



2012

10 Strategies for Attracting Development Near Transit in a Slow Growth Market



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Citizens for Modern Transit

St. Louis Missouri

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Our Mission:

CMT leads advocacy efforts for an integrated, affordable, and convenient public transportation system with light rail expansion as the critical component that will drive economic growth to improve quality of life in the St. Louis region.



Citizens for Modern Transit
911 Washington, Ste. 200
St. Louis, MO 63101
314.231.7272
www.stl-tod.com
www.cmt-stl.org
www.tentoes.cmt-stl.org



Introduction

More than two decades ago Citizens for Modern Transit (CMT) began its mission to introduce MetroLink to the St. Louis metropolitan area. Since its opening in 1993, ridership has exceeded expectations with an average of 60,000 people choosing MetroLink each day during summer months. Because of MetroLink's integration with the bus system, St. Louisans once again have a public transit system competitive with automobile travel. CMT members have played key roles in the passage of funding measures for the expansion of MetroLink and other transportation improvements in the region.

CMT's mission reaches far beyond the scope of the MetroLink expansion debate to rebuilding the St. Louis City, County, and Illinois neighborhoods by investing in passenger rail transit. Rail transit is not just a way to move from point A to B but a means to energize and revitalize existing communities.

In keeping with this expansive mission, CMT was awarded a grant by the Missouri Foundation for Health (MFH) to look at areas within a half mile radius, or ten minute walk, of several identified stations to determine what types of potential development, even in a slow growth market, could benefit the surrounding communities. This development would provide needed amenities while encouraging use of transit as well as healthier life styles for area residents.

This report represents a summation of ideas gleaned from other organizations' findings, published research and from the information gathered from work completed through the MFH grant.



What is TOD?

TOD stands for Transit Oriented Development. TOD is a term used to describe real estate development around transit nodes or stations that is typically mixed-use (retail, commercial and housing), human scale, pedestrian friendly, walkable and offers a range of services and amenities that are easily accessible. This development helps to reduce car usage, demand for parking and aids in increased transit usage.

Executive Summary

If one thing is for certain, there is no cookie cutter solution to Transit Oriented Development. Not only is every region and city different, but each neighborhood is different. Attitudes toward transit vary.

However, whether in a sluggish, slow growth economy or not, the key is to start TOD initiatives slowly. Basic low cost projects such as adding more trash cans, providing wider and more sidewalks, and working with the cities to have debris picked up in the area regularly help. Other small projects may include improving signage to build awareness of station location or hosting a free trip on transit program. This program introduced new riders to the many benefits of transit usage and helped them get comfortable with the system. Small changes equal positive perception shifts toward transit.

The goal of lower cost projects is to grow familiarity with usage of the system. This then equates to more pedestrian traffic to and from stations. These users not only have transportation and housing needs, they can also benefit from easy access to retail and commercial services. Maximizing the pedestrian traffic will drive demand for these supporting businesses and help ensure that eventual financing can be secured.

Critical to TOD is designing and planning developments that will provide unique solutions to the needs of the community. Including necessary businesses and a mix of housing, the design of any development needs to encourage and enhance pedestrian usage and work to minimize car usage and improve healthy lifestyles and quality of life.

Starting strategically by keeping the community residents and leaders engaged and documenting projects, processes and successes, helps determine what concepts will and will not work for the area. Eventual developments will be more suitably designed for the community.

Attracting Development



Using the Urban Land Institute – San Francisco Report “10 Strategies for Attracting Investment Near Transit” published in October of 2011 as a framework, the following report has taken a similar approach and modified it to respond to regional issues within a slow growth market, such as St. Louis.

