

# Metropolitan Council

## TOD Strategic Action Plan

June 2013



## **Acknowledgements**

This TOD Strategic Action Plan was developed through extensive collaboration with Metropolitan Council staff, local government partners and other stakeholders.

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## I. Executive Summary

The regional transitway network that connects Minneapolis, St. Paul and the suburban jurisdictions is an investment in the future. This investment must be protected and enhanced if we are to remain economically competitive, attracting both residents and jobs, with other communities throughout the United States.

Transit-oriented development (TOD) provides the opportunity to enhance the transit investment by shaping regional development around transit. The working definition of TOD, as defined by the Metropolitan Council and partners at regional think tanks in September 2012 and February 2013, is: A moderate to higher density district/corridor located within easy walking distance of a major transit stop that typically contains a mix of uses such as housing, jobs, restaurants, shops, services and entertainment. These districts/corridors enable people of all ages, backgrounds, and incomes abundant transportation choices and the opportunity to live convenient, affordable and active lives.

For the Twin Cities to remain competitive with other regions pursuing the same federal funding sources and to adapt to the updated New Starts requirements, the region must seize the TOD opportunity, including addressing economic development, new employment opportunities, housing choice and social equity. The opportunity to leverage the multi-billion dollar transit investment is noteworthy with new transit investments in the Green Line (Central Corridor LRT), Green Line Extension (Southwest LRT), and various bus rapid transit (BRT) lines.



### TOD in the Twin Cities Today

In the Twin Cities, the foundation for creating a more robust TOD program is solid: the Metropolitan Council, local governments, the philanthropic community and the private sector understand how TOD can be part of the region's economic competitiveness strategy and have made strong commitments to advance TOD. Development associated with the Hiawatha Line has been robust: over 1,600 dwelling units have been completed or are under construction. An additional 1,100 dwelling units are pending or approved for future development.

Thrive MSP 2040<sup>1</sup> includes three goals that are consistent with TOD:

- Land use, development patterns and infrastructure align to make the best use of public and private investment.
- Housing options give people in all life stages and of all economic means viable choices for safe, stable and affordable homes.
- A multi-modal transportation system safely and reliably connects people and freight with destinations in the region and beyond.

### ***Transit Oriented Development Defined***

*“A moderate to higher density district/corridor located within easy walking distance of a major transit stop that typically contains a mix of uses such as housing, jobs, restaurants, shops, services and entertainment. These districts/corridors enable people of all ages, backgrounds, and incomes abundant transportation choices and the opportunity to live convenient, affordable and active lives.”*

*~ working definition from Metropolitan Council Think Tank,  
September 2012*

<sup>1</sup> Thrive MSP 2040 is the 10-year update of the 2030 Regional Development Framework. The update is ongoing, and although the goals are unlikely to be changed, they have not been formally adopted to date. Thrive MSP 2040 will provide a 30-year regional vision for the 7-county metropolitan area.

## **TOD Strategic Action Plan**

To prepare for the expansion of the existing transitway system with the Red Line (Cedar Avenue BRT) and Green Line extension, the Metropolitan Council has initiated a TOD Strategic Action Plan to build off the existing foundation and set the stage for the next phase in the region’s evolution to create a more robust TOD program.

This next stage advances the Metropolitan Council’s leadership by providing clarity on the needs and ways that the Metropolitan Council can fill those needs, focusing on the following goals:

- Collaborate between the Metropolitan Council and its regional partners to accelerate the implementation of high-quality TOD.
- Prioritize limited resources by targeting investments in TOD to programs and locations where they can have the greatest success.
- Focus on implementation of, as well as planning for, TOD as part of a larger regional equitable economic competitiveness strategy.
- Improve internal coordination on TOD related programs and projects in order to align investments and priorities and support TOD implementation.

The TOD Strategic Action Plan has many parts, all emanating from the Metropolitan Council mission, goals and policies. Each component builds off the other and all lead back to the Council’s mission to “foster efficient and economic growth for a prosperous metropolitan region.” The TOD Strategic Action Plan calls for the

creation of a TOD policy that identifies the vision, priorities and goals of the Council's TOD program. It also identifies strategies and tools to implement the policy. The strategies and tools are grouped into five main categories: collaboration; technical resources, communication and education; TOD planning; TOD development; and TOD funding.

