAL FORECASTS AND ESTIMATES

In Washington State, the Office of Financial Management forecasts population for counties. At the regional level, population, employment, household, and other demographic information is forecasted, estimated, and reported by regional transportation planning organizations (RTPOs), such as the Puget Sound Regional Council. The Council provides estimates for the region and, working with local jurisdictions, further allocates growth to cities in the region and to smaller geographic subareas, such as Forecast Analysis Zones (FAZs) and Traffic Analysis Zones (TAZs).

Within a region, each segment of that corridor may have different potential opportunities. While the corridor-level analysis yields conclusions about future trends and competitive positions, the segment analysis provides quantitative projections of development by specific type. The analysis provides an understanding of different market areas and helps define what can occur at specific station areas.

The demographic profiles of specific corridor segments are determined by allocating the population and demographic information to small geographic areas, such as the Forecast Analysis Zone (FAZ) or Traffic Analysis Zone (TAZ). The corridor segment profiles are used to estimate demand for housing and em-

The corridor analysis provides a better understanding of different market areas and helps define what can occur at specific station areas.
employment within the different segments along the corridor. For example, in a commercial or industrial corridor, such as along the Duwamish River in Seattle, the analysis should include detailed information on the types of industries located in the corridor and types of travel behavior common to employees who work for these industries.

Below are some steps to follow in conducting a corridor-level market analysis.

**Identify current real estate market conditions within each segment** — This involves collecting data on the real estate market and estimated demand for specific land uses within the corridor segments. This information helps define the investment potential and market strength for certain types of uses. Real estate market information can be collected from many different sources, including real estate brokerage firms, appraisers, property management companies, the Multiple Listing Service, and government agencies.

The tasks to complete this step include:

- Identify characteristics of the corridor segments that may impact market areas, such as geographic constraints, demographics, and competing development.
- Identify market areas for the predominant land uses within each segment area, including residential, commercial, office, and light industrial.
- Collect real estate market data for the corridor, including rents, vacancies, sale prices, and land values.

**Impact of Transit Investment on Market Potential**

Where regional market conditions are favorable, experience indicates that transit investments are capable of positive impacts on station area market potential. Combining transit investments with private real estate projects appears to strengthen these effects.

Robert Cervero, a transportation researcher at the University of California at Berkeley, examined how transit investments and joint development affect indicators of office market conditions, such as average rents, vacancy rates, and absorption rates. His research showed that average office rents near stations rose with increases in system-wide transit ridership. Joint development projects added more than $3.00 per gross square foot to annual office rents. Also, office vacancy rates were lower, while average building densities were higher.

Additional research has found that, as a general rule, real estate values for all land uses rise in a station area with high quality transit service. The percentage increase will vary based on site-specific circumstances and the quality of transit service. For example, light rail transit tends to generate up to a 10 percent increase in housing unit prices when located within 2,000 feet of a station – approximately 5 city blocks. Commercial retail rents were also found to be somewhat higher at transit stations when located within 1,000 feet of a light rail station.

In Portland, a recent study found that homes located within 1500 feet of light-rail stations sold at a premium of almost 10 percent more than similar housing beyond that distance.
QUANTIFY DEVELOPMENT POTENTIAL. The development potential within the corridor segments is determined using the real estate market data and demographic estimates. Tasks to complete this step include the following:

- Estimate potential residential development based on household projections and a breakdown by type of housing units.
- Estimate potential sustainable retail, which is related to number of local households, transit, urban form, and building configurations.
- Estimate potential office demand.
- Compare each transit segment's retail and office components within the corridor and the overall market.
- Adjust each individual transit segment's retail and office components to maintain feasible absorption rates for additional space (square footage).

CONDUCTING A STATION AREA MARKET ANALYSIS

With station area market analysis, specific development opportunities within the station area are evaluated. The purpose of this analysis is to determine what land uses — and in what concentrations and mixes — may work for specific station areas and properties. The station area analysis builds on the information gathered from the regional and corridor segment market studies. Steps in this process are described below.

DEFINE THE TRANSIT STATION MARKET AREA. To conduct a detailed market analysis for a station area, market study areas must be defined for different types of land uses, such as residential, retail, or office. Market areas are based on a number of features, including the demand requirements for specific uses, natural features, transportation links, population density concentrations, and locations of competitive development. The study area
The station area might include a ‘core’ that is in the immediate vicinity of a station and a ‘frame’ that surrounds the core.

The station area might include a ‘core’ that is in the immediate vicinity of a station and a ‘frame’ that surrounds the core.

for residential housing usually extends beyond the station area and may include several neighborhoods. For local retail uses, the study area considers competitive stores and shops within a one- to two-mile radius of the transit station. The analysis for office uses is based on local and regional market supply and demand analysis.

- **Identify current and projected population characteristics and other demographic information for the station area.** — Data on population, households, and employment for the station area should be summarized from information collected for the regional profile and corridor analysis. The goal is to determine what share of the corridor segment growth can reasonably be expected within the station area. This step is important because it will define the potential for capturing households and jobs within the station area. If forecasts for population and jobs appear low for the station area, or more potential exists for other areas to capture the growth, then the opportunities for certain types of development may be limited.

- **Conduct a neighborhood planning review** — The next step is to review of existing neighborhood efforts and issues related to land use and transportation planning. Each neighborhood and station area is a distinct entity reflecting local history, development patterns, and the needs and desires of residents and businesses. The analysis should incorporate conclusions from all documentation pertaining to individual neighborhood planning efforts affected by the transit corridor.
Part II — Assessing the Market for Transit-Oriented Development

**FIGURE 6**
Example of Market Potential Summary

<table>
<thead>
<tr>
<th>Land Use Type</th>
<th>Current Market</th>
<th>Economic Conditions</th>
<th>Near-Term Demand</th>
<th>Compatibility with Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family Residential</td>
<td>Located on the periphery of station area</td>
<td>Per square foot sales price = $100 to $110</td>
<td>Low</td>
<td>Opportunities for infill at higher densities</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>Product is already established in study area - vacancies are low</td>
<td>Average rents = $0.80 to $1.00 per square foot per month</td>
<td>High</td>
<td>Good opportunities for increases multi-family housing</td>
</tr>
<tr>
<td>Retail</td>
<td>Local market is currently expanding by 200,000 square feet</td>
<td>Leases = $1.10 per square foot, triple net per month</td>
<td>Good</td>
<td>Some opportunities for additional convenience and service retail</td>
</tr>
<tr>
<td>Office</td>
<td>Some new class “A” office near station area - demand is currently low</td>
<td>Leases rates for class A space = $15 to $20 per square foot per year</td>
<td>Marginal</td>
<td>New class “A” office is compatible though demand may be adequate</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>No industrial in study area</td>
<td>Lease rates for space = $6.60 to $9.80 per square feet per year</td>
<td>None</td>
<td>Not compatible with existing development and identified sites</td>
</tr>
</tbody>
</table>

- **Identify current real estate market conditions for the station area** — Detailed market research provides information on market conditions in a specific station area and how it compares with other areas along the corridor. The real estate market analysis should include information on apartment rents and vacancies, home sale activity and prices, retail and office rents and vacancies, current raw land values by land use type, and land-to-building value ratio, to determine redevelopment potential.

- **Quantify development potential** — This part of the analysis includes determining the individual potential for both residential and non-residential growth within the station area. For residential development, considerations should include projected household composition change, types of housing available, optimum housing mix based on target market preferences, and comparison of housing demand to other stations within the corridor. For non-residential (retail, office, industrial, institutional) uses, considerations should include estimated retail potential based on local household consumer buying power, vacant or underutilized parcels close to a station facility represent a significant potential for development.
office demand based on employment change, and comparison with retail and office demand to the aggregate market within the corridor to check the reasonableness of demand assumptions.

- **Identify vacant or underutilized sites within the transit area** — Parallel with the market demand and supply analysis for specific land uses within the station area, possible sites for development or redevelopment should be identified. This analysis should use existing information provided by local agencies that define and categorize existing land use within the study area. If no vacant land information is available, an inventory is needed. The vacant land inventory should provide the following information for each parcel: location in relationship to the station area, parcel size, current zoning, adjacent land uses, land value, ownership, availability for development, and any other descriptive information available. The locations of the properties should be mapped out and a database created, preferably using geographic information systems.

### Figure 7

#### Summary of Market Potential for Individual Sites within a Station Area

<table>
<thead>
<tr>
<th>Property Location</th>
<th>Current Land Use</th>
<th>Zoning</th>
<th>Access</th>
<th>Parking</th>
<th>Utilities</th>
<th>Environmental Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vacant</td>
<td>Multi-Family</td>
<td>Good</td>
<td>NA</td>
<td>Connections Available</td>
<td>None</td>
</tr>
<tr>
<td>2</td>
<td>Vacant</td>
<td>Multi-Family</td>
<td>No access</td>
<td>NA</td>
<td>Connections Available</td>
<td>Steep Slopes</td>
</tr>
<tr>
<td>3</td>
<td>Residential House/Vacant</td>
<td>Single-Family</td>
<td>Good</td>
<td>Parking Provided</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>4</td>
<td>Vacant</td>
<td>Park/Open Space</td>
<td>None</td>
<td>NA</td>
<td>No</td>
<td>Wetlands</td>
</tr>
<tr>
<td>5</td>
<td>Retail Store/Vacant</td>
<td>Commercial</td>
<td>Access Provided</td>
<td>20 spaces</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>6</td>
<td>Parking Lot</td>
<td>Commercial</td>
<td>Access Provided</td>
<td>100 spaces</td>
<td>Yes</td>
<td>None</td>
</tr>
<tr>
<td>7</td>
<td>Industrial Site</td>
<td>Industrial</td>
<td>Access is good</td>
<td>50 spaces</td>
<td>Yes</td>
<td>Toxic Soils</td>
</tr>
<tr>
<td>8</td>
<td>Vacant</td>
<td>Industrial</td>
<td>No access</td>
<td>None</td>
<td>Will Need Extensions</td>
<td>Not Surveyed</td>
</tr>
</tbody>
</table>
Part II — Assessing the Market for Transit-Oriented Development

- **Provide a Summary of Market Potential by Land Use Type** — Based on the analysis of demand and market potential for specific types of development and the inventory of potential properties for development, a summary of the market potential for the station area should be created. This summary should include, but not be limited to, land use type, current market, economic conditions, overall demand, and compatibility with the study area. Some station areas may be better suited for residential housing, others for employment uses. The following table depicts an example of how to summarize and show development potential for different uses.

- **Understand and Detail Development Opportunities for Specific Properties** — Once specific properties with development potential are identified, the next task is to conduct a detailed analysis of these properties. Issues and constraints that may impact the potential for development include: site characteristics, zoning and land use controls, environmental constraints, parking and access, and utilities and services. Each property should be rated against established goals and criteria for development within transit station areas. The table below illustrates a hypothetical market potential summary.

Market analysis for transit-oriented development involves understanding multiple levels of the economy and the real estate market. A comprehensive market analysis process involves the review and assessment of market factors at various levels within the regional market. Such an analysis is not a means to an end. Rather, it provides a general idea of the types of development that could locate and be successful within the station area. The information gathered from a market analysis should be incorporated into an action plan or market strategy for promoting transit-oriented development.

**Get Feedback from Stakeholders**

Planners from the City of Seattle interviewed developers, financing and legal professionals, and realtors concerning development around transit stations. One of the issues identified was the difficulty in locating and acquiring property for redevelopment. They also identified the need for a productive working relationship between public and private sectors.

In addition, Seattle conducted case studies of other cities' experiences with transit-oriented development at light rail stations. This research showed that light rail alone has only a limited influence on growth near stations. The greatest opportunity lies in implementing development strategies specific to each station area in order to influence the amount and quality of transit-oriented development — and to promote pedestrian activity and transit use.
Selected Resources

Aurora Avenue Corridor Study, A. Nelessen Associates, Inc. for King County Department of Community Development, Seattle, Washington, June 1993.

Beyond the Field of Dreams: Light Rail and Growth Management in Portland, Tri-Met, Tri-County Metropolitan Transportation District of Oregon, Portland, Oregon, September 1996.


Land market Impacts of Urban Rail Transit and Joint Development: An Empirical Study of Rail Transit in Washington, D.C., and Atlanta, Robert Cervero, University of California Transportation Center, University of California, Berkeley, California, 1992.

Local Economic Benefits of Commuter Rail Stations for Communities and Businesses (Brochure), Camiros and Valerie S. Kretchmer Associates, Inc. for Metra, Chicago, Illinois.
Part II — Assessing the Market for Transit-Oriented Development


Ridership Impacts of Transit-Focused Development in California, Institute of Urban and Regional Development, University of California, Berkley, California, August 1994.


Part III
Implementing Transit-Oriented Development in Station Communities

After station area design concepts have been developed and a market analysis has been conducted, specific implementation actions need to be identified to make transit-oriented development happen. This chapter of the workbook focuses on the implementation strategies that local jurisdictions can use to help create transit-oriented development at station areas.

Implementation strategies are grouped within three major areas:

- Creating a permit and regulatory environment that encourages rather than discourages transit-oriented development.
- Pursuing various funding sources that will support development activity and leverage private investment.
- Promoting development opportunities through public actions by working proactively with the development community.

These strategy areas are based on the premise that to achieve transit-oriented development jurisdictions must do more than just passively allow transit-oriented development at station areas. They must encourage the development community to participate in transit-oriented development, promote private development through public investment, and actively pursue partnerships with the development community.
Regulations that Encourage Transit-Oriented Development

Although transit-oriented development has been hailed for a number of years as an excellent alternative to conventional low-density development, it has still not been institutionalized within the permit and regulatory environment of most jurisdictions in the nation and region. According to a report published in the New Urban News, for every dollar invested in transit-supportive land use developments, over $1,400 is still invested in conventional suburban development. For this to change, local communities will need to take a hard look at how their zoning and development codes either frustrate or accommodate station area development activities.

Examples of Potential Station Area Implementation Strategies

- Adopt a market strategy for transit-oriented development
- Prepare specific transit-oriented development guidelines
- Conduct outreach and technical assistance activities
- Adopt new or modify existing development incentives
- Seek passage of state enabling legislation as needed
- Create a transit-oriented development revolving fund
- Prepare station area development profiles and maps
- Undertake joint development projects
- Prepare public/private master plans
- Continue or create public/public partnerships
- Buy land at critical locations from willing sellers
- Use interim land use controls to preserve opportunities
Described below are three ways of creating a more effective regulatory and permit review environment for transit-oriented development.

- Modify zoning and development regulations to encourage rather than discourage transit-oriented development.
- Develop appropriate mechanisms to ensure that regulations are tailored to individual station areas.
- Simplify and streamline the permit review process.

