

How Can We Move Transit-Oriented Development Forward in the St. Louis Metropolitan Area?

Citizens for Modern Transit and Des Lee Collaborative Vision

The time is ripe for transit-oriented development (TOD) in the St. Louis metropolitan area. At present, there are no full-fledged examples of TOD in the area, defined as mixed-use, pedestrian-friendly, higher-density developments with quality public spaces oriented around transit stations.¹ However, like many metropolitan areas, trends in St. Louis are pushing in the direction of more TOD. Increasing numbers of “empty nesters” and young professional households are boosting consumer demand for pedestrian friendly living environments. Traffic congestion, rising energy prices, concern about greenhouse gas emissions and obesity are trends that will increase demand for TOD in communities across the nation, including St. Louis. A study by the Center for TOD estimated that demand for housing near transit stations in St. Louis will more than quadruple between 2000 and 2030 – from 21,438 to 94,475 households.

Factors peculiar to St. Louis at this point in its history also are favorable to TOD. In April 2010 the voters of St. Louis County approved, with a surprising 63 percent YES vote, a ½ percent sales tax that will raise \$75 million a year for transportation, thus guaranteeing the continued operation of the present bus and light rail system and opening up the possibility for expansion of light rail in the future.² Recently, East-West Gateway Council of Governments (EWG) led a consortium that won a \$4.6 million Sustainable Communities Grant that will provide resources for TOD planning. Both Metro and EWG have new leaders (John Nations and Ed Houseman) who have expressed strong interest in promoting economic development around existing transit investments.

Partly as a result of the convergence of these factors, Citizens for Modern Transit (CMT) and the Des Lee Collaborative Vision at UMSL convened a group of TOD stakeholders on September 8th to brainstorm about the obstacles and opportunities for TOD in the region. Mark Vogl (HOK), Jessica Mefford-Miller (Metro), Craig Owens (City of Clayton), and Cady Scott (McCormack, Baron & Salazar) made background presentations. The goal was to draft a comprehensive SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) for TOD in the area. Bob Lewis drafted an initial SWOT document and then the group of about 20 stakeholders brainstormed to produce a comprehensive SWOT analysis. Chris Chadwick of FOCUS St. Louis facilitated the discussion. Subsequently, Cynthia Palazollo, PhD research assistant at UMSL, edited the SWOT analysis and Todd Swanstrom, Des Lee Professor, wrote this Introduction to the SWOT analysis.

The purpose of this Introduction is to reflect on how the SWOT analysis can be used to move TOD forward in the region. A potential weakness of SWOT analyses is that they can produce long list of relevant factors without identifying clear strategies or priorities. This Introduction attempts to prioritize the factors in the SWOT analysis by highlighting 1) those that can be shaped by deliberate action; 2) those that make the most strategic sense given the peculiar conditions and stage of TOD development in the St. Louis region today.

Adapting SWOT Analysis to TOD

SWOT analysis is an analytical tool developed mostly in business schools to aid the formulation of strategy by private corporations. By laying out strengths, weaknesses, opportunities, and threats corporations can determine how they can best position themselves to realize maximum return on their investments. The basic idea is to match internal strengths to external opportunities – deploying assets as part of a strategy that takes into account organizational weaknesses and potential threats in the environment. The SWOT analysis is generally treated as a recommendation to the top decision maker, usually CEO of the corporation.

The major difficulty in applying SWOT analysis to TOD is that *there is no one organization or decision maker which can implement TOD in the St. Louis region*. Private real estate developers are key actors in TOD, but given St. Louis’s low land values and low-density, sprawled out pattern of development the private market alone will not support TOD yet. St. Louis developers and lenders are generally not accustomed to more intensive forms of development on more expensive land. Subsidies will be required for some time to come in order to move TOD forward in the region.