### Strategic Action Plan Recommendations

The report recommends two categories of action for a regional TOD program:

1. A TOD policy that will guide the implementation of the action plan.
2. Tools and strategies that address: collaboration; technical resources, communication and education; TOD planning; TOD development; and TOD funding.

Each strategy is ranked as high, medium or low priorities based on the impact and ease of implementation. The highest priority recommendations are collaboration strategies or relate to the creation of a TOD policy:

- Establish TOD staff capability within the Council to work with partners to deliver high-quality TOD outcomes.
- Create an internal Council TOD working group and dedicated TOD program staff to improve internal coordination and collaboration across the organizational divisions.
- Continue talking with regional partners and begin the process of creating a regional TOD Advisory Group to work with the Council on implementing the Action Plan recommendations.

- Establish and adopt a Council TOD policy, including joint development and land acquisition policies.
- Incorporate the goals in the TOD policy into the criteria for allocating Council funding related to TOD.



The other recommendations described in the action plan include:

- Technical Resources, Communication and Education Strategies
  - Assess partner needs.
  - Measure and share local TOD success stories.
  - Produce an annual report to track where TOD is happening.
  - Create TOD peer networks to share information.

- Create a centralized home for TOD resources and best practices.
- Engage in public outreach and engagement.
- Conduct original research.
- TOD Planning Strategy
  - Integrate TOD goals into Metropolitan Council regional planning documents.
  - Establish performance targets.
  - Engage in/initiate corridor planning.
  - Provide technical resources for planning services.
  - Participate in station area planning.
- TOD Development Strategy
  - Encourage private developers to build TOD.
  - Understand development industry needs.
  - Connect partners with site-specific TOD resources and opportunities.
  - Identify opportunity sites.
  - Conduct a portfolio analysis.
  - Offer key sites for development.
  - Actively pursue land acquisition and development partnerships.
  - Partner with a land bank.
- TOD Funding Strategy
  - Incorporate TOD Policy into funding criteria.
  - Provide operating funding for TOD program.
  - Support TOD Prioritization Tool and incorporate into Council programs.
  - Continue to fund Livable Communities TOD Grants while leveraging more in terms of outcomes and private investment.
  - Explore creation of station area grant program.
  - Direct transportation dollars to TOD-supportive infrastructure.
  - Use New Starts funding to support TOD.



## II. Introduction

The Twin Cities is building a world-class transit system, with 14 transitways planned for the regional network. Protecting and enhancing this regional investment is crucial to ensuring the region's economic competitiveness. Transit-oriented development (TOD) provides the opportunity to enhance the transit investment by shaping regional development around transit. The opportunity to create compact, mixed-use development around the well-connected transit system is strong throughout the region. In addition to dense downtowns, there are significant regional TOD opportunities along the other transitways being planned and studied, such as the Red Line, the Green Line extension and streetcar studies.

The Metropolitan Council has a unique and timely opportunity to be proactive and create a more robust TOD program by prioritizing its investment in TOD and allocating resources in a calculated and coordinated way to locations along the transitways where they can have the greatest success. Development projects that are underway at locations like SW Corridor, Snelling and Central Station will define the path for future joint development success. Aligning future development opportunities with a TOD policy and program can result in catalytic development that creates walkable, livable neighborhoods around transit, in both existing and new corridors, and provides economic, livability and equity benefits. The result will be a competitive advantage compared to other regions when it comes to attracting and retaining employers and residents.

In the Twin Cities, the foundation for creating a more robust TOD program is solid: the Metropolitan Council, local governments, philanthropic community and the private sector understand how TOD can be part of the region's economic competitiveness strategy and have made strong commitments to advance TOD, both in policy and practice. For example, Thrive MSP 2040 includes three goals that relate specifically to TOD:

- Land use, development patterns and infrastructure align to make the best use of public and private investment.
- Housing options give people in all life stages and of all economic means viable choices for safe, stable and affordable homes.
- A multi-modal transportation system safely and reliably connects people and freight with destinations in the region and beyond.