THE IMPORTANCE OF PREPARING A STATION AREA PLAN

Preparing a station area plan is the first step that must be undertaken before land use regulations are modified. A station area plan generally contains special standards for a specific area, including regulations to protect particular natural features, design guidelines specifically tailored for a site, or detailed responsibilities of the public and private sectors. In addition, a station area plan can directly impose impact fee requirements to ensure that capital improvements contained in the plan can mitigate potential adverse impacts of a proposed development. A programmatic environmental impact statement (see Planned Actions under GMA later in this chapter) adopted as part of a station area plan streamlines the permit review process by eliminating the need for additional environmental documentation. A station area plan can be a "one-stop shop" where a particular area's development policies, land use regulations, capital improvements program, and financing measures are all contained in one package. By precisely correlating land uses with supporting infrastructure, developers and local governments can avoid inefficient over or under-sizing of streets, sewers, water lines, and the like. Preparing a station area plan requires collecting and analyzing detailed data and necessitates extensive staff time, especially if the plan contains regulations not used elsewhere in the jurisdiction.

MODIFY ZONING AND DEVELOPMENT REGULATIONS

Many local zoning codes unwittingly discourage transit-oriented development through regulations designed to promote automobile-oriented, single-purpose, suburban-scale development. Identifying and eliminating these regulatory barriers is a necessary first step for creating successful transit station communities. This process is sometimes described as a ‘regulatory audit’. The guiding principles in Part I of this workbook should be used to determine whether existing zoning regulations help or hinder the development of transit station communities.

Adequate commercial and residential densities should be allowed to support private development interest in station areas.
###FIGURE 8

Some Questions to Ask in Conducting a Regulatory Audit

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Does your code restrict small lot development or zero-lot line development?</td>
</tr>
<tr>
<td>2.</td>
<td>Does your code allow a full range of housing types, including cottages, duplexes, and accessory housing?</td>
</tr>
<tr>
<td>3.</td>
<td>Does your code include physical requirements that might effectively restrict the ability to achieve allowable densities?</td>
</tr>
<tr>
<td>4.</td>
<td>Does your code include a minimum density requirement?</td>
</tr>
<tr>
<td>5.</td>
<td>Does your code allow residential above ground-level commercial uses?</td>
</tr>
<tr>
<td>6.</td>
<td>Does your code contain performance criteria for determining what specific uses are and are not allowed in a station area?</td>
</tr>
<tr>
<td>7.</td>
<td>Does your code provide incentives for developers to provide parks, a plaza, or other public open space?</td>
</tr>
<tr>
<td>8.</td>
<td>Does your code have different standards for streets that have been designated as primary pedestrian streets?</td>
</tr>
<tr>
<td>9.</td>
<td>Does your code require convenient access between a building entry and public walkways?</td>
</tr>
<tr>
<td>10.</td>
<td>Does your code require (or provide incentives for) buildings to be built along the public right-of-way?</td>
</tr>
<tr>
<td>11.</td>
<td>Does your code require wider sidewalks in the station area?</td>
</tr>
<tr>
<td>12.</td>
<td>Does your code require that a street grid be continued and/or established in the station area?</td>
</tr>
<tr>
<td>13.</td>
<td>Does your code require pedestrian connections within parking lots?</td>
</tr>
<tr>
<td>14.</td>
<td>Does your code require expanded street and building lighting requirements in the station area?</td>
</tr>
<tr>
<td>15.</td>
<td>Does your code restrict the number and frequency of curb cuts along streets in a station area?</td>
</tr>
<tr>
<td>16.</td>
<td>Does your code require pedestrian amenities such as weather protection, public seating, or other improvements?</td>
</tr>
<tr>
<td>17.</td>
<td>Does your code have special provisions for infill development on small or undersized lots?</td>
</tr>
<tr>
<td>18.</td>
<td>Does your code allow a waiver of parking based on level of transit access to the site or availability of on-street parking?</td>
</tr>
</tbody>
</table>
In modifying regulations, it is important to take into consideration market forces as discussed in the previous chapter. Land use regulations that are too stringent may discourage all development activity while regulations that are too broad may allow development that is not desirable. An economic analysis of new regulations should be conducted to ensure they do not represent a true disincentive to positive development. Appendix A contains more detail on completing a regulatory audit for transit-oriented development.

**TAILOR REGULATORY MECHANISMS TO THE STATION AREA**

In conducting a zoning or regulatory audit you may find that many of the objectives you want to achieve within a station area are not desired or appropriate in other parts of the jurisdiction. For instance, implementing reduced parking requirements jurisdiction-wide could cause problems in certain areas. There are many ways to apply or fine-tune regulations to achieve desired objectives in a station area. Many jurisdictions in the region already use different techniques to tailor their code to historic districts, growth centers, or other unique areas. Below are some common ways that zoning regulations can be tailored for use in achieving station area objectives.

**NEW ZONE CLASSIFICATIONS**

The most common and basic way to implement new land use objectives is to create new zone classifications that can be used within a defined station area. This approach is useful if the land use objectives in other parts of the juris-

**EXPERIENCES MODIFYING DEVELOPMENT REGULATIONS AND PERMIT PROCEDURES**

- The city of Tacoma is planning to use five new “Mixed-Use Center Districts” to encourage development in activity centers. Each zone is tailored to the residential, commercial, or industrial character of the center. The new zones replace existing zoning entirely and are combined with additional design and engineering guidelines.

- The city of Seattle contains two pedestrian overlay zones that reduce parking requirements, limit parking lot development in commercial cores, and requires pedestrian-oriented ground level uses.

- The city of Redmond conducted an evaluation of its existing procedures by interviewing past permit applicants, staff, and design review board members. As a result of this effort, the city modified its permit review process to make it more effective for both applicant and city staff.

- The city of Gresham, Oregon, created four new zones for a new center around a light rail station. Each zone encourages a minimum amount of certain development, but then allows intermixing of other types, subject to compliance with transit-supportive development standards. This scheme ensures a mix of uses, as desired in the center plan, but gives considerable flexibility.
diction are much different and minor modifications to existing classifications will not work. Emerging urban areas may need to use new classifications if they are to achieve some of the more dramatic changes needed at their station areas. The drawbacks are that new classifications could make the land use code more complicated and difficult to use for the developer, the community, and the planner.

TRANSIT OVERLAY ZONE

If the current zoning needs only minor modifications, an “overlay zone” might be appropriate. An overlay zone retains the existing zoning, but adds some supplemental provisions that apply only to the station area. In some cases an overlay zone is more restrictive, such as prohibiting auto-oriented uses, while in other cases it may be more flexible, such as allowing existing parking spaces as part of a new development’s requirement. The advantage of an overlay zone is that you can tailor regulations for a specific area without having to add an entirely new district to your zoning code. An overlay zone may also be less threatening to local property owners than entirely new zoning. One disadvantage to an overlay zone is the additional layer of rules that can increase complexity.

NEW ZONING DISTRICTS

Another approach is to create an entirely new type of zoning district with its own land uses and development standards. An advantage to an entirely new zoning district is that regulations can be specifically tailored to center objectives and can be more clear and simple. However, if a larger center is treated as one large mixed-use district, it could be difficult to manage distribution of land uses according to your center plan. For instance, if there is a strong market for office space you might end up with nothing but new office buildings in a zone where you had hoped to get a mix of uses. This might also be confusing to developers who have done projects in other parts of the jurisdiction.

DESIGN GUIDELINES

Another way to ensure that land use regulations are tailored to a community is to develop and use transit-oriented development design guidelines.
Design review can be an important regulatory tool for developing transit-oriented communities. Generally, design guidelines are used in conjunction with zoning requirements in directing new development to achieve public objectives. Whereas zoning codes can regulate quantifiable and easily determined characteristics such as use, height, bulk, and setbacks, design guidelines are more successful in addressing other objectives such as building design, pedestrian orientation, building scale with respect to its surroundings and special site design issues. While zoning provisions usually rely on specific formulas or criteria, design guidelines can be much more flexible.

For example, most zoning codes deal with parking lot landscaping by specifying a specific quantity of trees and landscaping per unit of parking or a specific width of border planting around a parking lot. Design guidelines can be written that specify a design objective and allow a number of ways to achieve the goal, many of which might be more effective and less costly than the formula provided in the zoning code. To quote a common analogy, “if a zoning code is a butcher knife, then design guidelines are a scalpel.” Design guidelines are a way to add flexibility to project review while ensuring that specific objectives for the station area are met.

**Types of Design Review Guidelines**

Design guidelines can be used to address a number of objectives that are important to the success of transit-oriented development, including:

- Site planning—integration of large site development, provision of street grid, site design of corner lots, orientation of parking, safety and security, and side and rear yard compatibility with neighbors.

- Pedestrian orientation—access to site, on-site pedestrian circulation building entries, pedestrian safety, weather protection and amenities.

- Vehicular access and parking—access streets and entries, design of parking lots, incentives to reduce the amount of parking.

- Building design—building scale and relationship to human scale, fit with surroundings, fit with historic character of district, material and colors, lighting, and mechanical equipment and service areas.

- Landscaping—integration with site design and building, special opportunities or context.
PREPARING A DESIGN GUIDELINE REVIEW PROCESS

DETERMINE HOW PROJECTS WILL BE REVIEWED WITH RESPECT TO THE GUIDELINES. — Will review be done by administrative staff, or by a special design review board? How can review be accomplished without increasing the permit time? If projects are to be reviewed by a review board, such as is done in Edmonds or Redmond, the guidelines themselves can be more general and subject to interpretation. On the other hand, if the guidelines are to be administered by staff such as in Kirkland or Kent, then they must be a little more specific and less reliant on subjective judgment. In either case, the guidelines must provide clear and understandable criteria on which to base review decisions.

IDENTIFY GUIDELINES THAT CAN WORK EFFECTIVELY WITH OTHER LOCAL DEVELOPMENT REGULATIONS. — Guidelines should not unnecessarily duplicate or contradict zoning code provisions. Where a guideline addresses the same issue as another code provision, it should be cross referenced to avoid confusion. Guidelines can be used to add flexibility to a zoning code. For example, the zoning code might call for a specific minimum building setback unless an exception is agreed to as part of the design review process. The Seattle design guideline program allows permit applicants to use the design review process to seek design “departures” (more flexibility) from the city’s tightly constrictive and formulaic zoning code.

ESTABLISH A PROCESS THAT ALLOWS DEVELOPMENT TO FIT WITH THE DESIRABLE ASPECTS OF ITS LOCAL CONTEXT. — Historic district guidelines are the most obvious example of this principle because there is a well defined design character to reinforce. In other areas the context may not be as obvious and the design guidelines should be focused toward redevelopment objectives. For example, Tukwila’s design guidelines for Highway 99 emphasize the characteristics envisioned in the corridor redevelopment plan and acknowledge that the highway’s existing development character will change over time. Seattle’s design guideline program is based on a set of general, city-wide guidelines, but local communities can refine guidelines for the particular area to address special conditions, architectural context or community revitalization objectives.

ENSURE THAT PROCESS WILL NOT ADD SIGNIFICANT DEVELOPMENT COSTS OR DELAY PERMITS. — While people might think that a design review process will add cost and time to a project, this is not necessarily the case. Case studies in Seattle and Kirkland found that design review was not a significant factor in development costs. Many communities, such as Redmond, Seattle and Woodinville, are experiencing more development now than before design review was established. However, it is very important that the cost and time implications of proposed design guidelines and review procedures be studied prior to adoption. This can be done by working directly with local developers and by comparing the effects of similar design review programs of other communities.

DEVELOP GUIDELINES THAT ARE CLEAR, CONCISE AND WELL ILLUSTRATED. In the broadest sense, effective design guidelines are primarily a communication tool. Guidelines should help project proponents better understand and respond to objectives, help staff evaluate proposals objectively and fairly, and help community members articulate and achieve their objectives. Design review takes place most effectively when each party can explain themselves and understand the other’s intentions. Examples and illustrations are invaluable in explaining spatial relationships and design concepts. “Portfolios” of exemplary projects can help to further explain the city’s objectives.
Simplify the Permit Review Process

Many private developers cite length of time and uncertainty in the permit process as primary barriers to development. The permit review process plays a large role in both the time and level of certainty in getting development approval. Facilitating the permit process can provide a powerful incentive for transit-oriented development. Below are a number of ways to streamline permit review in station areas.

Remove or Consolidate Steps in the Process
Identify permit review steps that can occur concurrently or may be unnecessary within a station area. For instance, development at transit station areas may be able to avoid concurrency review requirements under state law due to the high degree of transit accessibility.

Make Sure the Applicable Regulations are Organized and Easily Accessible
Simplify the process for developers and the community by preparing a code packet that contains all the regulations for the station area. The packet is especially useful in attracting developers from outside the area and in facilitating more complex mixed-use projects.

Review Prior Appeals to Identify Opportunities
Review of appeals or requests for exemptions from regulations can unearth procedural and regulatory difficulties. For example, Seattle was able to provide more affordable housing by relaxing open space standards that were difficult to meet in small residential projects.

Allow for Flexibility in the Permit Process
Some applicants may favor a speedy, predictable process while others may prefer some flexibility to achieve a less-traditional proposal. Applicants could choose between a fast-track method that must meet predetermined standards, and a flexible method with performance criteria and a more interactive review process.
CONDUCT SOME OF THE PERMIT STEPS IN ADVANCE OF THE DEVELOPMENT PROPOSALS

Examining specific impact issues in a planning process, such as transportation or utility capacity, can reduce project uncertainty and permit review time for developers. This is especially true if the plan specifically evaluates the impacts and establishes mitigation for the level of development envisioned in the plan.

FUNDING SOURCES FOR TRANSIT-ORIENTED DEVELOPMENT

If a station area is not served with sufficient streets, sidewalks, utilities, parks, schools, and other community facilities, transit-oriented land use development will not occur. Public capital investment is a proven way to induce private development. Once the infrastructure needs are identified in the planning process, the most pressing infrastructure question is “How can we pay for the improvements?”

There is no single source of funds designed to facilitate transit-oriented development at station areas. The sources of capital funding available are the same as those used for regular municipal infrastructure development. The funding challenge is to use these resources in such a way as to maximize the potential development opportunities in a station area.

LIGHT RAIL STATION AREA PLANNING UNDERWAY IN SEATTLE

Station area planning in Seattle is built upon the neighborhood planning process. Through station area planning, the city helps to guide Sound Transit in locating the light rail line and its stations in Seattle. The central section of the light rail system within the city of Seattle will include about 20 stations. Seattle hired a team of consultants to conduct a market analysis, assess transit-oriented development potential on a station-by-station basis, and prepare station area plans when an alignment is selected. A market study for each station area will identify the kinds of activities and services that might be attracted to the light rail station areas and then strategies will be developed to encourage that type of development in keeping with the community’s vision. Finding adequate funding to complete the plans and improvements will be the next major obstacle for the city to address.
Below is a list of capital infrastructure funding sources from the federal, state, and regional and local levels. No one source of funding will meet the infrastructure needs of a station area. A number of funding sources are needed as part of comprehensive, targeted funding strategy. A targeted funding strategy will allow jurisdictions to link funding for infrastructure with the likely beneficiaries of the proposed improvement. This allows jurisdictions to extend their limited resources and lets them benefit from the increased value created by the public investment.

**Federal Funding Sources**

**Transportation Equity Act for the 21st Century**

The new Transportation Equity Act for the 21st Century — called TEA-21 — passed by U.S. Congress in 1997 commits over $200 billion in transportation investments through the year 2003. TEA-21 picks up where the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 left off by placing federal priority on intermodal connections and providing regions with the funding flexibility to meet their specific needs. About 18 percent of all TEA-21 funding is allocated to transit (up from 17 percent in ISTEA).