The San Francisco Ten

1. Invest in Walkability
2. Increase Transit to Create Value
3. Concentrate New Development in Nodes
4. Start with Downtown-Oriented Development
5. Pursue Catalytic Public Projects
6. Tackle Parking
7. Invest According to Regional Ambitions
8. Create Cohesion With Existing Neighborhoods
9. Get the Density Right
10. Educate the Public on TOD

The Ten Strategies / Policies for Successful Transit Oriented Development in a slow growth market:



1. Engage the Surrounding Neighborhoods
2. Increase Transit to Create Value
3. Start Small, Invest in Walkability
4. Pursue Catalytic Public Projects
5. Create Realistic Design Standards
6. Tackle Parking
7. Invest According to Regional Ambitions
8. Revise Local Policies
9. Get the Density Right
10. Educate the Public on TOD

1 Engage the Surrounding Neighborhoods

Success with any development begins with successful engagement of the immediate communities. No matter where potential development is planned, each location is unique. Each transit stop and the community surrounding it is different. Not only is the physical environment different, the socio-economics as well as the attitudes of the people that make up the community are different.



Engaging with the public means beginning with the identification of key stakeholders. At minimum, key stakeholders should include the local government agencies, the transit agency, key area leadership, local police, both civic and political leaders as well as business owners. Consider including area service agencies, school officials, church organizations or other community/grassroots organizations that are vital to the community.

Working with a broad base of constituents will help identify key challenges, but more importantly clearly define the goals the community has with any type of development. Defining mutually agreeable goals for TOD to the community will begin to outline what design, uses and density will work in the area. In the recently completed Technical Assistance Panel for the MetroLink UMSL South Station performed by ULI St. Louis, key information about the area was obtained through community and stakeholder interviews. In this example, the panel learned of the strong pride community residents hold and how one municipality is on the national register of historic places however residents still struggle with perceptions of crime and proximity to basic necessities. Successful engagement uncovers great information that can lead to great solutions.

Some sample methods for engaging the community include:

- Stakeholder meetings
- Walk-about / Walking Assessments
- Surveys
- Charrettes
- Ten Toe Walks (Neighborhood Walks)
- Information booths
- Technical Assistance Panels (ULI)
- Project websites, blogs, social media



Consider partnering with area organizations such as:

- Local Professional Organizations, i.e.:
- Urban Land Institute (ULI)
- American Society of Landscape Architects (ASLA)
- American Planning Association (APA)
- American Institute of Architects (AIA)
- Grassroots organizations
- Church and school organizations
- Health departments and organizations
- Local non-profit organizations and foundations like Citizens for Modern Transit

Partnering with other local organizations can help drive participation to events as well as offer the opportunity to join established public events that are already planned and well attended. These groups will also have an established credibility in the community. This offers the chance to talk one on one with residents and to distribute and collect information.

Once common goals have been identified, it is necessary to broaden the area of study to understand how the goals of the immediate community can impact, support or detract from the efforts of the neighboring communities as well as the region. Working together with other communities to compare goals, identify gaps in available resources and barriers to progress can be the basis for a strategic approach to development. This approach should include ways to create nodes of unique development at adjacent transit stations that support and encourage each other while serving the communities residents and businesses.



2 Increase Transit to Create Value

Individuals can
save
between
\$9,000
to
\$14,000
a year
by using
TRANSIT!

Critical to success is quality transit service that creates value to the adjacent communities. Transit stations should be easily accessible, well maintained and safe. The local transit authority, such as Metro in St. Louis, should provide connections to high demand locations at desirable times. Engaging with the public would help educate them on transit services that are currently available and offer an opportunity to understand what additional services or changes might be made to better serve the community and thus, increase usage.

As transit services improve, or as local residents become more aware of the benefits, including convenience, economic and health benefits, there would be an anticipated increase in foot traffic from the stations to surrounding residential areas. For many families the cost of owning and maintaining a car can be devastating to their financial well-being. On average, according to the American Public Transportation Association's February Transit Savings Report, individuals can save between \$9,000 to as much as \$14,000 a year by using transit instead of driving. (APTA, 2012)

Pedestrian friendly streetscape and development that integrates with transit provides opportunities for retail, office, services and entertainment development, adding amenities to support the needs of the surrounding communities.

Increasing transit to create a cohesive and contiguous system is becoming a greater necessity. Given the global economic downturn, the Census Bureau reports that the nation's population living under the poverty line in 2009, represents 43.6 million families. Over the last ten years more than two-thirds of poverty growth has been in the nation's metro areas (United States Census Bureau, 2009). The cost of transportation, specifically owning and operating a car, can be economically devastating, but necessary for transportation.