In practice, TOD supportive actions include the \$26 million invested in the region through the Livable Communities TOD program to enhance economic competitiveness.

### Action Plan Goals

This TOD Strategic Action Plan builds off the existing foundation and sets the stage for the next phase in the region's evolution to create a more robust TOD program. This next stage advances the Metropolitan Council's leadership by providing clarity on needs and how the Metropolitan Council can fill those needs.

The recommendations identified in this Plan are a result of conversations with multiple stakeholders about the need to identify partnerships, priorities and new capabilities within the Metropolitan Council. Specifically, developing partnerships to jointly form high-quality TOD throughout the region; setting priorities to determine how and where the TOD investment should occur; and filling gaps in current TOD planning and implementation by providing regional TOD implementation expertise. The stakeholders consistently agreed that it is in the region's best interest to focus the Council's energy toward implementation in several key locations rather than spreading the resources thin throughout the region, even if this results in geographic inequity in the distribution of resources.

In the spirit of moving forward, this TOD Strategic Action Plan focuses on the following goals:

- Collaborate between the Metropolitan Council and its regional partners to accelerate the implementation of high-quality TOD.
- Prioritize limited resources by targeting investments in TOD to programs and locations where they can have the greatest success.
- Focus on implementation of, as well as planning for, TOD as part of a larger regional equitable economic competitiveness strategy.

Improve internal coordination on TOD related programs and projects in order to align investments and priorities and support TOD implementation.

### ***Benefits of TOD***

*In addition to the community benefits of TOD (i.e., stable property values, enhanced economic development, increased ridership), other benefits address equity concerns and enables communities to improve the quality of life for all by linking transit and land use. TODs increase mobility choice and reduce transportation costs. By creating "activity nodes" linked by transit, TOD creates more options for travel, especially for those who cannot or choose not to use a car. Residents in transit-rich neighborhoods spend 16 percent less on transportation than those living in auto dependent neighborhoods, saving an average of \$9,500 per household, according to a study by the Center for Transit-Oriented Development. Since transportation is the second largest household expense, the reduction in transportation costs effectively increases disposable household income. Locating jobs in activity notes also increases regional accessibility to jobs.*

*TOD increases health benefits and public safety by making walking more convenient than driving and providing infrastructure that supports walking and biking. According to recent studies, people who live in neighborhoods within an easy walk of shops and businesses are seven percent less likely to be obese. The increased activity provides "eyes on the street" throughout the day and evening, thus helping to increase safety for pedestrians, transit users, and others.*

### III. Making the Case for a TOD Strategic Action Plan

#### Regional Competitiveness

There is no debate that linking land uses with transit enhances economic stability and competitiveness. During the 2008-10 recession, retail and office space located in walkable urban neighborhoods had a value 44.3 percent higher than non-walkable neighborhoods, and 21 percent higher than pre-recession (2000-07) values according to a recent study commissioned by American Public Transportation Association (APTA) and National Association of Realtors<sup>2</sup>.

Nationally, the Twin Cities region is in middle of the pack when it comes to its involvement in TOD. Some regions take a more conventional role with limited involvement from the transit agency and Metropolitan Planning Organization (MPO) while others take a more expansive role. Those with a more expansive role, such as Denver, Colorado, Washington D.C. and Portland, Oregon, have been able to reap the community benefits of TOD and have seen economic growth even in times of economic downturn. In Denver, nearly 5,300 residential units and 500,000 square feet of retail and more than 1.9 million square feet of office space were developed within ½ mile of all station areas between 2004 and 2010. In the Washington D.C. region, there are 52 joint development projects at

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<sup>2</sup> The New Real Estate Mantra. Location Near Public Transportation. March 2013.

over 80 transit stations with a market value of \$4 billion. The joint development projects have provided the Washington Metropolitan Area Transit Authority (WMATA) with \$7 million in annual revenue. In Portland, Oregon, the 24 projects that received a total of \$34 million in public financing from Metro's TOD program have leveraged \$358 million in development along transit lines since 1998. Add private investment to public investment and, along the streetcar line alone, over \$3.5 billion has been invested within two blocks of transit.