**A Planned Action Environmental Impact Statement**

In 1995, the State legislature incorporated the concept of a planned action environmental review into the State Environmental Policy Act (SEPA) and the Growth Management Act (GMA). The new law allows local governments to prepare a “planned action” or programmatic Environmental Impact Statement (EIS) that can eliminate or reduce the requirement for project-level SEPA review, provided the proposal is within the parameters of the original planned action evaluation. Local jurisdictions, planning under GMA, were given the option of adopting this new project action as part of their local SEPA Ordinance. An example of a planned action might be one in which a jurisdiction has a strong interest in how specific properties are developed, such as directing specific types of development around a proposed transit station. The EIS for a planned action would provide a level of environmental analysis that is similar to what would normally be required at the project level. The planned action must be adopted by a city ordinance. The planned action ordinance would indicate where in the EIS the environmental impacts have been addressed, and should include mitigation measures. If desired, the ordinance may set a time limit for planned action designation. Prior to ordinance adoption, an intensive level of public review for both the EIS and the proposed planned action ordinance is crucial. Since there is no threshold determination or EIS required for individual projects proposed and found consistent with the planned action, there would be no opportunity for public review or appeal of the adequacy of the environmental documents or the threshold.
TEA-21 federal funds have increased for making improvements to the pedestrian environment. More important is that about 40 percent of funds are flexible for a wide variety of transportation needs. The major categories of ISTEA funding have generally remained the same under TEA-21. These include:

- **Surface Transportation Program (STP).**
  Eligible projects include all travel modes — roads, transit, bicycle, pedestrian, marine and ports. STP funds include a 10 percent set-aside for "enhancement" projects, including non-motorized facilities. The program is regionally administered in the four-county Puget Sound region (King, Pierce, Snohomish, and Kitsap counties).

- **Statewide Competitive Allocation.** Eligible projects include those associated with economic development, public/private partnerships, and unique, innovative projects. Approximately $30 million has been available for distribution per year on a statewide competitive basis.

- **Congestion Management and Air Quality (CMAQ).** CMAQ funds projects designed to help achieve federal clean air standards by reducing transportation-related emissions. Station area improvement projects should compete well for CMAQ funding consideration.

**Transportation and Community and Systems Preservation Pilot Program (TCSP)**

The TCSP (administered by the Federal Highway Administration) is a new funding source under TEA-21 which may prove to be an excellent source for funding transportation improvements in station areas. Initiated in 1999, the pilot program is designed to address the relationship between transportation projects and land use development. Specifically, the program funds will be targeted to transportation projects that can demonstrate a positive influence on private land development. United States Department of Transportation is particularly interested in supporting projects that are ready to begin so that results can be collected, documented, and shared fairly quickly with others. The program provides funding over a five year period, with $20 million in fiscal year 1999 and as much as $50 million for each subsequent year. In 1999, the Puget Sound Regional Council received TCSP funds to initiate station area planning assistance activities.
**Economic Development Technical Assistance Grant Program**

This program is administered by the U.S. Department of Commerce’s Economic Development Administration (EDA). Grants are targeted to solving specific economic development problems, determining development opportunities, and expanding local organizational capacity in distressed areas. The intent of the program is to lead to near-term (1 to 5 years) generation or retention of private sector jobs and promote economic diversification. The program focus is on distressed rural areas and state and federally designated enterprise zones. Because priority is placed on assisting economically distressed areas, many station areas in the central Puget Sound region may not compete well for these funds. Grant awards generally range between $20,000 to $25,000 per project. Grants require a 25 percent match.

**FTA Livable Communities Initiative**

In 1994, the Federal Transit Administration (FTA) launched the Livable Communities Initiative providing financial support for linking land use and transit investments. The Initiative funds community facilities located adjacent to rail and bus lines that are aimed at increasing transit ridership. The initiative brings together several funding sources (Block Grants, Surface Transportation Program, and Congestion Mitigation and Air Quality funds) for projects that maximize the use of transit. The Livable Communities Initiative provides a new funding mechanism for transportation-related projects that often have difficulty securing conventional funding.

Examples of Livable Communities Initiative funding include a $1.9 million grant for the development of a child care center at a station in Baltimore, a $10 million grant for the extension of pedestrian walkways at a Atlanta.

**New Federal Program — Location Efficient Mortgages**

In a transit station community, residents can walk to a grocery store, ride public transit to work, and use a bike to run errands on the weekend. Research in Chicago showed that residents near a major transit facility were likely to own just one car per household and drive fewer than 900 miles per month. The research also found that monthly transportation costs were just $380 per month for residents near stations compared to about $660 per month for a typical suburban dweller. These costs savings will be able to be put toward housing costs under a new program initiated by the National Resources Defense Council in cooperation with Fannie Mae. The program, called Location Efficient Mortgages or LEM, enables banks to grant households living in close proximity to transit service a higher loan to debt ratio. The lower transportation costs of station community households are subtracted from principal, interest, taxes, and insurance when calculating mortgage qualifications. This program could help low-moderate income and first-time home buyers break into the home ownership market. Market tests are being conducted in Chicago, San Francisco, and Seattle.
The FTA Livable Communities Initiative is intended to support planning and implementation projects that link transit and land use development.

The funding levels are different depending on availability of discretionary funds and there is no formal application process. Generally less than 30 projects are funded nationwide per year. Requests for funding should be made to the regional FTA office through the Metropolitan Planning Organization — the Puget Sound Regional Council.

**SECTION 5309 NEW STARTS FUNDING**

One of the main FTA funding programs is the “new starts” program, which funds the building and extensions of fixed-guideway transit (rail or bus) systems. In 1997, the FTA developed new guidelines for choosing among

**PORTLAND AND FEDERAL NEW START FUNDING**

The Portland experience of linking land use and transit investments has had national implications for the federal role in funding light rail construction projects and made a critical difference in securing rail funding in the Portland region. During construction of the Westside MAX project, the federal Office of Management and Budget (OMB) initially recommended against funding the extension based on its narrowly defined cost-effectiveness equation. The Federal Transit Administration (FTA) took the lead in urging OMB to consider the benefits of land use when associated with light rail development. To finalize the agreement with OMB, FTA took the unprecedented step of making funding for the Westside extension contingent on land use changes in the corridor. OMB agreed the project was warranted if its land use benefits were backed up by law. The full funding grant was amended to require the enactment of local and regional plans that would positively impact transit ridership through land use changes at stations. In Portland, MAX has strong bipartisan support because it is widely seen as an investment tool to build a livable community. This experience has important implications and lessons regarding the potential for future authorization of federal funding for new rail starts in the central Puget Sound region.
competing projects that give increased emphasis on transit-supportive land use planning. The new guidelines identify "transit supportive existing land use policies and future patterns" as one of the key criterion. Among the specific elements that the FTA is looking for include: supportive zoning regulations near transit stations, tools to implement land use policies, and a demonstrated ability to actually achieve planned land use changes. As the FTA decides among competing projects, priority will be given to those that link new development to transit stations. This new criterion has been instrumental in helping the Portland region increase its share of federal funding support. Competition is growing for this funding source as more and more regions begin implementation of new fixed-guideway transit systems.

**Transit-Oriented Development (TOD) Revolving Fund**

Jurisdictions can take advantage of changes in FTA rules (1997) that allow local agencies to use funds generated by joint development for other transit-oriented development activities. For example, income for the sale of surplus property or air-rights development can be deposited into a revolving fund for the purpose of supporting other transit-oriented development activities. To the extent that the original expenditure was financed by federal funds, the jurisdiction will have somewhat greater flexibility in how the revolving fund can be invested.

**Community Development Block Grant (CDBG)**

CDBG provides eligible communities with direct grants for the purpose of neighborhood revitalization, economic development, expanding affordable housing opportunities or improving community facilities and services. The grants are intended for the principal benefit of low- and moderate-income households. Eligible communities are cities with populations greater

CBDG funds can be used on a wide range of community revitalization projects.
than 50,000, other local governments designated as central cities of metropolitan areas and urban counties with more than 200,000 residents (excluding residents of eligible cities). Eligible activities include, but are not limited to:

- Acquiring real property for program purposes.
- Reconstructing or rehabilitating housing and other property.
- Building public facilities and improvements, such as streets, sidewalks, sewers, and water systems.
- Assisting for-profit businesses with special economic development activities.
- Assisting low-income homebuyers directly through down-payment assistance, subsidized interest rates or helping with closing costs.

**John Heinz Neighborhood Development Program**

The John Heinz Neighborhood Development Program provides funding for local organizations engaged in development activities that are focused on low- and moderate-income households. The funding support offered through this program must be matched by some other source of funds secured by the organization. Eligible activities are similar to the CDBG program.

**Section 108 Loan Guarantee Program**

Section 108 program is designed to assist local governments that are participating in the CDBG program with federally guaranteed loans to support large economic development projects. This program allows local governments access to larger pools of capital by allowing them to pledge future CDBG grants as support for the loans. The loan must be used for projects that meet at least one of the three program objectives: eliminating urban blight; creating or retaining jobs for low- and moderate-income residents; and meeting urgent community development needs.

Generally, the type of project best suited for this program would generate sufficient cash flow to meet the debt service requirements of the loan, leaving the CDBG funds available for other local programs. The statute was

**Section 108 in Action**

The Section 108 program was recently used to augment the project financing for large scale developments in Seattle and Spokane. The city of Seattle used this mechanism to provide $24 million to support the Pacific Place retail development in downtown Seattle. In Spokane, the program was tapped to support the River Park retail development. In both cases, the projects were seen as cornerstones of downtown revitalization and important to retain and expand the retail job base.
revised in 1994 to allow funds to be used for facilities that do not generate cash flow, if an alternate source of funds is identified to repay the loan.

**Economic Development Initiative**
The Economic Development Initiative (EDI) offers local governments that use Section 108 loan guarantees a mechanism to reduce the level of risk to their CDBG funds. Section 108 requires a grantee to pledge up to 5 years of CDBG funds to support the loan. The EDI offers grants that can be used to provide additional security for a Section 108 loan, thereby reducing the grantee’s CDBG exposure in the event of a loan default. Alternately, the grantee could use the EDI funds in direct support for the project, thus reducing the reliance on the Section 108 loan.

**Empowerment Zones and Enterprise Communities (EZ/EC) Initiatives**
The EZ/EC initiative targets tax incentives, grants and loans to designated low-income areas for the purpose of fostering job creation and business expansion opportunities. To apply for EZ/EC status, local jurisdictions and states must identify local needs and develop strategies to meet those needs. Once designated, these jurisdictions may apply for priority funding under several HUD programs such as CDBG and EDI. In addition, EZ employers are eligible for a number of other incentives, such as wage tax credits, increased tax expensing for capital equipment purchases, and tax-exempt bond financing for property, land and improvements.

**Community and Individual Investment Corporation (CIIC) Initiative**
The CIIC initiative provides capital for community-based organizations that invest in low-income areas. Many lower-income neighborhood businesses face significant challenges in securing traditional bank financing for business expansion. This CIIC provides initial capital for forgivable loans for workforce development, job creation, business growth, and rental housing rehabilitation. The program is designed to augment organizations’ private sources of capital.

A variety of federal programs are focused on increasing the supply of affordable housing options.
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)
HOME is the largest federal block grant program whose focus is providing affordable housing opportunities. HUD establishes Home Investment Trust Funds for each participating jurisdiction, providing a line of credit that can be tapped for various forms of housing assistance. This program focuses on low-income households, as 90 percent of benefiting households must be at or below 60 percent of the HUD-adjusted median income for the area. Incomes of receiving families cannot exceed 80 percent of the median for the area.

HOMEOWNERSHIP ZONES INITIATIVE (HZI)
The HZI program is designed to address blighted and under-utilized areas in inner cities and inner suburbs by providing grants and loans for housing development and to stimulate investment in the area. Funding for this program is from the Economic Development Initiative and Section 108 loan programs.

WASHINGTON STATE FUNDING SOURCES

THE TRANSPORTATION FUND
The Transportation Fund, created by the Washington State Legislature in 1990, receives motor vehicle excise tax (MVET) revenue. Since the fund is subject to legislative appropriation every two years, its long-term potential is unknown. In recent years, the fund has been primarily dedicated to expand-

PUBLIC WORKS TRUST FUND LOAN CRITERIA
- Counties and cities must have a local adopted one-quarter of one percent (0.25%) real estate excise tax.
- Counties and cities planning under the Growth Management Act (GMA) must be in compliance with adoption time lines for their comprehensive plan and development regulations.
- Counties, cities, and special purpose districts not planning under GMA must have adopted a Capital Facilities Plan for each eligible system they own that meets Public Works Board standards.
ing capacity of state highways. Because the fund is not constrained by the state’s 18th Amendment, transit and transit-supportive improvements are eligible and could receive future funding. However, the fiscal realities of state transportation funding are such that it is unlikely that this will be a significant source of transit-oriented development related revenues. Transit investments are likely to be focused on HOV and other high-capacity transit infrastructure.

TRANSPORTATION IMPROVEMENT BOARD
The Transportation Improvement Board (TIB) is an independent agency founded in 1988 that distributes funds through the Urban Arterial Trust Account (UATA) and the Transportation Improvement Account (TIA). Competition for funding is fierce and projects are ranked based on specific criteria. The UATA funds city and urban county road projects to reduce congestion, improve safety, and address design and structural problems. The TIA funds projects to alleviate congestion resulting from economic development and population growth. The UATA is projected to award $35 million per year and the TIA $40 million per year, both on a statewide competitive basis.

PUBLIC WORKS TRUST FUND
Administered by the State Department of Community, Trade and Economic Development, the Public Works Trust Fund is a revolving loan program providing low-interest loans to local governments and special-purpose districts for the repair, replacement, rehabilitation, reconstruction, or improvement of existing public works systems. Qualifying projects include bridges, roads, domestic water, sanitary sewer, storm sewer, and solid waste systems. Only existing roads or facilities are eligible for a loan. Since transit-oriented development projects are often infill-type development, this program would be applicable where existing infrastructure is insufficient to meet the higher demands of more dense development.

Numerous state sources can help fund local parks and trails which are an important feature in transit station areas.
The Interagency Committee for Outdoor Recreation (IAC) administers several publicly funded grant programs that help finance recreation and conservation projects throughout the state. To be considered for IAC grants the proposed project must be operated and maintained in perpetuity for the purposes for which funding is sought and project sponsors must complete a systematic planning process prior to seeking funding. This is a good source for parks and amenities that can make a station area more attractive.

Washington Wildlife and Recreation Program

This program funds four categories of wildlife and recreation projects: water access, local parks, trails, and urban wildlife habitats. Historically, grant awards have ranged between $10,000 and $500,000 per project. The grants require a 50 percent match from the local agency. In general, projects are evaluated based on need, project scope, site suitability, design, cost efficiency, community support, urgency of acquisition, inclusion in a comprehensive plan, and proximity to populated areas. This is potentially a good source for trails and natural system enhancements with station areas. The three project categories are described below:

- **Water Access Projects** — These projects must provide physical access to a shoreline for water-based recreation. Examples of eligible projects include the acquisition of waterfront property and the development of canoe and fishing access points.