Public subsidies are clearly justified, however, by the extensive “positive externalities” generated by TOD. All the organizations and interests who benefit from these externalities have a stake in TOD. Metro has a stake in the increased ridership that will result from TOD; TOD will reduce traffic congestion, a clear goal of EWG; financially stressed local governments can achieve a fiscal surplus from TOD; environmental interests will be attracted by reduced greenhouse gas emissions; and advocates for affordable housing will be attracted by the potential of TOD to reduce the combined housins + transportation costs for lower income households.



TOD Tools for Metropolitan Planning Organizations. Center for Transit Oriented Development. February 2010

Figure 1

Figure 1 shows all of the stakeholders in TOD. The fact that so many different organizations have an interest in and would benefit from TOD is encouraging, but this raises the challenge of collection action: even if the St. Louis region could come up with a coherent strategy for promoting

TOD, who would implement it? Who would lead the effort and how would a process be established to insure that all major stakeholders were involved? A TOD strategy would require, for instance, deciding which stations should be given highest priority, what incentives would be deployed to promote TOD, who would approve TOD designs, how much affordable housing would be incorporated into TOD projects, etc. Participants at the UMSL meeting pointed repeatedly to the lack of unified leadership as a weakness hindering the progress of TOD in the region.

Leadership of TOD is the first issue that needs to be addressed in the St. Louis region.

Addressing all the other issues depends on first addressing the leadership issue. Progress depends on having organizations that are willing to commit resources to TOD and respected leaders who are willing to be the face of TOD for the region. Participants at the UMSL forum stressed that the best way to move TOD forward in the “Show-Me” state would be to build a successful example. Demonstrating the benefits of one TOD project would be the most effective form of education possible. A successful demonstration project requires targeting resources on one or a few transit stations with the greatest potential. This requires leadership.

STRENGTHS¹

1. Metro's Funding is more stable (Prop A).
2. CMT Model TOD Code (Clayton's example).
3. Developable land around many stations.
4. Rising cost of gasoline—maybe.
5. Changing demographics (aging population, single households, etc.) means more opportunities.
6. Growing willingness and demand for urban living.
7. Increasing private sector knowledge and experience with TOD in St. Louis.
8. Growing grassroots support for TOD & workforce housing – FOCUS, Trailnet, Beyond Housing, CMT, EWGCOG, Des Lee, etc.
9. Supportive policies in Clayton, CWE, downtown, and East St. Louis.
10. TOD can counteract central city and inner-ring suburban decline.
11. Healthy transit funding support from Illinois.
12. New Federal policy appears to support transit and workforce housing. **Including DOT policy (i.e. New**

¹ RED items are what participants added onto to what was already written.

STRENGTHS¹

Standards criteria) Note: have to have TOD, Have to have access –

13. Interest in collaborating (people/entities in this meeting today).
14. St. Louis Neighborhoods– look forward . . . celebrate the past.
15. Health and wellness trends.
16. Desire for unique places & experiences.
17. Growth in bike community.
18. Regional recognition of sustainability.
19. Availability of land around stations (due to parking lots, disinvestment
20. New generations of St. Louis residents don't know region without Metrolink. They're more friendly to transit; especially Washington University riders
21. Metro's been in place 17 years

WEAKNESSES

1. Lack of institutional structure for TOD at Metro.

WEAKNESSES

2. Few municipalities have adopted TOD or even Mixed-Use regulations.
3. Lack of TOD experience in the public (and private & financing) sector. Lack of broad understanding of what TOD really is, and how to implement. Knowledge and **Leadership**.
4. Fragmented land use planning in the region.
5. Fragmented public policy decision making.
6. Lack of land assembly. **Depends on municipal help in many cases.**
7. Low land values that do not encourage denser developments. ***Rule of TOD: Transit alone will not create TOD. Sites must be attractive for development on their own. Presence of transit makes a site more attractive. Will permit greater density & more urban form.**
8. Distressed housing market; slow St. Louis area growth.
9. Some “problematic” new developments near Metrolink;
10. Poor positioning of many stations, especially original line. **This could be an opportunity to low cost land – just have to be creative and dense. Weakness #10- just because it’s poor positioning, it also means that there are opportunities b/c there is less development around certain TOD’s. (Wellston, Rock Road.) Could be opportunity.**