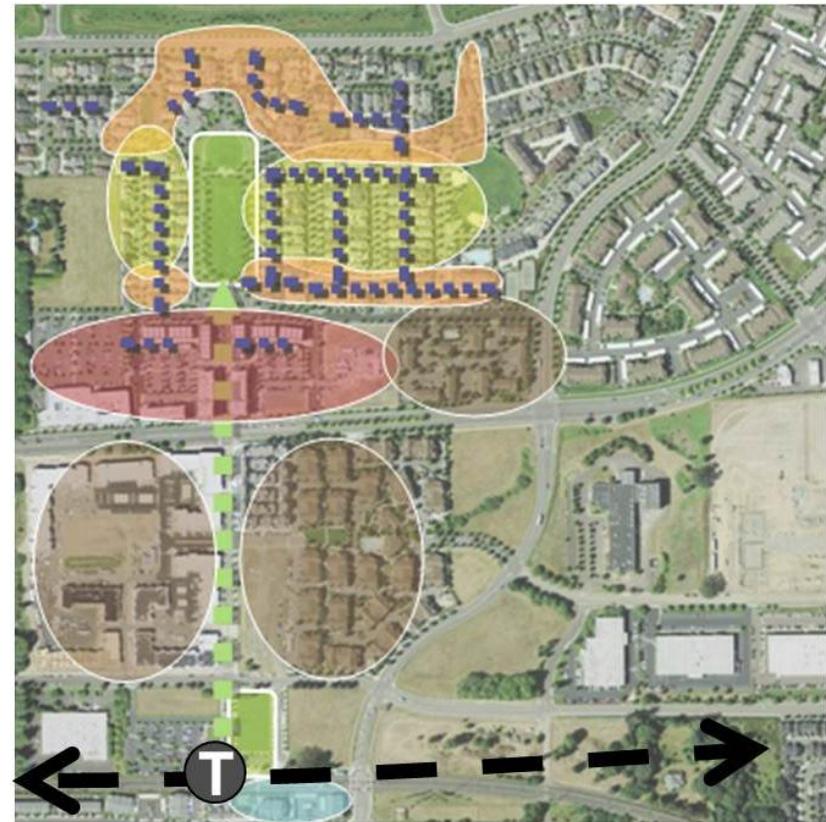
#### National TOD Program Best Practices

The TOD programs that have been successful across the nation have several best practices in common:

- Each TOD situation is unique. Programs and policies must be flexible to accommodate the differences in various situations through planning, coordination and consultation with major stakeholders while still being consistent with the overarching goals of the TOD programs and policies.
- Only when development is part of the TOD policy will it be prioritized in budgets and staffing. If it is not explicit in the policy, agencies are generally not active partners in TOD project development.
- Becoming a good partner with the private sector reduces risk, which in turn makes TOD more financially feasible for private developers. Good partnerships include having clear expectations and the ability to make decisions in a timely manner.

- TOD should be planned as a district (i.e., multiple parcels and development projects), not as individual projects. This creates flexibility in developing TOD both in terms of development performance (i.e., mix of uses, density) and the creation of a sense of place around the transit station.
- Public outreach and engagement is essential: elements of TOD, such as density, often raise concerns with the public because of misperceptions. Developers may need assistance navigating a transparent and public process to ensure that community interests are considered.
- Internal communication is equally important to ensure that support for policies and initiatives is built on a solid foundation. The benefits of TOD need to be told. The qualitative outcomes, such as creating affordable housing, livable communities, and health benefits, are just as important as the quantitative benefits of increased ridership and revenues.

An environmental scan assessing how the TOD program in the Twin Cities region compares to similar regions is provided in Appendix A.



*Thinking of TOD as a district rather than individual projects creates a focus on complete communities. Rather than developing a series of unconnected parcels, the goal of a TOD district is to create a transit destination, where someone can get everything he/she needs within a 20-minute walk. A TOD district allows greater flexibility in the development of each project because not all uses need to be provided in all projects.*

## TOD in the Twin Cities Today

The Metropolitan Council and its partners are striving to achieve TOD in the region through regional and local investment and policy that supports TOD. For example, the Council's 2006 *Guide for Transit-Oriented Development* serves as a resource for communities applying TOD concepts. Regional planning policy, such as the 2030 Regional Development Framework and the 2030 Transportation Policy Plan (TPP), incorporate elements of TOD. Communities such as Bloomington and St. Paul, to name a few, have incorporated TOD into their own local policy. However, the TOD elements at play within the region currently lack efficient collaboration which has resulted in a program that is good, but not great. More work is needed to create a coordinated regional TOD strategy that can leverage the transit investment and achieve greater results for economic competitiveness and livability for the region as a whole.