Not only is poverty increasing, so too is obesity. Rates of childhood and overweight rates are higher in families below the poverty line. Of children in poverty, 44.8% fall in the categories of either overweight or obese, whereas one in three children in the general population falls into that same category. We have become a sedentary society that relies on cars and eats larger portions of less nutritious foods. Studies state there are fewer opportunities for activity in our daily lives. We have fewer opportunities to simply walk to local stores or to work. Pedestrian scaled designs of mixed-use development around transit offer multiple opportunities and benefits to residents and communities throughout the country for this physical activity (Alonso-Alonso & McManus, 2011).

3 Start Small, Invest in Walkability



The famous line from the movie *Field of Dreams*, “Build it and they will come” does not apply in real estate development, nor does it mean that if you build it people will care. Transit alone does not necessitate development; but transit inevitably makes development opportunities more valuable, viable and increases the potential return on investment. As the community helps define what the overall goals are for the area, it will be critical to manage their expectations and keep them firmly rooted in the reality of what is involved in property development.

Increasing usage of existing transit is the first step. As every area is unique, it’s important to understand what residents like and dislike about transit. Work with the local community to understand what the barriers are and what needs to be done to make using transit a viable option.

At Walk-about events in St. Louis, crime was often voiced as a concern. Research shows that often perceptions or fear of crime is based on visual cues, such as trash, condition of the sidewalks, overgrown vegetation, lighting, and loitering. Identifying triggers and improvements that can be made to help residents feel safer and more comfortable around transit will help to make transit a more attractive and inviting option (Wilson, Brown, & Schuster).

Start with small projects such as identifying local volunteers to help with trash clean up once a week. Partner with an area school or organization. Consider working with area city leadership or the street department to widen or improve sidewalks, cut down overgrown shrubs, or plant more trees.

Larger sized development can take years to accomplish. Small steps to improve current user experience and to draw new transit users help support potential future development.



4 Pursue Catalytic Public Projects

One of the greatest challenges of creating new development is funding. Financial institutions want developers with significant financial backing. Often they require tenant commitments even before construction becomes a possibility. In economically impoverished areas, lenders tend to be even more cautious and unwilling to back development projects. One option to help stimulate development is working with the local municipality to determine if a public or public / private development may benefit the area.

Is the City Hall outdated? Are there other facilities that are outdated that could be moved into a new location coupled with supporting retail space adjacent to the transit center? Would a new facility benefit the community? Is a recreation center or library, even at a small scale, a possibility?

Creating a vibrant center of activity that integrates transit requires a strong pedestrian presence. Residents need a reason to be in the area, and a level of convenience that is not car-centric.

Since the 1950's street design has been focused primarily on the automobile. Even then there were pockets of designers that fought for the return to good community street design, over the last two decades a grassroots movement grew into the national movement, now supported and funded on a federal level. These efforts for rejuvenating local streetscapes, or 'Complete Streets' or 'Great Streets', can be funded under some of the Federal Highway programs as well as, but more limited, transit programs. Attractive and pedestrian-scaled streetscapes draw users, help with perceptions of crime and can build pride in a community.

The goal of "Complete or Great Streets" goes hand in hand with Transit Oriented Development. Local examples In the St. Louis region are South Grand Avenue just south of Tower Grove Park, St. Louis City and Manchester Road, St. Louis County. More information on Great Streets can be found at www.ewgateway.org.

One example of using a public infrastructure project to spur private development is Denver's Union Station project. This project is a part of the Denver RTD's Fastracks program. RTD has leveraged more than \$500 million in new public infrastructure to generate \$520 million of private development at the new Union Station site. (www.rtd-fastracks.com)

5 Create Design Standards



-busyboo.com



-NCTCOG.org, City of North Richland Hills

Design Standards are critical to ensure “Transit Oriented Development” is not ‘boilerplate’ and oblivious to context, character and need. Unique and creative designs can help property developers, who can be difficult to find especially in lower margin markets, be more successful and comfortable with investing in the project. Solid design standards based on informed input from the community, design, and transit professionals should first and foremost place the pedestrian at the center of consideration. In addition, the importance of a nearly seamless integration with transit, can ensure success for all investors.