- **Local Park Projects** — This is the broadest project category and includes the acquisition, development, and renovation of parks. Examples of projects funded in this category include athletic fields, tennis courts, swimming pools, open play areas, and more general recreational facilities.

- **Trail Projects** — This category funds regional trail system projects. Projects funded in this category have included portions of the Burke-Gilman Trail System, King County Green River Trail, and the Ruston Way Trail.
Construction Loan Program

This program provides loans for the repair, replacement, rehabilitation, reconstruction, or improvement of existing roads or facilities. Project selection is based on two criteria: 1) the ability to demonstrate good management practices (60 percent) and 2) project need (40 percent). During the 1998-99 application cycle approximately $190 million is available for construction loans. The maximum funding level during a biennium is $7 million for a jurisdiction with a population under 100,000, and $10 million for a jurisdiction with a population over 100,000.

Applications are accepted in early spring and evaluated by the state Public Works Board. Project recommendations are submitted to the State Legislature for approval and appropriation of funds. Typically, it is a year between application submittal and fund distribution. The application process is very competitive; approximately 100 construction loan applications are received annually with only about 50 receiving loans.

Any loan award must be matched from locally generated revenue. A loan's interest rate is driven by the size of the local matching funds: 3 percent interest with a 10 percent match, 2 percent with a 20 percent match, and 1 percent with a 30 percent match. The term of the loan is 20 years, with annual payments due on July 1st. Projects must be completed within 30 months after contract execution. The program is highly competitive and requires a local match.

Pre-Construction Loan Program

This program is intended to help local governments accelerate the construction of public works improvements and to provide more flexible financing options. The loan may be used for pre-construction activities associated with repair and replacement projects, including preliminary engineering, design engineering, bid-document preparation, right-of-way acquisition, and

Voter Approved Initiatives

In cases where transit-oriented development is desired, but the market may not be providing the type and intensity of use, there may be a role for voted general obligation bonds. The improvements would serve the existing community by providing needed amenities, encouraging new development in the area, and assisting in mitigating some of the potential impacts from the new projects.

One of the recommendations that has come out of the Housing Action Agenda in the city of Seattle is to fund a package of neighborhood improvements by ballot measure to provide the necessary neighborhood amenities to support new housing development. This is in recognition that the public sector has a significant role in preparing for and encouraging new, higher density residential development.
environmental studies. It is estimated that the program will have $10 million to loan during the 1998-99 application cycle. The maximum funding level per jurisdiction is $1 million, and the funded project must be completed within 18 months after contract execution.

The program has two application cycles each year: one in the fall and one in the spring. The spring application is included as part of the Construction Loan Program application. Interest rates are based on the size of the local match and the loan term is five years. Since legislative approval is not necessary for pre-construction loans, contracting begins immediately following the approval of the Public Works Board.

**Community Economic Revitalization Board (CERB)**

This program awards loans and grants in unique circumstances to local governments to help finance the construction of new public infrastructure required by private sector development. Its purposes include encouraging the expansion of business and industry to provide stability in income and employment, and strengthening the economies of areas with high unemployment. An emphasis is placed on the creation and retention of manufacturing jobs. Eligible projects include sanitary and storm sewers, domestic and industrial water, access roads, bridges, railroad spurs, electricity, natural gas, general purpose industrial buildings, and port facilities. Applications must provide evidence that a private development or expansion is ready to occur and will only occur if CERB funds are provided.

Projects receiving loans are typically located in natural resource-based economies in rural areas with high unemployment rates. The primary criterion for receiving a CERB loan is demonstration of need. There is a $750,000 loan limit per project. Since these grants go to areas of high unemployment, they have, at least for the present, little applicability for Puget Sound. However, they might be used for brownfield development or in a relatively depressed subarea within the region.

**Regional and Local Funding Sources**

**Public Works Construction Program**

Administered by the Central Puget Sound Economic Development District (CPSEDD), the purpose of this program is to provide grants to fund the construction of facilities that attract new industry, encourage business expansion, diversify the economy, and generate long-term private sector jobs. The primary evaluation criterion is the number of private sector jobs generated or retained by the public investment. Since the goal of this program is job expansion, there may be limited applicability to transit-oriented develop-
Regional and local funding sources provide opportunities to support improvements that are not generally addressed in state and federal programs.

During the past five years CPSEDD has provided $5 million in grants through this program. The maximum funding level per project is $1 million, but the District has the discretion to add a 10 percent ($100,000) bonus to a grant award. In general, the grant can only fund 50 percent of a project's total budget. However, more than 50 percent of the project's budget may be funded if it is located in an area with an unemployment level that exceeds the national average by at least 2 percent. The remaining project budget must be funded with non-federal funds. This source is most applicable to industrial employment centers and requires a match. It may be a possible source for commuter rail stations that are impacted by increasing rail movement.

**Transit Station Development Environmental Mitigation**

This source could be used for mitigation measures at station areas and for improvements or project elements that will serve to enhance the transit-oriented development potential of the area. Examples include enhanced streetscape improvements, enhanced accessibility to station, signal improvements, public art, incorporation of open space or urban park improvements, signage, and sidewalk enhancements. The level of impact must be substantiated, but this is a potentially important source.

**Local Capital Improvement Budget**

A local government's most reliable source of capital funding is its own capital improvement budget. While these revenues are within the direct control of local government and are generally predictable, there is often fierce competition among the jurisdiction's many priorities. In most communities, the needs for capital funding far exceed expected resources. Thus, the challenge for funding transit-oriented improvements is generally one of raising the priority within the overall list of needs.
A supporting argument for assigning a high priority to transit-oriented projects is the potential return to the community in the form of higher property taxes and sales taxes from the construction of transit-oriented development projects. Because local government investments are leveraging the transit investment in the area, the development potential around stations offers a significant opportunity for a high return on the local investment.

**63-20 Financing**

Another municipal funding option is the so-called “63-20” funding mechanism. 63-20 financing is an alternative method of obtaining tax-exempt financing that is available under the Internal Revenue Code. This method allows a nonprofit corporation to issue tax-exempt debt on behalf of a political subdivision for the purpose of financing facilities. However, bond proceeds cannot be used to finance working capital or to purchase an existing facility from a person who will continue to use the facility after the bonds are issued.

The issuer of the bonds must be organized under the general nonprofit corporation law of the state. The articles of incorporation must provide that none of the corporation’s income would benefit a private person. If the financed facility is leased to an entity other than the nonprofit issuer of the debt, the tenant is required to be either a governmental entity or a charitable organization. To qualify for 63-20 financing, certain requirements must be met, including the transfer of the facility’s title to the government entity once the debt is retired. One of the critical requirements that must be met is compliance with “private use” requirements. The purpose of this requirement is to limit the volume of tax-exempt bonds that finance private activities.

**Local Improvement District**

A Local Improvement District (LID) is a special taxing district that is formed for the purpose of funding a capital project or a series of improvements. Bonds are sold and repaid through a special property tax assessment on benefited properties in proportion to the estimated project benefits. To proceed with this mechanism, the proposing entity must demonstrate that the benefits exceed the cost of the project and must gain an affirmative vote from the owners of a minimum of 60 percent of the combined assessed value within the proposed LID. This can be a difficult mechanism to implement where there are many
affected property owners and the project benefits are not clearly evident. This is a time-tested method of financing improvements, if project benefits can be linked to the improvements. An economic analysis might be undertaken to assess benefits.

Transportation Benefit District
As described in the 1987 statute authorizing the formation of Transportation Benefit Districts (TBDs), the districts are designed to enhance the “capability of cities, towns, and counties to make and fund transportation improvements necessitated by economic development.” However, unresolved legal issues surrounding implementation have prevented TBDs from fulfilling the apparent promise of the original legislation. The outstanding issues are sufficiently complex that no TBD has yet been established, despite the efforts of several jurisdictions over the years. In the event that legal issues can be sufficiently resolved, local jurisdictions will still face policy and implementation feasibility issues relating to the formation of a district and securing sufficient funding for capital projects.

Local Funding Sources in Action
LID Financing — A critical element of the financing package for the development of the Downtown Transit Tunnel in Seattle was the formation of the local improvement district and subsequent LID special assessment. While this was a relatively minor share of total funding, it was used to demonstrate local commitment to the project and helped to secure a significant infusion of federal transit funds.

63-20 Financing — The 63-20 financing technique was recently used by Weyerhauser Real Estate Company to finance the new I-5 interchange at Northwest Landing in Dupont. Since this project was developed, this method has received significant interest in the private-sector development community as a promising mechanism to jointly fund necessary infrastructure improvements that benefit private property.

TBD Funding — In recent years King County and the south county cities (Renton, Tukwila, Auburn, and others) worked strenuously to create a TBD to fund needed regional improvements. In the end, the group settled for implementation of an interlocal agreement rather than formation of a TBD, concluding that the statute would need to be reworked by the State Legislature before it could be effectively utilized.

A recent State Supreme Court opinion may offer clarification of the legal uncertainties surrounding TBDs. In an April 1998 decision in Granite Falls Library Capital Improvement Area vs Taxpayers of Granite Falls Library Improvement Area, the Court determined that the Library Board was sufficiently independent of the City and that the bond assessment did not violate the tax uniformity clause of the constitution. These issues closely parallel the concerns relating to TBDs. As a result, local jurisdiction may want to revisit the issue in light of this decision.
### Summary of Selected Funding Sources

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<th>Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation Fund</strong></td>
<td>WSDOT</td>
<td>Roads, highways, transit facilities</td>
<td>Not highly probable, as most funds are targeted to major highway and arterial roadways.</td>
</tr>
<tr>
<td><strong>Urban Arterial Trust Account and Transportation Improvement Account</strong></td>
<td>Transportation Improvement Board</td>
<td>Transportation improvements, primarily road facilities</td>
<td>Can be an important component of transportation funding package, most awards are less than $3 million.</td>
</tr>
<tr>
<td><strong>Public Works Trust Fund</strong></td>
<td>State Department of Community, Trade and Economic Development</td>
<td>Bridges, roads, water, sewer, storm water and solid waste systems</td>
<td>Competitive low interest loan programs that must be matched with local money. In some cases can provide the “final piece” of the puzzle.</td>
</tr>
<tr>
<td><strong>Federal Transportation Funds</strong></td>
<td>USDOT, WSDOT and PSRC</td>
<td>Highway, roads, bridges, transit facilities</td>
<td>Transit funding could be a significant contributor in terms of station area planning and development.</td>
</tr>
<tr>
<td><strong>Sound Transit Development Mitigation</strong></td>
<td>Sound Transit</td>
<td>Miscellaneous supporting facilities</td>
<td>In some cases, mitigation for station area and corridor impacts may be used to encourage transit supportive development opportunities. Due to limitations on total available funding, may have limited benefit.</td>
</tr>
<tr>
<td><strong>Local Bonds</strong></td>
<td>Municipal governments</td>
<td>All public infrastructure</td>
<td>A significant source of local capital funds. Voted bonds provide new revenue for projects, while councilmanic bonds must be repaid from existing revenues.</td>
</tr>
<tr>
<td><strong>Local Capital Improvement Budget</strong></td>
<td>Municipal governments</td>
<td>All public infrastructure</td>
<td>The most reliable source of local funds. Never enough to address all local needs. Opportunity to focus activity in station areas will likely come at the expense of other areas. Becomes a question of priorities.</td>
</tr>
<tr>
<td><strong>Public Works Construction Program</strong></td>
<td>Central Puget Sound Economic Development District</td>
<td>Roads, water and sewer facilities, port facilities</td>
<td>Designed to support job creation. May have limited applicability. Possible use in industrial areas along light rail and commuter rail lines.</td>
</tr>
<tr>
<td><strong>Economic Development Technical Assistance Grant Program</strong></td>
<td>US Dept. of Commerce's Economic Development Administration</td>
<td>Planning, development and market feasibility analyses</td>
<td>Funds are targeted to economically distressed areas. Not highly applicable in current economic conditions.</td>
</tr>
<tr>
<td><strong>63-20 Financing</strong></td>
<td>Non-profit entity on behalf of a municipal government</td>
<td>All infrastructure projects with some exceptions</td>
<td>A mechanism where public bonds can be used if secured by lease agreement. Generally requires a credit-worthy private developer willing to enter into a lease to support the bond offering.</td>
</tr>
<tr>
<td><strong>Local Improvement District</strong></td>
<td>Municipal governments</td>
<td>All infrastructure</td>
<td>A mechanism to assess the beneficiaries of public facilities to pay for improvements. Must be approved by affected property owners.</td>
</tr>
<tr>
<td><strong>Transportation Benefit District</strong></td>
<td>Municipal governments</td>
<td>Transportation improvements</td>
<td>Similar to UDs but can be used to fund a program of improvements. May not be constitutional under current state law. No jurisdictions have attempted to implement. May be an appropriate source for station area amenities, especially at multimodal terminal sites along the waterfront.</td>
</tr>
<tr>
<td><strong>Outdoor Recreation Grants</strong></td>
<td>Interagency Committee for Outdoor Recreation</td>
<td>Public facilities associated with outdoor recreation</td>
<td>May offer a source of funds for supporting public amenities in station areas. Also could offer opportunities to fund mitigation projects.</td>
</tr>
<tr>
<td><strong>Washington Wildlife and Recreation Program</strong></td>
<td>Washington Wildlife and Recreation Programs</td>
<td>Water access, local parks, trail systems and wildlife habitats</td>
<td></td>
</tr>
</tbody>
</table>
Public Actions that Promote Transit-Oriented Development

Public regulations and permit procedures may allow or even encourage development but something more is often needed. Public agencies can actively initiate station area development through public actions and by engaging in a public-private partnership. Opportunities to leverage public investments in station areas can maximize the potential for private investment. This section describes some of the more proactive measures that can be taken to create transit station communities. These measures are grouped into the following categories:

- **Promote Private Development through Public Actions.** Strategies discussed under this category include: actively marketing development opportunities, establishing development incentives, and providing necessary public facilities and infrastructure.

- **Participate in the Private Development Process.** Strategies include: packaging and preparing land for development, helping to secure project financing, and participating in joint development activities.

- **Create New Development Entities.** Strategies in this category include creating a public development authority (PDA), establishing a community development corporation (CDC), and working through non-profit development organizations.

**Promote Private Development through Public Actions**

**Market Potential Development Opportunities**

The marketing strategy should be used as a vehicle to “sell” transit-oriented development opportunities at the station area to the variety of players that make up the development community — developers, property owners, bankers, and others. Determining what the development community cares about will help to prepare the market strategy. A useful starting point is to interview members of the local development community about some of the obstacles and opportunities transit-oriented development at station locations.

A market strategy should be a long-term proactive process that does more than merely respond to current market demand. Although a market strategy should recognize the conditions of a local market, a long-term strategy should be distinguished from a market analysis which generally deals with a point in time. A market strategy should involve the shaping of conditions to create and respond to opportunities.
**Importance of Proactive Public Actions**

Often public agencies will have to take a step beyond simply allowing transit-oriented development and begin to proactively encourage, promote, and pursue it. The emerging trend of transit-oriented development in the United States has depended heavily on the leadership of both local jurisdictions and transit agencies. The leadership generally requires proactive measures in land assembly, infrastructure investment, shared parking, expedited permits and reviews, write-down of land costs/lease payments (in return for project revenue participation), and direct financial participation (issuance of tax-exempt bonds, loan guarantees, equity participation). Additionally, experience throughout the country has shown the importance of a project champion — an elected or appointed official or a neighborhood activist — who persists in pushing the project and keeping it on course amidst inevitable obstacles and delays.