### Existing TOD Context at the Metropolitan Council

TOD is one of the many tools the Metropolitan Council employs to fulfill its mission to foster efficient and economic growth for a prosperous metropolitan region, and support its priorities to:

- Create a financially sustainable 21st century transportation system
- Promote dynamic housing opportunities for all
- Leverage investments that drive regional economic development

*“TOD is the great integrator of our work”*

*~Pat Born, Metropolitan Council Regional Administrator*

The Council's role has been as a partner and implementer for TOD. For example, through Corridors of Opportunity<sup>3</sup>, the Council has begun to engage partners from all sectors in more integrated TOD and corridor planning. TOD had been adopted informally and formally in other Council work as well, including:

- Providing funding to help catalyze TOD in and around light rail transit, commuter rail, and high-frequency bus transit stations and routes through the Livable Communities Act (LCA) and Tax Base Revitalization Account (TBRA). Funded projects include station area planning, acquisition, predevelopment, infrastructure and public realm improvements, and site investigation and site clean-up.
- Metropolitan Council staff meets with developers upon their request to discuss and help facilitate potential TOD.

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<sup>3</sup> Corridors of Opportunity is a joint program that merges the Living Cities Integration Initiative grant and the Metropolitan Council Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development. Corridors of Opportunity is governed by a 26-member policy board made up of top leadership from government, philanthropic, non-profit and private sector interests.

- The Council regularly produces and shares data, including regional market dynamics, employment and industry sectors in relation to transit, measures of neighborhood change such as housing costs and educational achievement, commute patterns, jobs-housing fit, transit ridership, and noteworthy land development near transit.
- The 2030 Regional Development Framework mentions TOD as a policy example that local jurisdictions may choose to adopt.
- The 2030 TPP proposes a 14-corridor regional transit network, and calls for an increase in regional transit ridership by 50% in 16 years. As part of the strategy to achieve this goal, the TPP includes a chapter on transportation and land use that identifies policies to coordinate transportation investments with land use and strategies for strengthening transitway corridor potential.
- The Transportation Improvement Program (TIP) documents the 5-year allocation of federal funds to local transportation projects which support bike and pedestrian improvements connecting to transit and TOD. The 2013-2016 TIP includes funding that sums to \$2,771 million.
- The advisory resource *Guide for Transit-Oriented Development* (2006) describes key TOD concepts and shows how these ideas have been put to work within the Twin Cities metropolitan area.
- The creation of a \$5 million Land Assembly program connected to the opening of the Hiawatha Line was funded with federal Congestion Mitigation Air Quality (CMAQ) dollars and used to acquire and prepare sites for future TOD.
- The Land Acquisition for Affordable New Development (LAAND) Program offered loan financing to acquire land for affordable housing projects. The program allowed for density consistent with achieving affordability, minimization of vehicle miles

traveled, proximity to public transit and consistency with existing community plans.

- Through Corridors of Opportunity, planning in local jurisdictions with local implementation capacity grants provide general predevelopment and site specific predevelopment planning for high-density residential and commercial centers designed to maximize access by transit, walking, and biking.

During construction of the Central Corridor Light Rail Transit Line, the Central Corridor Small Business Forgivable Loan Program provided a modest safety net for businesses that showed a loss in sales due to construction.