With the Wellston and Rock Road Stations in the St. Louis market, there is a significant amount of vacant land that surrounds the transit stations. Developing design standards that overlay smaller block size and provide street parking standards that allow basic street parking and require larger parking areas to the rear are imperative. Other design improvements such as:

- Clearly identifying pedestrian cross walks standards
- Establishing a standard building set-back which to allow ample walking and café space
- Development of vegetation or landscaped areas which include pedestrian scaled lighting standard

All of these improvements along with so many others can ensure spaces pedestrians will want to be in. Design standards are often attractive to developers and investors (including private homeowners) because they ensure an expectation of quality, appropriateness and compatibility of future uses.

Also consider developing coherent sign standards. Transit signage should be placed throughout the community to encourage and help direct transit users. In addition, neighborhood identification signage and security watch signage should be designed and placed in a consistent manner.

Whatever standards that are created must be agreed upon and must be mandated and made enforceable.

6 Tackle Parking

Parking is one of the most difficult issues to tackle in our region, and around the country. As a country that places high value on the car, parking has become a critical issue for success in environments that are not walkable. In areas with good transit, parking can take a back seat to other uses or developments. Parking will always be a required element, however, reducing the mandated amount of parking as well as parking lot locations, can have a significant impact on how pedestrian friendly a community becomes.



-dreamstime.com

Currently in the St. Louis region, developers and businesses are required to abide by legal mandates - a ratio of parking spaces by amount of square feet of building space for designated land uses. The ratio of square footage to corresponding parking spaces has increased, and in turn, so too has the size of the parking lots and the distance from the sidewalk to the front of the building. These parking lots add stress to our sewer system and worsen the urban heat island effect.

Through design standards and commitment by city agencies and leadership, unique solutions to parking can be implemented such as:

- Developing lots in locations that do not impact key / valuable street frontage
- Recognizing opportunities for shared parking
- Developing incentive programs for developer to minimize spaces or implementing fees for spaces.

Getting people from the community to walk to their local transit station is economical, healthy, and with pedestrian – friendly design, pleasant and offers amenities that support the residents. Putting the parking behind buildings and not making it integral to the design of the development helps create the healthy, walkable communities desired.

7 Invest According to Your Ambitions



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First and foremost before investment comes significant public engagement as well as due diligence regarding the economics of the community in order to understand what the residents' true and most important ambitions. Once those ambitions and goals are determined, it is far easier to direct efforts at finding funding sources and interested investors.

Any form of development takes a significant amount of private investment. It also takes a sizeable commitment from the community government. Dependent on the scale and type of development, upgrades to area utilities may be required and developers look for monetary relief from upgrading an entire area for a smaller project. It will be critical to work with city government as well as with local utilities to determine commitment level to the project and what can be done to make the community amenable to development.

Collaboration between the public and private sectors is inescapable and is necessary for seeing projects to fruition. Financial incentives play a critical role and typically benefit both developer and even tenants to help ensure that all parties have the means to achieve the project goals; a quality project that offers affordable rents and a satisfactory return on the investment.

Types of incentives vary throughout the region. From bond issuance, lower permit-application fees, tax increment financing, new market tax and historic credits, historic tax credits and employment tax credits, there are many potential local and regional incentives for development. Given the current economic climate, municipalities and developers will have to work together to develop creative and unique incentive packages to move projects forward.

Innovative projects that are coupled with economic incentive can help create momentum and interest and spur development. One such project is Teacher's Village in Newark, New Jersey, where developers using various forms of governmental subsidies are building a series of structures to support schools, a day care facility, retail spaces with apartment space for teachers. This project is part of the NJ Future study that studied infrastructure, population and transit in New Jersey and included Economic Development tax credits for being within half a mile of transit.

Another innovative incentive program was the New Jersey Transit Hub Tax Credit Program which provided nearly \$1 billion in tax credits over three years to developers and business owners who initiated sizable projects in other distressed cities. (Capuzzo).