Imagine that you are a developer submitting a development application. As a developer, which scenario below is likely to attract your investment? While these scenarios might be extreme examples, they illustrate the importance of an efficient regulatory review process combined with proactive public actions.

**Scenario #1**

Six weeks after application, city staff completes an initial report stating the following is needed before the application will be considered:

- A zoning code amendment to allow mixed-use development.
- A conditional use permit and three variances.
- Neighborhood endorsement, even though the project meets city requirements.
- Wider streets for the city’s new fire trucks.

**Scenario #2**

Two weeks later, city staff completes a preliminary approval certificate for the development, which states that the project:

- Meets the requirements of the city plan, regulations, and design standards.
- Requires no concurrency review because the site is located within a defined station area.
- Requires no environmental impact statement because its environmental mitigation measures are consistent with the district-wide environmental review.
- Qualifies for a 50 percent parking reduction due to its transportation demand management measures.
- May provide a contribution to the shared parking structure fund in lieu of the other 50 percent of otherwise required parking.
- Qualifies for a 10-year property tax abatement because it is located in a city-designated target area and includes the required percentage of affordable housing.

In addition, a letter is received from the transit agency, endorsing the proposed project and offering its adjacent site for an expanded transit-oriented development project.

A third letter soon follows from the president of the chamber of commerce, offering to set up a press conference with the developer, project investors, the mayor, and others to promote the development.
The strategy should pull together all of the public sector efforts into a coherent whole. One of the lessons learned from discussions with the development community is that private investment follows public commitment. A market strategy involves advertising that level of public commitment to the private investors and developers.

Messages that should be communicated to the development community include: the desire and readiness for transit-oriented development, the existing market demand for transit-oriented development, the opportunity in saved time and money to developers, and the flexibility and certainty of a jurisdiction’s permit review process.

Communication strategies might include: directly contacting realtors with sites available for purchase, preparing pamphlets such as development profiles on specific locations, setting up a transit-oriented development speakers’ bureau, conducting media events like a ground breaking or grand opening, or designating a staff person who will actively seek developers.

**Establish Development Incentives**

At times more than just promotion is needed to generate interest in station area development. Often developers will need an incentive of some sort if they are going to commit to the generally more risky practice of transit-

**Tax Abatements for Transit-Oriented Development**

In 1995 the Washington State Legislature authorized local governments to offer tax abatements for new or rehabilitated multiunit housing in targeted urban areas. Chapter 84.14 RCW provides a mechanism for cities to offer 10-year tax abatement on the value of improvements for such housing projects. The incentive is designed to encourage new housing development in urban centers where there is currently insufficient supply.

This relatively new mechanism is potentially a valuable tool in promoting transit-oriented development. Cities could designate station areas as targeted housing areas and adopt appropriate transit-oriented development design guidelines for projects seeking the favorable tax treatment. This would be a significant inducement for higher density housing near transit.

A drawback of this mechanism is that it is only available to cities with a population of at least 100,000 or, in a county planning under the Growth Management Act where no such city exists, the largest city or town in that county. In the Puget Sound region this would only include Seattle, Tacoma, Bellevue, Everett, and Bremerton.

A possible legislative amendment that would maximize the transit-oriented development potential in the region would be to extend the eligibility to all cities within the Sound Transit district or the entire central Puget Sound region.
oriented development. A wide variety of incentives are available to local jurisdictions to foster private development interest. Incentives can be in the form of density bonuses for providing certain amenities, favorable permit review procedures for certain development, or direct cash outlays for public improvements that support a development.

Incentives that have been tried with success include covering the cost of a market analysis for a site or preparing a prototypical pro forma to demonstrate the feasibility of various types of development to potential financiers. One of the strongest incentives that have been used are tax incentives. Both Minneapolis/St. Paul and Portland provide developers the potential for reductions in their property taxes if certain conditions are met. Jurisdictions in Washington State are constrained somewhat from providing direct tax benefits for transit-oriented development, but small changes in state legislation could make it possible.

Provide Public Facilities and Infrastructure

Before private capital will come to a station area, some infrastructure improvements are often needed to improve the safety, appearance, or function of a location. Infrastructure investments also demonstrate a public commitment to an area and can signal increased investments over time—always a good sign to the development community. BART, in California, and other...
systems have used this strategy with considerable success. Some of the public improvements at station areas could include a police substation, a pedestrian plaza, a bus turnaround facility, new drainage and water systems, and placing certain utilities underground.

Public facilities, such as libraries, performing arts centers, recreation centers, parks, and city halls, can be a powerful magnet. The city of Kirkland persuaded the King County Library System to build its new library in conjunction with a city parking garage, the existing transit center, a senior center, and Peter Kirk Downtown Park. The city of Kent is planning parking facilities that will benefit the public market on weekends while serving commuters on weekdays. In developing a capital improvement program, location should develop a strategic plan for investments in public facilities and infrastructure that support transit-oriented development locations near station facility.

**Participate in the Private Development Process**

Based on experiences in other regions over the past few decades, transit-supportive growth does not necessarily gravitate to transit stations without proactive measures from public agencies. These proactive measures are designed to invite, encourage, and persuade private sector participation in creating transit station communities. Often aggressive action on the part of both public and private sector is needed. In particular, transit agencies and local governments need to be more entrepreneurial, to seek and utilize regular incentives.

**Example of Incentives for Transit-Oriented Development**

*Use Incentives to Establish Minimum Densities* — Communities can set forth a range of both minimum densities and maximum densities to ensure residential development is occurring at densities desired. Incentives, in the form of bonuses, expedited development review, and impact fee waivers can be offered to developers in exchange for desired densities.

*Offer Density Bonuses* — Additional height or building intensity is often provided for projects that include a certain percentage of “affordable” housing units. These density bonuses can encourage transit-oriented development while contributing to a community’s supply of affordable housing.

*Expedite Development Applications in Exchange for Density* — The costs of holding undeveloped land during the course of the permit review process can be substantial. Because time is money to a developer, a fast-track permit process can be an attractive incentive.

*Reduce Traffic Impact Fees* — The city of Bellevue’s system for levying traffic impact fees is also incentive-based. Fees are based on the location and type of development and its impacts. The city is divided into more than a dozen subareas, and fees vary among the subareas depending on whether alternative modes are available. Impact fees for development in downtown Bellevue are lower relative to other parts of the city because of the high level of transit service. In some cases, the difference in fees between areas can be 100 percent.
latory tools and flexibility, to provide incentives or financing where appropriate, and to vigorously pursue and follow through with opportunities to work with the private sector.

Similarly, private sector developers should have a better understanding of the requirements of and tools available to a government agency, show flexibility in meeting those requirements, take a long-term rather than short-term view of the economic potential of a project, and be willing to take calculated risks in certain cases. Each side needs to develop greater trust in the other.

Public activities that spur private development can be powerful, but there are constitutional and legal limitations to the roles that public governments can take. Communities in Washington State generally have fewer tools than communities in many other states when it comes to encouraging private development and redevelopment. This is primarily the result of two provisions in the State Constitution.

**CONSTITUTIONAL LIMITATIONS IN WASHINGTON STATE**

Unconstitutional gifts of public property — Generally, government expenditures that are made to further a fundamental government purpose are not considered a gift. Where a clear government purpose is not present, the payments or transfer of property are evaluated based on the consideration received and the donative intent. The transaction may result in a benefit to private parties, so long as the private benefit is incidental to the public benefit.

Unconstitutional lending of credit — Washington courts have determined that a municipal corporation has violated this provision “when (1) it creates an unjustified risk of loss to public assets and (2) when it enters into a transaction with a private entity that creates the customary relation of lender and borrower.” As with the public gifts provision, the issue turns on whether the public receives fair consideration for its investment. The primary purpose of any public investment must be an identifiable public benefit. Any private benefits accruing from the investments must be incidental to the public benefit.

In Tacoma vs. Taxpayers (108Wn.2d 679, 702 (1987), a city program that paid for energy conservation measures installed in homes and commercial buildings was determined not to violate the constitution, as the public benefit of reduced electricity demand was sufficient consideration for the public investments made. Thus, for public participation in development opportunities it is important that the public benefit be adequately demonstrated and reasonably in line with the level of public investment.
The first is a prohibition on the lending of public credit, which effectively limits most forms of direct financial incentives that could be offered. The second is the uniformity clause of the constitution, which mandates that all property within a given independent taxing authority be assessed at the same rate. The limitation has effectively eliminated many of the more powerful value-capture financing mechanisms, such as tax increment financing, where the increased property value associated with a particular improvement is assessed to pay the cost of building the improvement.

**Package and Assemble Land for Development**

Public action in helping to package, secure, and assemble land for transit-oriented development purposes can be one of the more powerful tools for creating transit station communities. At some station locations the land surrounding the station is owned by one or two major land owners. Most stations, however, are surrounded by land owned by numerous individuals and organizations, each with varying degrees of interest and ability in creating transit station communities. Assembly of land can be an effective way to achieve development that is of sufficient size to be economically viable and spur a change in station area land use patterns.

In addition, transit agencies often own land that is adjacent or close to stations. The land can be acquired to create a construction staging area or used as surface parking lots. As a station area grows, these surface lots can represent development opportunities. Transit agencies have been successful with replacing surface parking with structured parking and freeing land for residential and/or commercial development. The conversion of surface parking lots into development sites can be important for stimulating transit ridership and helping to jump start additional station area development opportunities.

Transit agencies generally have more flexibility in acquiring land for transit purposes than do transit agencies have more flexibility in acquiring land for transit purposes than do

**Tax Incentives in Oregon**

In 1995, the Oregon state legislature authorized tax exemptions that encourage the construction of housing and mixed use projects within walking distance of transit to take maximum advantage of the public investment in light rail and transit systems. The state law allows cities and counties to adopt an ordinance providing for a property tax exemption on eligible improvements for up to 10 years for new multiple-unit housing or mixed use developments located near light rail stations or transit routes. Eugene, Gresham, Portland and Salem already have multiple-unit tax abatement ordinances for the "core areas" of their cities that were adopted under a prior state law. In October 1996, the city of Portland adopted the first ordinance under the new state law. The state law includes requirements that rental rates or sales prices must be "accessible to a broad range of the general public" and projects must "enhance the effectiveness of" and be "physically or functionally related to" light rail or transit. Before adopting an ordinance to implement the state law, a city or county must hold a public hearing, make findings and reach the conclusion that eligible housing would not be built in eligible areas without a tax exemption. The model ordinance includes a public benefit value standard. The standard is that the estimated project costs of providing public benefits are equal to the present value of the tax exemption to the project. If the cost is less than the value, the term of the abatement may be reduced. If more, some standards may be modified or waived.
local governments. Transit agencies often acquire excess property for ingress/egress, construction staging, or as a buffer zone from adjacent properties. When acquiring properties, consideration should be given to opportunities for future use of the land and its development potential. Joint development possibilities should be considered at the time of the initial property acquisition. In other regions, assembly of land has generally been done by public development authorities. However, some of the transit agencies in this region are invested with eminent domain power under their governing statues.

As stated previously, the state constitution limits the ability of agencies and jurisdictions in the state to participate in certain private development activities. This includes their capabilities to pursue a land assembly or land banking strategy to foster economic development or redevelopment. The Washington constitution limits a public agency's land acquisition powers to identifiable public purposes. Acquiring property for the purpose of reselling to the private sector in an effort to promote a particular type of development will likely not pass the legal test. Thus, to be strictly compliant with the constitution, a municipal corporation can only perform land assembly functions in support of a clearly identifiable public purpose. Below are some ways local governments can help package and assemble land for development purposes.

- **Surplus Public Property.** Local governments can have an effect on the development pattern near transit stations through the disposal of surplus public properties in the area. In some cases, property that is required for the development of the transit system may be returned to the private sector if it is developed to be supportive of transit. Given the importance of housing

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**Washington State Law on “Public Purpose”**

The Washington constitution limits a public agency's land acquisition powers to identifiable public purposes. The test of a public purpose should be whether the expenditure confers direct benefit of a reasonably general character to a significant part of the public, as distinguished from a remote theoretical benefit. (United States v. Town of North Bonneville, 94 Wn.2nd 827 (1980), quoting 16 E. McQuillin, Municipal Corporations, §39.19 (3rd Ed. 1979).

**Tax Incentives in Minnesota**

In 1996, the Minnesota state legislature authorized a 12 to 15 percent tax break for commercial and industrial development locating within 1/4 mile of high frequency bus route stations. High frequency stations are defined as either regional transfer hubs, or stations served by routes with 30 minute or shorter headways during peak periods. The law applies to new development and to improvements to commercial or industrial buildings. Retail and hotel/motel developments are excluded from the program. This program was established to encourage increased bus accessibility to commercial developments for customers as well as employees. The incentive has also helped in supporting the federal welfare reform objective of getting low-income workers to jobs.
Part III — Implementing Transit-Oriented Development in Station Communities

To determine the applicability of this approach, an inventory of publicly owned property should be conducted within the transit station market area. The inventory should include all types of public ownership, including, but not limited to, unused rights-of-way, utility corridors, parks, schools, general government buildings, police and fire stations, public housing, and park-and-ride facilities.

Once the inventory is complete, the potential real estate opportunities of these sites should be explored, including the possibilities of redeveloping the entire site, a portion of the site, or the air rights over the site. Depending on the conclusions drawn from the inventory and real estate market analysis, property identified as potentially available can be made available through an

WESTLAKE CENTER PROJECT IN SEATTLE

In the initial concept for the development of Westlake Center in downtown Seattle, the city attempted to acquire all the necessary property for the development. A portion of the property would have been resold to a private entity for the purpose of developing the retail and office elements, while the balance of the property would be developed into an urban park. The courts ruled that the stated purpose of “avoiding retail flight to the suburbs” was not a sufficient public benefit and determined the transaction to be in violation of the state constitution. Eventually, the commercial component was acquired and developed by private interests, while the park was acquired and developed by the city. In a subsequent challenge, the court ruled that the city’s purchase of the park site was a public purpose and any private benefits that accrued to neighboring properties were considered incidental to the public benefit.
request for proposal (RFP) process, either as a direct sale or through a long-term lease agreement.

- **Leasing land for private development.** The leasing option should be considered if the public entity wants to retain an interest in the property. This may be necessary to preserve future public use options for the property, as was the case when the Seattle School District leased surplus schools for housing and retail development. Another reason to consider a lease may be the desire to establish an income stream, as opposed to receiving a lump sum payment as in the case of a sale. The income stream scenario offers the potential for the public entity to share in future benefits that may be at least partially attributable to the increasing use of the transit facilities.

- **Selling publicly held land for private development.** The option of selling surplus property will likely be the approach preferred by the development community, as this will ensure maximum control over the property. From the public side, this may also be preferred as it offers a clean division of responsibility and removes the public entity from the private development function. Selling the property does not have to diminish the role for public policy considerations in the development of the site.