### ***Local TOD Programs***

*In addition to the Metropolitan Council TOD programs, there are many TOD plans and programs led and supported by cities, counties, and the philanthropic and nonprofit communities. These contributions have been essential in advancing TOD in the region. Some examples are listed below. A complete list is included in Appendix B:*

- *Hennepin County's administers a TOD Bond Program that offers grants or loans to public agencies, for-profit and non-profit developers for TOD projects within redevelopment areas.*
- *Together, the Twin Cities Community Land Bank, the Family Housing Fund, and Twin Cities LISC (Local Initiatives Support Corporation) run the Housing/Transit-Oriented Development (TOD) Loan Program that is funded by Living Cities through the Corridors of Opportunity Initiative.*
- *The Central Corridor Funders Collaborative (CCFC) is a group of local and national funders that supports equitable TOD along the Central Corridor Light Rail Line by working with community groups and public agencies to encourage collaboration, investment and planning that go beyond the transit investment.*
- *The City of Minneapolis has a number of programs to support TOD, including the Capital Acquisition Revolving Fund, Minneapolis Affordable Housing Trust Fund (AHTF), and High Density Corridor Housing Program. Minneapolis is also establishing a Development Infrastructure Fund.*
- *MN LISC runs the Coaction Fund that provides grants to increase capacity of Twin Cities community based organizations to participate in planning processes.*
- *Through Hennepin Counties Southwest Transitways project, the Southwest Corridor cities have become deeply engaged in both the transit planning and planning for TOD supportive land uses along the corridor.*
- *The City of Bloomington has been actively planning for TOD around their Hiawatha line stations, creating a master plan for the district, undertaking traffic studies, and opening a new park in the area, funded with a combination of public and private dollars.*
- *Many jurisdictions have also been active in applying for funding through the TOD Grant Program, including Anoka, Apple Valley, Eden Prairie, Hopkins, Minneapolis, Minnetonka, Richfield, St. Louis Park and St. Paul in 2012 alone.*

## Future TOD Opportunities

For the Twin Cities to remain competitive with other regions pursuing the same federal funding sources and to adapt to the updated New Starts requirements, the region must seize TOD opportunity by addressing economic development, new employment opportunities, housing choice and social equity. The opportunity to leverage the multi-billion dollar transit investment is noteworthy with new transit investments in light rail lines/extensions and various bus rapid transit lines.

Abundant redevelopment potential, high rates of transit ridership and concentrations of federal and local investment provide a strong foundation for future development tied to the transit investment. In addition, the Metropolitan Council owns approximately \$1.7 billion in real property throughout the region. Although the majority of this land is for sewer interceptors and other public infrastructure, some of this land, including the site at Snelling Avenue and I-94 in St. Paul and the Central Station in downtown St. Paul, could provide prime opportunities for joint development.

Seizing TOD opportunity means taking advantage of its many benefits: increased access to jobs and housing; greater economic development and job opportunities; increases in the efficiency and impact of regional transportation investments; increases in transit ridership and fare revenue; decreases in congestion, air pollution and greenhouse gas emissions; and greater affordable lifestyles and choices for residents.

## *New Starts Criteria Update*

*With the release of the "Final Rule on Major Capital Investment Projects" in December, 2012, the Federal Transit Administration (FTA) made four key changes to the New Starts program. The new rules make the New Starts program friendlier to projects incorporating TOD, affordable housing and joint development to create dense walkable neighborhoods. The updated requirements do four things:*

- 1. Creates a more straightforward approach to measure cost-effectiveness. FTA will look at the estimated cost to construct the project compared against a rigorously analyzed estimate for the number of passengers.*
- 2. Expands the range of environmental benefits used to evaluate proposed projects. In addition to taking into account the Environmental Protection Agency's (EPA) regional air quality designations, FTA will also look at the dollar value of the anticipated benefits to human health, energy use, air quality and safety.*
- 3. Adds new economic development factors. FTA will consider a broader set of economic impacts, such as whether local plans and policies maintain or increase affordable housing, rather than limiting the evaluation to local plans and policies already in place.*
- 4. Streamlines the process. FTA will allow project sponsors to forgo a detailed analysis of benefits that are unnecessary to justify a project. FTA is also developing methods that can be used to estimate benefits using simple approaches.*

*Visit [www.fta.dot.gov/12304.html](http://www.fta.dot.gov/12304.html) for New Starts updates.*