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8 Revise Local Policies

Revising a single local policy may not change the tide of development in your area however changing policies to be more flexible and supportive of quality development may just get the job done. One example of revising local policies in the St. Louis region would be the area around the Rock Road Light Rail Station. In the Pagedale area, permitting is run through St. Louis County Public Works Department. Permitting for development in Wellston, another small municipality adjacent to Pagedale, and the station are managed by the City of Wellston. Codes and development incentives vary by area. Working with adjacent communities to create zoning and permitting policies that support one another and are consistent will help developers and neighborhoods get projects completed that may bridge two communities. Community leaders may need to spend more time than anticipated on working through these issues with surrounding communities and often there is no quick fix.

Crafting Transit Development Planning Standards which expands upon the base code standards can address unique issues and provide solid guidance on design that will work for the community, such as form based zoning ordinances for Transit Oriented Development. Such things as density ratios, building heights, setbacks, sidewalk, pedestrian crossings, block length, street lighting, parking, service vehicles can be clearly defined to ensure consistency and creative solutions.

Zoning codes and permitting processes may need to be improved to build relationships with key investors. Local leadership needs support and implement better processes to make development a welcome change for the community.

Another key aspect of policy change is addressing community concerns relating to their current housing. Creating regulations that address concerns such as affordable housing can include implementing rent controls, transfer of taxes, First-Right-of-Refusal Laws for Tenants and Nonprofits. Creating creative affordable homeownership programs or establishing inclusionary zoning, which requires developers to make a certain percentage of housing affordable to lower-income households before receiving permitting approval. These actions will help ensure community support and help with maintaining community diversity and pride.

9 Get the Density Right

Development around transit requires a balance of uses. As mentioned previously, mixed-use also means different types of residential options. Working with the community, it's important to weigh the different types of residential options that are not only immediately necessary, but residential options that may be required in months and years to come. This includes analyzing current residential housing stock and the make-up of the community.



-John Windsor

The topic of density is frequently a contentious and hotly debated issue. However, in slow-growth regions, such as St. Louis, many of the most desirable established neighborhoods are former “streetcar suburbs”, or historic Transit Oriented Developments, which have higher-than-average densities. Developing a study of existing and successful communities with higher densities that are local and relatable to the regional community and educating them on the results can lead to wider acceptance of higher densities especially when appropriately designed and scaled to pedestrian activity.

In a slow growth market, is there a need for subsidized housing? What about the possibility of developing mixed-use structures that incorporate apartments with some retail or commercial space? Studying local success areas and the related density that works for the community can help guide appropriate mixed use development. With that, what scale and orientation of the buildings will appeal to potential residents?



-chicagomag.com

Before the development of mechanization and the growth of suburbs and sprawl, common densities were commonly 40 – 80 people per acre. Today, many tie density to ‘high rise development’. However, developing a creative mix of housing types can increase density which coupled with key support amenities, increases street life, supports local businesses and can minimize car usage.

In the areas of the St. Louis Walkabouts, the density is very low and there is a high number of vacant lots and buildings. What type of development, at what density, will answer the needs of the community and be appealing to area resident? Getting that mix and the density right is critical to success.



10 Educate the Public on TOD

A resounding theme throughout this report is the need to engage the public. Not everyone will be interested or available to provide input. But working with local organizations, the transit authority and city agencies, educating the public as well as local and regional developers about Transit Oriented Development may help encourage usage, input and buy-in.

In meeting with the local community, it will be important to address issues, concerns and goals in order to understand the community. Based on feedback, an education plan can be created that will answer those issues in the voice best suited to the area. Such a plan should also include methods of not only engaging business owners and developers about the advantages of TOD and the goals and interests of the community, it should also actively work on developing long term relationships.

Healthy and active communities around light rail do not always happen organically or on their own. The challenges of creating successful development around transit, in a slow growth market, and at times in low income communities, can be a monumental challenge. Starting slowly and working with the community to help identify smaller, more attainable projects, can help grow usage and support for transit while building momentum for development. It also can help manage expectations and ensure incremental and steady success.

Organizations like Citizens for Modern Transit and other local community and non-profit organizations play a vital role in successful Transit Oriented Development. Such organizations local to St. Louis may include, but are not limited to:

- Beyond Housing
- East-West Gateway Council of Governments
- Great Rivers Greenway
- HUD
- Metro
- Missouri Foundation for Health
- Trailnet
- ULI – St. Louis





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