The public entity can stipulate certain public policy requirements of the new development as part of the purchase and sale agreement and thus ensure that certain minimum transit-oriented development standards are met. These additional requirements may have an effect on the value of the property to the private developer. As a result, the public value of these policy requirements may need to be paid for through lower land cost. These issues will be subject to negotiation and should be clearly identified during the RFP process.

**Transit-Oriented Development at Bay Area Rapid Transit (BART)**

Bay Area Rapid Transit (BART) in the San Francisco area has, after many years of passive involvement, firmly established itself as an active participant in a transit-based development program. A Joint Development Subcommittee of the BART Board of Directors oversees all station area efforts throughout the region. Interest has been so high that several board members are involved in individual station area plans. BART staff has been identified to negotiate with private developers and with local municipalities, both for development on city owned land and on the surrounding land on a quarter mile around the station. Currently BART is actively seeking to lease its parking lots at some stations for private housing development, particularly affordable housing. Direct revenue to BART is cited as only a secondary goal. Increased ridership, station area security, and station area attractiveness are described among the primary goals of the transit-oriented development program.
Part III — Implementing Transit-Oriented Development in Station Communities

Participate in or Help in Securing Project Financing.

In some cases, aggressive financial participation and risk sharing can help to stimulate transit-oriented development. One means of risk sharing is the underwriting of land costs in return for project participation. As an example, an agency might accept below-market rents on land leased to a developer in return for a percentage of project revenues over a specified period. Transit agencies throughout the country have used this technique with success, including BART in San Francisco, Metro in Washington D.C., and in San Diego.

Public agencies are often in the position to make funding available for public-private development at below commercial rates. Among the approaches is the

Project Financing Incentives

During the city of Auburn’s centennial year, 1991, all of Auburn’s commercial banks agreed to write special low-interest loans for projects to enhance the visual appearance of buildings and businesses within the Auburn Business Improvement Area (BIA) that met design conditions set by a design review board. The participating banks set aside a total of $32,000, which was loaned at approximately 1 percent below prime, with a 5-year amortization. The participating banks also agreed to waive normal loan fees.

The low-interest loans were available for the following uses:

- Changes to building exterior facades that are visible to pedestrians; specifically, facade renovation, awning, canopies, painting, windows, lighting, sidewalks, entry ways, cornices, and signage.

- Structural changes directly related to facade changes.

- Landscaping of buildings and parking lots and enhancements of the streetscape, including the purchase and installation of street trees.

The loan program, as well as other city-sponsored and BIA activities, resulted in dramatic improvements to downtown Auburn.
issuance of tax exempt bonds, low interest loans, loan guarantees, grants, and direct equity participation. In pursuing these approaches, public agencies should determine whether they wish to be viewed as lenders or landlords, silent investors, or active partners. Once they have made this determination, they are able to assess the security required to protect their investment and the appropriate extent of their investment.

RESEARCH OF JOINT DEVELOPMENT THROUGHOUT THE U.S.

Joint development projects are commercial, residential, industrial or mixed use developments that are undertaken in concert with transit facilities. They may include private and nonprofit development activities usually associated with fixed guideways (rail or busways) transit systems that are new or being modernized or extended. Joint development projects may also be associated with bus facilities, transit malls, and federal, state or local investments in facilities (such as a bus terminal). Federal funds may be used to facilitate development that enhances transit; they may not be used purely for private development such as construction of purely retail, residential, or other commercial revenue-producing facilities.

Robert Cevero, a professor and researcher at the University of California, studied some 115 joint development projects at rail stations around the country. His findings, while specific to joint development at rail stations, can apply generally to transit-oriented development projects at any type of station. Among his findings are:

• There are many varieties of joint development, although joint leases of station space and station restoration cost sharing are most common.

• Joint development revenues represent a small percentage of transit agency revenues. This may reflect transit's inexperience with real estate dealings as well as legal restrictions that limit transit's development activities.

• Joint development improves farebox yields by generating more trips.

• Office rents around stations increase most sharply during the year before station opening and also increase as ridership increases. Systemwide ridership, not station ridership, is the most significant influence on office rent increases.

• Station proximity will generally lower office vacancy rates.

• Office rents near terminus stations are generally lower than at stations along the rail alignment. This may reflect distance to a downtown as well as the presence of large park-and-ride lots.

• Private sector development interests view joint development projects as good investments due to their capacities to produce higher rents.

Most significantly, Cevero found that the commercial market that dominated station area joint development over the last two decades has resulted in a commercial space surplus. He views the challenge for station development in the future as attracting more residential development. Regions throughout the country, many with long histories of rail, have found that clustered residential development has a substantial impact on increasing transit ridership.
Another strategy might be to use flexible development approaches such as design build/turnkey. Public agencies have traditionally been constrained in the development approaches available to them to implement projects. Strict procurement rules and competitive bidding procedures often can limit involvement in the joint development process. However, as joint development statutes become more flexible, transit agencies can use alternative development approaches in order to retain control over project design and use of public funds while also getting the benefit of private sector experience in development and private sector project delivery systems.

These alternative development approaches can include partnering, turnkey, and/or design/build. Using these approaches, governments may be taking on additional risks that the private sector might not be willing to bear. As an example, since insurance and performance bonding are typically much less expensive for a public agency than for large construction companies, this shifting risk can result in reduced project costs.

Participate in Joint Development

"Joint Development" involves public and private sector cooperation in planning, design, and construction of residential, commercial, or mixed use projects near transit in a manner that maximizes the skills and contributions of both sectors.

Statutory Authorization for Joint Development

The Regional Transportation Authority statute broadly grant sufficient powers to actively participate in joint development opportunities at station sites. RCW 81.112 states an authority "may contract with any public or private entity for the provision or receipt of services, facilities, or property rights to provide revenues for the system." In addition, an authority may "contract with any governmental entity or private person, firm or corporation for the use by either contracting party of all or any part of the facilities, structure, lands, interests in lands, air rights over lands and rights of way of all kinds for the purpose of planning, constructing, or operating any facility or performing any services that the authority may be authorized to perform."

Metropolitan Municipal Corporations are authorized under RCW 35.58. As with Regional Transit Authorities, metropolitan municipal corporations have broad powers to acquire, develop, and regulate the use of transportation facilities and properties.

Public Transportation Benefit Areas (PTBAs) are generally limited to exercising powers related to providing public transportation services in a designated area (RCW 36.57). Services are defined as "the transportation of passengers, package, and incidental baggage by means other than charted bus or sight-seeing bus, together with the necessary passenger terminals and parking facilities or other properties necessary for passengers and vehicular access to and from such people moving systems." PTBAs lack explicit powers to enter into joint development projects involving commercial activities such as retail, office, and hotel services.
of each sector. Joint development is based on the concept that transit investment and commercial development can be integrated to create value, both financially and in terms of public benefit. Specifically, joint development is a means whereby land or air rights in the vicinity of transit facilities are sold, leased, or managed so that the public can share in the value enhancements generated by the public investments.

It may be beneficial to purchase a portion of a project (as a condominium ownership) for a public purpose such as a library or office building. The advantage to a developer would be a signed tenant and guaranteed revenue source. The advantage to the city would be a well-integrated mixed-use project and well-located facility.

The federal Department of Transportation has launched a series of initiatives, spearheaded by the Federal Transit Administration (FTA), to promote transit-oriented development. Chief among these are rule changes that expand a local transit agency’s ability to use federal grant funds for transit-oriented development activities. The new guidelines allow agencies the flexibility of acquiring and retaining land for the purpose of undertaking joint development projects. The FTA encourages transit properties to seek appropriate joint development opportunities at and near transit station areas “where such projects are physically or functionally related to the provision of transit service, and where they increase transit revenues through proceeds from the joint development.”

In the past, transit agencies were required to sell land that was not directly related to transit operations and return the money to the federal government.

**Transit-Oriented Development at Sound Transit Stations**

Sound Transit acknowledged early on that transit-oriented development in the vicinity of rail and bus stations would play a influential role in the success of the regional transit system. Although local jurisdictions will have lead authority for station area planning, Sound Transit can help by working with jurisdictions and the private sector to support local initiatives. The Transit-Oriented Development Task Force, composed of Sound Transit board members, was formed to further clarify the agency’s role and responsibilities in achieving transit-oriented development. Task Force recommendations include:

- Preserve development opportunities on Sound Transit property where there is development potential and where it is supported by local station area plans.
- Promote transit-oriented development in the acquisition, use, and disposition of excess land in cooperation with local jurisdictions.
- Preserve transit-oriented development options through interlocal agreements, especially at station facilities where access and land use issues could significantly affect system operations.
Part III — Implementing Transit-Oriented Development in Station Communities

The purpose of allowing and encouraging “transit-oriented joint development” projects is to secure a revenue stream for the transit system and shape land use activities in the vicinity of the station to increase transit use.

Although the federal government has become an active player in joint development at stations, the main implementation engines will still be the local transit agencies and local governments. In addition to state constitutional limitations, the ability of public agencies to participate in joint development is limited to the powers granted or implied in the relevant authorizing statutes. Transit agencies are creations of state law and, based on the authorizing legislation, have different abilities to participate in joint development activities. In the central Puget Sound region, the seven public transportation agencies operate under five different sections of state authorizing legislation.

Washington State Ferries operates as a division of the State Department of Transportation. As a department of the City of Everett, Everett Transit operates under statutes governing local governments. The other public transit providers operate under different statutes entirely. Community Transit, Pierce Transit, and Kitsap Transit operate under the Public Transportation Benefit Area (PTBA) statute; King County Metro is governed by the Metropolitan Municipal Corporation statute; and Sound Transit is governed by the Regional Transportation Authority statute. Each of these statutes provide for different levels of involvement in participating in joint development.

In addition to the individual authorizing statutes of each agency, powers related to joint development in PTBAs are also found in the Transportation Centers statute. As the statute is currently organized, transit agencies that engage in the development and operation of a transportation center are not expressly authorized to provide directly or lease space for significant commercial activities such as office, housing, retail, or hotel use. As these are likely to be the types of uses that might generate sufficient economic returns to gain private-sector interest, the statute appears to limit the commercial viability of joint development in transportation centers. Toward this end, efforts to amend this legislation by removing these apparent limitations have been pursued — so far without success.

A potentially attractive way for public agencies to participate in the development process is to establish joint ventures between housing authorities and private developers. Such a coalition allows the integration of market rate housing with affordable housing. There are numerous housing initiatives

**Joint Ventures with Housing Authorities**

The city of Seattle has recently embarked upon a major review of housing supply and affordability issues. The Housing Action Agenda is a public/private cooperation effort to evaluate the current housing options in the potential benefits of coordination planning for housing near regional transit facilities as a means of promoting new affordable and market rate housing. In addition, there is a recognition of the many efforts underway throughout the region and a suggestion for coordinated approaches.
JOINT DEVELOPMENT IN THE CENTRAL PUGET SOUND REGION

While the constitutional and programmatic obstacles to joint development present some serious limitations, the concept of combining public and private activities is still viable and potentially attractive in the Puget Sound region. Three current projects provide examples of the potential for joint development in this region. These joint development examples incorporate different development initiatives and real estate agreements that help to illustrate that joint development has promise as a viable redevelopment tool in a variety of different contexts.

Housing Development at a Bus Transit Center. This project is a joint development opportunity as part of King County’s program to lease air rights over park-and-ride lots. In October 1998, King County Department of Transportation released a request for proposals to develop structured parking and housing on the Overlake park-and-ride site. The site is approximately five acres in size and is currently owned and operated as a park-and-ride lot by King County Metro Transit. King County is seeking a developer to design, construct, and manage new housing units above the park-and-ride in a four-story development above two levels of structured parking. The site boasts expansive views of Lake Washington, downtown Bellevue and Seattle, to the Olympic Mountains. There are approximately 600 firms and 22,600 employees in the Overlake area. Grocery stores, restaurants, personal services and major retailers such as Sears and Fred Meyer are within walking distance. It is envisioned the park-and-ride will occupy one level of parking and will be maintained and operated by the selected developer. The formal relationship between King County and the selected developer is anticipated to be in the form of a long-term air rights lease. Other arrangements proposed by the selected developer will be considered. The city of Redmond is supportive of the project and is currently considering new zoning and development regulations.

Bus Improvements in the University District. While the Overlake site is an example of a transit provider initiated project on public land, this Seattle project is an example of a public initiative on private land. The proposal is for an off-street bus layover/mixed-use project in the heart of the University District within the city of Seattle. King County Metro desperately needs dedicated bus layover space in this key transit-oriented district and is exploring opportunities for establishing an underground facility. The property owner, a local parking association, is considering the development of a mix of uses such as housing and start-up business space as well as replacement of current surface parking. This proposal was initially proposed as part of the University District Urban Center Plan and is currently being pursued by the property owner, city of Seattle, King County Metro and the community. It is most likely that the facility will remain in private ownership with the layover facility being a tenant.

Public Improvements with a Private Development. This joint development example arose out of Seattle’s Capitol Hill Neighborhood Plan. Local community members, looking for a more prominent site for the neighborhood library, open space and public parking, approached a local developer to provide space in his project. During the summer and fall of 1998, community members, city staff, and the private development team worked on a proposal to allow increased height and to incorporate open space, public parking and a ground floor library. Under the proposal the private developer would sell a portion the building to the library under a condominium arrangement and retain operation of the retail, parking and residential elements of the project. Some of the elements that increase this project’s feasibility are allowing parking development under the street right-of-way, public street improvements, and interactive design review. When completed, the project will add housing, commercial, and public activities to this key focus of Broadway’s business district and potential future light rail transit station area.
that are currently under way where transit-oriented development principles could be introduced. Transit-oriented development should be recognized as a significant housing opportunity, and transit-oriented development principles should be integrated wherever possible.

CREATE NEW ENTITIES TO SPUR DEVELOPMENT OPPORTUNITIES

A Public Development Authority, Community Development Corporation, or other nonprofit development entity may be established to accomplish pre-development activities such as land assembly, a feasibility analysis, and acquisition of grants for low-income housing or other fundable projects. Described below are ways these development entities can contribute toward creating transit station communities.

PUBLIC DEVELOPMENT AUTHORITIES

Public Development Authorities (PDAs) are public corporations authorized under state law (RCW 35.21.730). As such, they are independent legal entities chartered by a city, town, or county. These entities were established by the State Legislature as a more efficient way to administer a public service. The purpose of a PDA is to promote some specific public good. In the city of Seattle, where a number of such authorities have been established, their purposes include providing low income housing, the development and operation of the Seattle Art Museum, services for Seattle's American Indian residents, and historic preservation.

A PDA is governed by a board that is comprised of members elected by the constituency or appointed by the chartering government. The board is responsible for the operations of the authority through the hiring of a staff and/or through its own efforts. The board must comply with the authority's charter. The chartering government monitors, but does not operate, the PDA. A PDA is expected to be self-supporting, but not necessarily profitable. It may receive funds from governments, including fed-
eral grant money. Other sources of funds include revenues from operations and private donations (these are generally made to a nonprofit affiliate).