WEAKNESSES

11. Lack of funding (and transit supportive policies) for transit from state of Missouri. Housing, historic, etc.
12. Lack of culture of imagination- “Show-Me” is good enough!
13. Leadership!
14. Difficultly maintaining/achieving durable mixed income component with single large developments.
15. Lack of strong codes & standards.
16. Lack of market demand – Population unfamiliar with TOD. Low immigration from areas where TOD is desirable and established.
17. Lack clarity of goals for transit – Mobility? Air quality? Education?
18. Cheaper to develop Greenfields.
19. Second worst sprawling.

Notes: Need someone on public side to take leadership. “not sure if we have too many developers that want to push that rock up the hill”

OPPORTUNITIES

1. Metro devote a staff member to TOD.
2. Metro has power to assemble and develop land, thus speeding up development.

WEAKNESSES

3. Educate municipalities about adopting appropriate codes.
4. Educate public about TOD and MXD.
5. Educate developers about economics and profits.
6. Educate lenders about financing density and MXD.
7. Infill in traditional TOD neighborhoods especially in city and inner ring suburbs.
8. Obtain funding for transit from Missouri Transportation Alliance proposal.
9. Collaboration with Great Rivers Greenway.
St. Vincent Greenway the one on light rail.
10. Formation of united collaboration(s).
11. **New partners, health industry, pushing for policy changes for livable communities. MFH/Robert Woods Johnson (well Funded)**
12. **Overlay existing regional plans – public: private. Look for synergy.**

OPPORTUNITIES

13. **Work with/through the livable St. Louis Network. Media/Marketing/Advocacy workgroups (includes a budget for creating and disseminating materials)**

WEAKNESSES

14. Greenfield Development Opportunities further away.
15. High Speed Rail. And other transit proposals: Loop trolley plus downtown street car.
16. Amtrak's recent success.
17. Downtown vision – increased connections.
18. Sustainability grants.
19. Incorporate TOD planning in all future Metrolink corridor studies and building, land use, and acquired land for TOD.
20. Position STL region as the Midwest, rustbelt city that is re-inventing itself (garner much more federal support).
21. Leverage Federal Funds NOW. (Why hasn't it already happened?)
22. Transit alliance – continue to work the politics of the issue – TOD – Money – Taxes going to transit, i.e. County.
23. Bus of regional leaders going to the Pro Walk Pro Bike conference.

THREATS

1. Inertia.
2. Counties that do not participate in Metrolink, e.g., St. Charles.

WEAKNESSES

3. Political forces that thwart Metro from facilitating development. **Notes: Funding in Particular. Funds get moved around.**
4. Applicants fail to submit an attractive applications and designs.
5. Lenders balk at seeming complexities.
6. Market forces dwindle (gas prices, land prices, slower growth).
7. Fiscal pressures for less public funding of transit.
8. **Political leader said anything denser than four units/acre “too dense”**
9. **Co-opting term – Developments that don’t meet the threshold of true TOD may consume subsidies.**
10. **Future regional growth - what are the drivers/ are not.**
11. **Governmental fragmentation-sapping potential strength of inner suburbs**

THREATS

12. **Political/social bias against density, transit, affordable housing. Has undertones of classism/racism**

WEAKNESSES

13. Increased density will require influx of new population or mothballing of exurbs
14. Design sensibilities
15. Turnover of elected officials
16. Race, class issue is woven through all the threats.

¹ We do have many examples of transit-adjacent development (TAD) in which developments are supported by transit but are still primarily oriented to the automobile.

² The favorable vote in St. Louis County automatically kicks in a ¼ cent sales tax for transit in the City of St. Louis.