Although a PDA cannot levy taxes, its chartering government can and then pass the revenue on to the authority. For example, Seattle voters passed a special Museum Development Authority tax levy in 1986. PDAs also have the ability to issue debt at a lower, tax-exempt instrument rate. These bonds can be (and generally are) backed by the chartering government. The amount of the government-backed debt counts against the government’s debt capacity, so such issues are closely coordinated with the chartering government. Repayment of bonds should be provided for from the authority’s own sources of funds.

PDAs have the authority to administer federal programs and to receive federal or state funds. They can own, sell, and transfer property, enter into contracts, sue and be sued, loan and borrow funds, limit liability to their own assets, and provide any public service. PDAs are not allowed to levy taxes or special assessments and they have no power of eminent domain. Authority is limited to the boundary of the chartering government, unless expanded by a contract with another government.

It is the responsibility of the governing body to oversee a PDAs operations and funds and to ensure that the authority is accomplishing the purposes of its program. The city of Seattle requires that its PDAs file an audited annual report. The authorities are monitored by the Office of Management and Budget. The city can intervene or dissolve its PDAs under certain circumstances, as occurred recently with the Central Area Public Development Authority.

Using a PDA to facilitate transit-oriented development offers some advantages. First, the authority is an independent agency dedicated to its particular purpose. As such, it has a clear mission and is less constrained in pursuing its mission. As long as it keeps within the bounds of its charter, the PDA can often act more decisively and flexibly than a program within a government. This often results in greater efficiency in the delivery of services.

This flexibility means that a PDA can establish a structure that is most suited to the fulfillment of its purpose. For example, a nonprofit organization can be established to work closely with an authority and provide revenues. Independence can also offer more flexibility on costs. Staff are employees of the authority, not the government, so salaries and benefits can be based on market rates.
rather than government structure. At the same time, PDAs can receive property from the government, so anything the government can source cheaply can be given, or sold at cost, to the authority.

PDAs often have strong participation by citizens interested in an authority’s particular program, who can serve as board members without having to participate in the government as a whole. A PDA can issue debt — which can be guaranteed by the chartering government — at lower, tax-exempt rates. This gives a small, often little known public entity access to low-cost funds. Because the PDAs have more flexibility in administering federal funds and because they are less restricted with regard to lending of credit, these entities are often good conduits of federal funds.

A PDA is meant to be self-supporting. This might be accomplished through federal grants, nonprofit contributions, or fees for PDA-provided services or

**Southeast Effective Development (SEED)**

SEED, a community development corporation in southeast Seattle has played a major role in local redevelopment. Founded in 1975 by a group of local business owners to improve the quality of Southeast Seattle neighborhoods, SEED brought over $80 million into the Rainer Valley for community development, affordable housing, and cultural projects. Some of more notable efforts include:

- Development of Rainer Valley Square, the first major retail center in southeast Seattle in 30 years.
- The development and management of over 700 units of affordable housing and creation of nonprofit housing associations to extend the program's efforts
- The establishment of the Rainer Valley Cultural Center and several public arts programs.

These types of community based efforts can be a valuable asset in station area redevelopment, especially if work is focused to meet local needs.
PDA-owned public facilities. Since such an entity cannot levy taxes, it is appropriate for only those programs that can be self-sustaining. Therefore, while this structure offers some distinct advantages, creating such an entity to encourage transit-oriented development in station areas may not be practical in all cases.

COMMUNITY DEVELOPMENT CORPORATIONS

Community Development Corporations (CDCs) are nonprofit organizations that have a community-based board of directors, provide services to a defined geographic community, and engage in some sort of economic development activity. CDCs are formed to do commercial and housing development in neighborhoods where markets are not defined. They usually emerge when the market is either not meeting, or is pricing out, legitimate community needs. CDCs help provide capital to markets that are not getting access to private capital and help the community retain ownership of real estate assets. Examples of existing corporations in Seattle include the South East Effective Development (SEED), the Capitol Hill Housing Improvement Program (CHHIP), and the Central Area Development Association (CADA).

Because CDCs are nonprofit organizations, it is important to understand their use and limitations. These corporations are especially appropriate where active community groups wish to initiate redevelopment. They can appeal to neighborhood planning groups because they can help to ensure that local participation and input are a part of each project. They may be particularly helpful to neighborhoods that are trying to implement larger projects, such as community centers or mixed-use facilities with open space.

PRIVATE NONPROFIT ORGANIZATIONS

Private Nonprofit Organizations (NPOs) are empowered under state law to serve a number of charitable purposes, but are also limited by state law in that no one associated with such an organization may receive any profit or financial gain from its activities. Many nonprofit organizations seek tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Such an exemption may be a prerequisite for participation in various city, state, or federal programs and may enable the organization to obtain funding from other charitable organizations or foundations or offer donors the benefits of a charitable deduction. Examples of nonprofit organizations include the Northwest AIDS Foundation, Plymouth Housing Group, Fremont Public Association, and Seattle Men's Chorus.
Selected Resources

**GENERAL**


Challenges to Quality Urban Development, Quality Urban Environment Technical Work Group, King County, Seattle, Washington.

Consideration of Transit in Project Development, Orange County Transit District, Garden Grove, California, November 1988.


Planning and Design for Transit, TriMet, Tri-County Metropolitan Transportation District of Oregon, Portland, Oregon, March 1993.


**Station Area Case Studies**


**Station Area Land Use Regulations**


Creating Transportation Choices through Zoning, Sno-Tran, Snohomish County Transportation Authority, Lynnwood, Washington, October 1994.


Mode Enhancement through Land Use Design: Development Design Strategies to Encourage the Use of Alternative Transportation Modes, Stevens/Garland Associates, Inc. for the County of San Diego, California, San Diego, California, July 1991.


Transit Development District, Downtown Plan District, and Civic Neighborhood Plan District, Community Development Plan, City of Gresham, Gresham, Oregon, 1995.


Transit Overlay Zone, Light Rail Transit Station Zone and Gateway Plan District, Title 33 Planning and Zoning, City of Portland, Portland, Oregon, 1987-1996.


Conducting a Regulatory Audit

The following are some of the questions that should be asked when conducting a regulatory audit to identify regulations that may limit opportunities for transit-oriented development. These questions do not address all possible limitations or circumstances, but provide a starting point for the analysis. Also provided are references to resources and actual experiences in the central Puget Sound region to modify zoning and land use regulations to better support transit-oriented development.

One document in particular that should be useful in reviewing your land use regulations is Creating Transit Supportive Regulations: A Compendium of Codes, Standards, and Guidelines prepared by the Municipal Research and Services Center of Washington. This is an excellent resource of actual local examples and experiences. Also useful are: Creating Transit-Supportive Land Use Regulations, American Planning Association, PAS Report Number 468, and Creating Transportation Choices through Zoning, Sno-Tran. Full references are included in the Resource section at the end of Part III.

Questions To Ask in Conducting a Regulatory Audit

Do your regulations include physical requirements that restrict densities?

While some zoning ordinances restrict commercial and industrial intensities through floor area ratio (FAR) maximums, it is more likely that development intensity will be inadvertently restricted by a combination of features, including parking requirements, height limitations, setbacks, landscaping requirements, and lot coverage maximums. One way to identify how these standards interact is to design a hypothetical transit-oriented development on a specific site in the station area to see if the regulations would preclude or discourage the project.

Do your regulations include a minimum density requirement?

A more assertive means to achieve higher density is to set minimum density requirements. Minimum density requirements can backfire unless you set the range of densities to conform to the market. For example, if the market favors single-family residences and you set the minimum density at 20 dwelling units per acre, be prepared for complaints that you are actually inhibiting development. This still may be the appropriate step if you can demonstrate that demand will ultimately justify higher density and a greater return on land investment.
Do your regulations allow a full range of housing types?

The most effective way of increasing housing supply, density, and affordability is to allow for a full range of housing types. Housing types should include apartment buildings, cottages, duplexes, and accessory housing. The Seattle Housing Options is an excellent compendium of housing projects providing detailed information about a wide variety of housing types.

Do your regulations place restrictions on development outside the station area?

Local zoning codes often allow too much development over too large an area. The result is low-intensity sprawl throughout the community. If development can go anywhere, developers will typically seek out the least expensive land and auto-oriented locations. To focus development in desired locations, it may be necessary for you to limit the zoned potential of lands remote from the station area. While direct down zoning of property can be difficult; it is sometimes possible to rezone outlying lands for the less intense auto or industrial activities. This provides a place for non-transit-oriented development uses to relocate and preserves property values for rezoned lands.

Do your regulations allow residential above ground level commercial uses?

Vertical mixed use promotes greater intensity and allows pedestrian-oriented uses at the street level with other uses above. Make sure that the first floor use requirement does not apply to sites where retail and similar services are not viable, or else redevelopment will be impeded and the business core scattered. Also, be sure to define pedestrian-oriented uses clearly or else unwanted uses can occur.

The Seattle Pedestrian-Oriented Overlay Zone limits ground floor uses to the following: personal and household retail sales and services, eating and drinking establishments, customer services, and entertainment uses. Drive-in business, including gas stations, are prohibited.

Do your regulations include special design requirements for ‘pedestrian streets’?

Identify key streets or districts where special pedestrian-oriented requirements apply. While pedestrian orientation is desirable along all streets in station areas, you should identify specific streets where pedestrian orientation is most important. Along these streets there should be pedestrian-priority standards.
regarding driveways, building frontage, and parking location. Businesses will continue to access parking and service areas, but these should not detract from the pedestrian character of the streets in the station area.

Do your regulations require convenient access between building and walkways?

Require convenient access to the building entry, to the sidewalk, and to on-site pedestrian paths. Creating Transit-Supportive Regulations (page 5) presents several excerpts from local codes in the Puget Sound region and other areas of Washington State that address this issue.

Do your regulations require buildings to be built along the public right-of-way?

Many development regulations inadvertently prevent pedestrian-oriented site design by requiring front setbacks for commercial properties. Front setbacks for commercial properties should be removed or reduced in station areas. Require or provide incentives for buildings to front directly on or close to the right-of-way. Remove or minimize front yard setback requirements from code, except as necessary to allow 12-foot-wide sidewalks. (See Creating Transit-Supportive Regulations, page 16.)

Do your regulations require that street grid be continued and/or established?

Depending on topography, transit-oriented development is usually best served by a grid network of streets, sidewalks, and pedestrian/bike paths. Blocks or development parcels should generally be less than 400 feet on a side. If there is a parcel in the station area greater than two or three acres, you may want to require that a street — or at least a pedestrian way — be included as part of the development. Creating Transit-Supportive Regulations describes provisions to address this consideration on page 6.

The City of Kent Downtown Design Review Handbook identifies two categories of pedestrian-oriented streets and sets standards for vehicle access, site design, parking location, and setbacks for each category.

The Woodinville Interim Downtown Design Guidelines require all development projects on properties of more than one acre which front on two streets to provide through access or “through streets” between the streets. Required through streets may be part of the parking lot/site circulation, but parking, other than parallel parking, fronting directly on the street should be minimized.
Do your regulations require pedestrian connections within parking lots?

The importance of better circulation in parking lots has been proven in highly successful developments such as University Village and the Oak Tree area. Creating Transit-Supportive Regulations includes several sample provisions on page 36.

Do your regulations require expanded street and building lighting requirements?

Design guidelines should prohibit dead-end spaces, blind corners, and hidden entrances. Another valuable method to upgrade the inherent safety of proposed development is to have the police department review development proposals with respect to their Crime Prevention through Environmental Design (CPTED) program. (See Safe Cities Guidelines for Planning Design and Management and Creating Transit-Supportive Regulations, page 12.)

Do your regulations require bicycle parking?

Require provision for bicycle facilities, such as bike racks and lockers. The requirement for bicycle facilities is becoming more common. (See Creating Transit-Supportive Regulations, page 44.)

Do your regulations provide incentives for plazas or other public open space?

The extent to which the provision of open space is a private developer responsibility rather than a public responsibility is a major question. It may be that the government constructs new parks or plazas as an incentive for development. On the other hand, if the local government is focusing on other infrastructure, such as streets, parking garages, and/or public facilities, then the jurisdiction might rely on developers to include plazas, gardens, and other open spaces as part of its projects. In requiring open space as part of site development, you must make sure that it provides both a public and a private benefit and does not become a deterrent or burden to positive development projects. Some local governments allow developers to pay a fee in lieu of open space. In this case, you should make sure that the fees collected in the station area are spent for open space within the station area.
Do your regulations address pedestrian-oriented design features?

Properly prepared design guidelines for station areas can ensure that new development is pedestrian-friendly without inflicting a significant cost. In many cases the provisions can be stated simply enough for administrative review, without the need for a design review board. The design guidelines do not necessarily need to include provisions for design quality, building materials, or architectural style, although such provisions can be very effective in creating a “sense of place.”

At a minimum, design guidelines should address the following issues: require pedestrian-friendly facades, avoid blank walls, provide weather protection, provide sheltered waiting areas, provide pedestrian-oriented signs, and locate service areas and storage away from pedestrian routes. Design guidelines for historic areas are especially important in maintaining an older community’s character.

Do your regulations address location and access issues?

Often, parking can best be provided in small lots around the perimeter of a station area. But there are certain situations where large lots or structures might serve a high-demand area, such as a commuter rail station at a community college or sports arena. A high-volume feeder road might also necessitate a large parking facility to minimize traffic through the center.

Do you regulations establish performance criteria to determine the amount of parking?

Business owners, commuters, transit agencies, developers, and residents have different parking objectives. Therefore, it is essential to establish criteria to determine the appropriate parking supply. It is difficult to establish rules of thumb to determine station area parking needs because the quantities are dependent upon type of uses, population, type of station, and many other factors.

The Woodinville Downtown Design Guidelines require building entrances to be enhanced and present a menu of options for developers to choose from, including weather protection, extra landscaping, pedestrian facilities, providing special pedestrian scaled lighting, adjacent window displays, or other methods as approved by the city.

The city of Kirkland based its design standards on the following strategic policy: “Throughout downtown Kirkland, minimize the number of driveways by restricting curb cuts and by encouraging property and business owners to combine parking lot entrances and coordinate parking areas. Encourage side and rear parking areas by restricting parking in front yards. Require extensive screening in front yard parking.”
Using performance criteria rather than strict standards may be one way to address parking needs on an area-wide basis. Creating Transit-Supportive Regulations includes an extensive section on parking measures starting on page 25.

Do your regulations set parking requirements as low as possible?

Many codes set minimum on-site parking requirements at about 1 stall per 200 to 250 square feet for commercial and 1.5 to 2 stalls per dwelling unit. These parking standards are generally too high to achieve transit-oriented densities without structured parking. It is important to remember that each parking space occupies about 300 square feet. Unless parking is stacked in a multi-level garage, it can take as much land as the use. For example, 1 stall per 250 square feet generally produces a maximum floor area ratio (FAR) of .5 and more often a .35 to .4 FAR. By contrast, 1.0 FAR is much more appropriate in high-capacity transit station areas.

Do your regulations include parking location and design standards?

Parking lot design standards for location, access, pedestrian circulation, and landscaping are important elements in creating an attractive, efficient, pedestrian-oriented transit station community. The following issues should be addressed: pedestrian circulation, parking entrances and driveways, location of parking lots, parking lot design details, and landscaping adjacent to neighboring properties and along the street.
There are potentially powerful tools currently in use elsewhere in the country that could be brought to bear in the central Puget Sound region with appropriate state legislative action. In some cases, this would require that existing statutory authority be amended to improve transit-oriented development implementation success. The following is a brief description of potential new tools for encouraging transit-oriented development.

Tax Incentives for Transit-Oriented Development

In Washington State, local governments are restricted in their ability to directly support private development through the use of tax incentives. However, there are some types of development activity that are eligible for favorable tax treatment, such as affordable housing and historic preservation. Below are examples of how tax incentives are currently used and ways they could be extended to transit-oriented development projects.

Sales Tax Exemption or Deferral on Construction

In the State of Washington, sales tax is charged on the value of construction labor and materials. Recently, the State Legislature provided for exemptions or deferrals for several activities deemed to have significant public benefit, including:

- Exemption of sales tax on new or expanding manufacturing facilities in economically distressed counties.
- Exemption for construction of high-technology manufacturing facilities.
- Deferral for three years and repayment over five years for equipment or pilot-scale facilities for high technology.
- Deferral of sales tax on construction of the Mariners baseball stadium (Safeco Field) for five years with a repayment schedule of ten years.
- Deferral of sale tax on construction of the Emerald Downs thoroughbred racetrack for five years to be repaid over the next ten years.

An exemption or deferral of the sales tax on construction of transit-oriented development projects would offer a significant financial inducement to developers.
LEASEHOLD EXCISE TAX EXEMPTION OR DEFERRAL
This type of exemption would be somewhat analogous to property tax abatement. In the State of Washington, when public property is leased to a private party the lease payments are subject to leasehold excise tax of 12.84 percent of the contract rent. This tax is in lieu of the regular property tax, since public property is excluded from property assessments.

Currently, there is no explicit exemption for transit-oriented development, though a housing proposal could qualify if it were a publicly subsidized low-income housing project. The exemption would be available as an inducement for the potential leasing of transit-owned property, including air rights above stations, for private development. Examples of current exemptions include:

- Student housing at public schools and colleges.
- Property in a special review district that is listed on a federal or state register of historical property.
- Leases to nonprofit organizations for the operation of camps and other recreational activities conducted for disabled persons.
- Interests in the public or entertainment areas of a professional baseball stadium in Seattle which contains natural turf and a retractable roof.

TAX ABATEMENT PROGRAMS
Tax abatement programs are currently available to certain cities in the region to encourage multi-unit housing in targeted housing areas authorized under RCW 84.14. The intent of the legislation was to encourage new housing opportunities in under-served areas by forgiving property tax payments for a specified period of time. Unfortunately, as the law is currently structured, only four cities in the Puget Sound region (Seattle, Everett, Tacoma, and Bellevue) are eligible to offer this potentially powerful inducement.

Possible legislative action that could be considered includes expanding the list of eligible communities to other local governments and/or allowing tax abatements within major transit station areas. Station areas could be defined as the quarter-mile or 2000-foot radius around stations, including light rail, commuter rail, ferry, and major bus transit centers. This would limit the use of this incentive program in the new communities to transit-oriented development and encourage the maximum practical housing opportunities within easy access to regional transit facilities.

Any new transit-oriented development tax incentive would require a standard definition of transit-oriented development specifying the type and characteristics of a project that would qualify as a transit-oriented development and thus be eligible for the exemption.
Tax Increment Financing

Tax increment financing (TIF), also known as community redevelopment financing, is a mechanism local governments in many states use to finance public improvements and thereby encourage redevelopment. In 1952, California became the first state to use tax increment financing. Widespread use in most states did not occur until the 1970s.

In part, utilization of this type of financing was spurred by changes in federal urban renewal and community development policies. These changes limited the amount of federal aid available to large urban areas for redevelopment projects. Currently, more than 30 states have legislation that allows the use of tax increment financing.

In the early 1980s, the Washington Legislature passed tax increment financing legislation, which immediately raised a number of issues regarding the constitutionality of this financing mechanism. There were two principle concerns:

1. Whether the addition of tax increment financing districts would lead to violation of the uniformity clause of the Constitution; and
2. Whether property owners within a tax increment financing district receive privileges that are not available to other property owners.

In 1996, the State Supreme Court ruled on the test case City of Spokane v. State of Washington that tax increment financing was not permitted on constitutional grounds. In 1982 and 1985, Constitutional amendments, subject to voter approval, were proposed to eliminate the legal questions surrounding the use of tax increment financing. Both amendments were defeated in statewide votes.

Tax increment financing helps to sustain or revitalize urban areas by funding selected public improvements that attract private development. Some of these improvements include roads, parking, sewers, sidewalks, lighting, landscaping, and parks. In general terms, this is how tax increment financing works:

- The sponsoring city or county establishes the tax increment financing district by drawing boundaries around a geographic area that is thought to benefit by the public improvements.
- The properties located in the financing district are assessed to establish a base level assessed value against which to measure increases.
- The sponsoring city or county issues bonds to pay for the public improvements.
- The public improvements are built.
- The assessed values of properties in the district increase due to the new development the public improvements attract.
• Annual tax revenues generated from the increased assessed values (that is, the “increment” of value) are captured to pay for the tax increment financing bonds.

• During the bond pay-off period, the overlying taxing districts (for example, port, county, and state) collect taxes only on the previously established base level assessed values of the properties.

• Once the bonds are retired, the tax increment financing district is dissolved and taxes are collected on the much higher current assessed values.

Allowable Land Uses at Transportation Centers

Another incentive for transit-oriented development would be to remove the restrictions currently placed on the types of activities allowed at “transportation centers.” The transportation centers statute (Chapter 81.75 RCW) could be amended to expressly allow for the incorporation of commercial elements within transit facilities. These elements would provide additional revenues to offset costs associated with the provision of public transit services and facilities. During recent legislative sessions the following amendments were suggested for possible action.

• Expand the list of services available within a transportation center to include commercial activities such as retail services, offices, professional services, and any other use which may prove beneficial to the users of the transportation system.

• Remove any authorization for any municipal corporation to operate the additional services, while allowing these entities to lease either the entire center or some portion to another entity for the purposes of providing the additional services.

In 1994, the State of California passed a bill titled “California’s Transit Village Act” (AD 3152). The bill encourages cities and counties to plan more intensive development around rail stations, but it provides few fiscal powers or special powers to do so. Efforts have been made since then to have the bill expanded to provide more fiscal incentives, perhaps granting designated “transit village districts” priority access to discretionary state funds and federal funds. Additional authority has been sought to create special redevelopment districts around stations with special land assemblage and tax financing privileges. Proposals also include granting developers density bonuses within the district.

These amendments would provide express statutory authority for joint development opportunities that are consistent with the goals of the Growth Management Act and transit-oriented development principles. The greatest benefit appears to be for Public Transportation Benefit Areas, where the authority for pursuing joint development opportunities is most unclear.
APPENDIX C

Glossary

Air Rights.
The control of development above a property being used for another purpose at ground level. Development could occur above an existing use such as right-of-way or parking.

Auto-Oriented Development.
Configured and designed to facilitate access and circulation primarily by automobile. Common components include building orientation to the parking lot, highly visible parking in front of the building and large blocks with wide streets.

Bus Transit Center.
A major bus stop or station at the meeting point of several routes. Designed to facilitate passenger transfers (e.g., passenger waiting areas) and accommodate numerous buses (e.g., vehicle staging areas).

Commercial Core.
Portion of the station area that will be targeted for the highest intensity of commercial activity. Appropriate make-up of the commercial core will vary depending on the particular station area, but, in general, the uses on the ground floor should be pedestrian-oriented, such as commercial retail or personal services.

Compact Development.
Refers to the relative density or intensity of development in a given area.

Density/Intensity.
Often used interchangeably. Density refers to the number of housing units or square feet of commercial space per unit of land, usually per acre. Intensity refers to the level or concentration of activity occurring on a site or in an area.

Density Bonus.
Provision in development regulations that allows greater floor space or more housing per acre in exchange for certain public amenities.
Design Guidelines.
Standards which are usually applied in a particular area (e.g., downtown or transit station area) or to a particular use (e.g., multi-dwelling housing) to protect investment and/or establish a unifying look for an area. Design guidelines can be administered by the permitting staff or by a design professional depending on the level of discretion exercised in the review. Typical guidelines might focus on issues such as building orientation, certain architectural details and the streetscape.

Development Regulations.
A local jurisdiction's zoning or land use code, which regulates factors such as the type of land use, densities, height and bulk, landscaping, parking requirements, and some elements of design. Development regulations may also include a separate subdivision code that typically includes standards for street layout and design.

Eminent Domain.
The right of government to “take” private property at fair market value for a public purpose.

Employment Sectors.
Refers to the categorization of employment by Standard Industrial Classification (SIC). Generally grouped as Manufacturing, Wholesale/Transportation/Communications/Utilities (WTCU), Retail Trade, Finance/Insurance/Real Estate/Service (FIRES), and Government/Education. SIC codes are currently in the process of being replaced by the new North American Industry Classification System (NAICS).

Floor Area Ratio (FAR).
A measure of development density expressed as the amount of building floor area divided by the development site land area.

High Capacity Transit.
Transit systems operating, in whole or part, on a fixed guideway, dedicated right-of-way or freeway/express facility, designed to carry a large number of riders at higher speeds than conventional transit. Examples include express bus on HOV lanes, passenger ferry service, commuter rail and light rail.
High Capacity Transit Station.
The facility which provides access to and from high capacity transit, including the right-of-way, passenger waiting platforms, ticket vending machines, weather protection, kiss-and-ride area, and bike parking. For the purpose of this workbook, this includes light rail and commuter rail stations, bus transit centers, and ferry terminals.

Infill Development.
Development that takes place on vacant or underutilized parcels within an area that is already characterized by urban development and has access to urban services.

Joint Development.
Projects financed and developed jointly by public agencies and private developers. Joint development associated with a transit facility often involves a transit agency.

Joint-Use Parking.
Use of the same parking spaces by adjacent uses that have staggered peak periods of demand, thereby reducing the amount of land consumed by parking. Also referred to as “shared parking”.

Land Assembly.
Consolidation of separate adjacent parcels under one ownership in order to facilitate larger-scale developments. Used by the public sector to encourage private development.

Land Banking.
A process established to set aside land to be used for a specific purpose at a later date.

Land-to-Building Value Ratio.
A measure used to indicate redevelopment potential. If the ratio is above a certain threshold, the building is considered to be of a lesser value than it would be possible for the land to support.

Market Study.
Analysis of current market conditions to assess development opportunities. Usually undertaken by a developer to study the likely success of a specific development proposal.
Market Strategy.
  A long-term proactive process that seeks to shape conditions to create and respond to development opportunities. Usually undertaken by the public sector to attract private development.

Mitigation.
  Steps taken to moderate the impact of construction or operation of a project. Often called for in an Environmental Impact Statement required for compliance with SEPA.

Mixed Use Development.
  Complementary land uses located within a single structure or in close proximity to one another and connected by safe, direct walkways.

Overlay Zone.
  A method used to apply provisions in a specific area which supplement the standards of the underlying or base zone. An overlay zone might restrict certain uses or allow higher densities than would be permitted in the same zone in other parts of the city.

Parking Management.
  Actions taken to alter parking supply, operation, and/or demand.

Pedestrian Streets.
  Primarily designed to serve people on foot. Street width, travel speed, and turning radii should be minimized and pedestrian amenities should be enhanced in order to focus on the comfort and safety of pedestrians.

Planned Action/Programmatic EIS.
  The Environmental Impact Statement (EIS) for a general program of interrelated projects (such as development around a transit station), as opposed to a specific project or action. Utilized to attract development by simplifying the environmental review at the project level.

Public-Private Partnership.
  A cooperative venture between a public agency and private corporation for the purpose of accomplishing a program or project, such as a joint development.

Pro Forma.
  A detailed analysis of the costs, projected sales and/or revenues, and risks associated with a development project; usually prepared by the developer to support an application to a lender or to attract investors.
State Environmental Policy Act (SEPA).
A state law requiring an analysis of the environmental impacts of state and local actions.

Tax Abatement.
A reduction in taxes, usually for a specified period of time, granted as an incentive to encourage development in a particular area or of a particular type.

Tax Increment Financing.
A technique allowing new tax revenues, generated by new development, to be retained and put to use in and around the area where the development has taken place.

Transit-Oriented/Pedestrian-Friendly Development.
Because transit users are most often pedestrians, the elements that support transit and pedestrian activity are generally the same. In short, transit-oriented development (TOD) is pedestrian-friendly development focused around a major transit access point. Elements include compact, mixed use development pattern with facilities and design that enhance the environment for pedestrians in terms of safety, walking distances, comfort, and the visual appeal of the surroundings.

Transit Station Area.
An area within \(\frac{1}{4}\) to \(\frac{1}{2}\) mile walking distance (5 to 10 minutes) of a high capacity transit station which may contain transit-related activities and be designed for higher density development. When planning a transit station area, it is also important to consider its relationship to the surrounding area from which transit riders will be drawn.

Transit Station Area Plan.
A detailed plan for a station area that deals with issues such as land use, access and circulation, needed improvements, development opportunities and incentives, and parking.

Transit Station Community.
A diverse mix of activities, focused around a transit station, where people live and work.

Underutilized Property.
Land that is not developed to its highest potential. This could include a parcel that is partially vacant or has surface parking, as well as a parcel with a high land-to-building value ratio.
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REGIONAL COUNCIL STAFF
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Ned Conroy, Senior Planner, Project Manager
Stephanie Beckman, Assistant Planner
Ralph Ciprani, Program Manager
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CONTRIBUTORS AND ADVISORS
Matt Aho, Leland Consulting
Stephen Antupit, City of Seattle
Michael Booth, City of SeaTac
Jan Briggs, King County Metro
Jeri Cranney, Sound Transit
John Dewhirst, Snohomish County
Mary Embleton, Economic Consulting Services
Caroline Feiss, Sound Transit, Consultant
Barbara Gilliland, Sound Transit
John Hubbard, Sound Transit
Michael Hodgins, Berk and Associates
David Hopkins, Metro King County
Paul Kaftanski, City of Everett
Dave Koenig, City of Everett
Dave Leland, Leland Consulting
Carla Main, City of Seattle
Henry Markus, King County Metro
Terry Marpert, City of Redmond
James Mathews, City of Tacoma
Leonard McGhee, Sound Transit
Robin Meyer, City of Tacoma
Lynn Miranda, City of Tukwila
Helen Nilon, City of Issaquah
Kevin O'Neill, City of Kent
John Owen, Makers Consulting
Laura Paskin, City of Seattle
Susan Sanchez, City of Bellevue

Eric Schmidt, Cascade Design Collaborative
Michael Skehan, Washington Association of Rail Passengers
Terry Silverman, City of Redmond
Bob Sokol, City of Auburn
Paul Stewart, City of Kirkland
Bill Trim, City of Mill Creek
Ed Walker, King County Metro
Bill Wiselogle, City of Bothell
Randy Witt, City of Bremerton