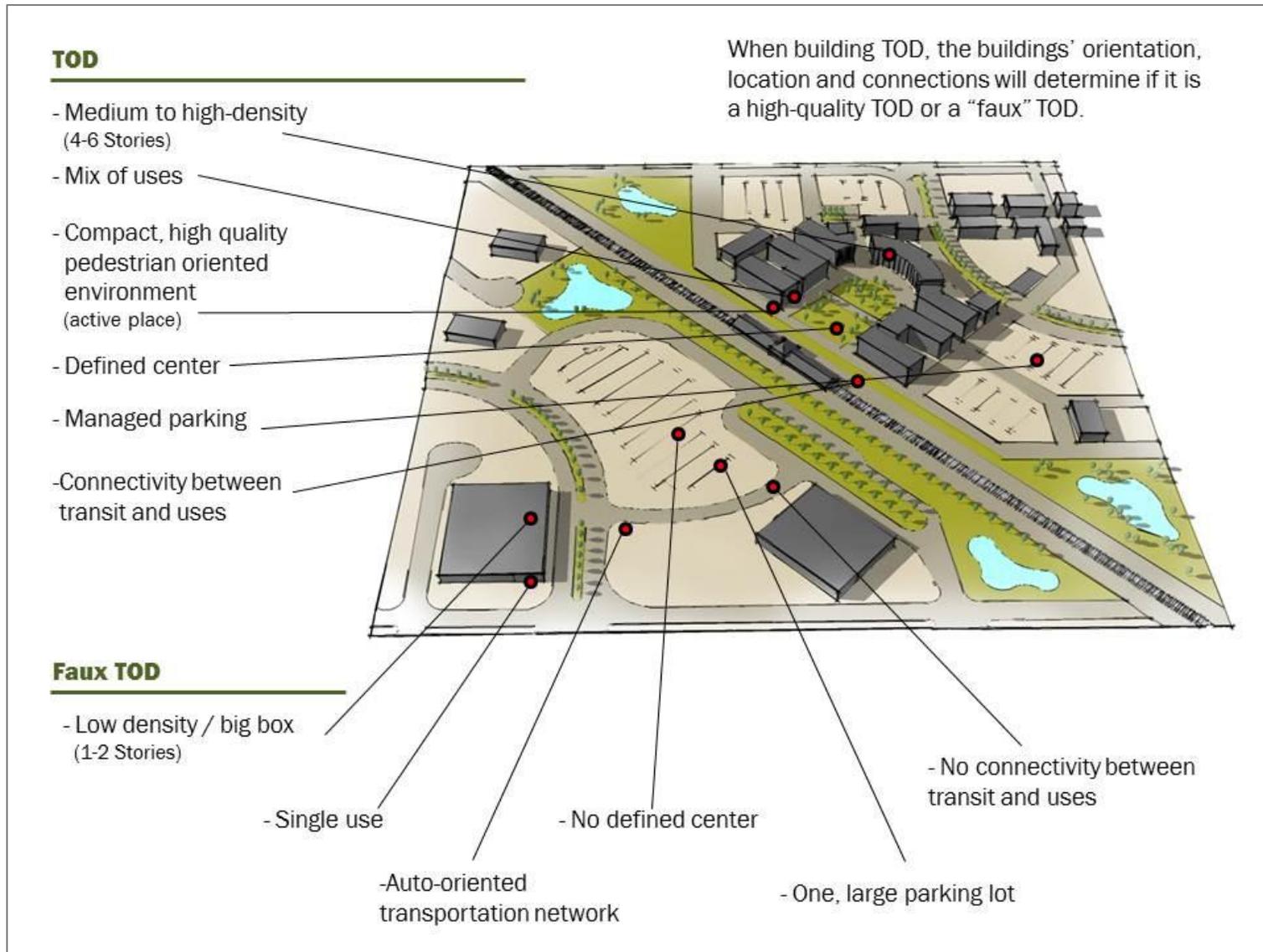
## Aligning Existing Programs with Future Opportunity

The Twin Cities region is at a crossroads with the existing TOD program. Although many existing programs, both at the regional and local levels, provide a strong foundation for a regional TOD program, TOD as a regionally accepted development practice hasn't yet evolved in application. Development around the transit stations often functions no differently than it would if it was located along a corridor that did not have transit. In other words, although development is adjacent to a transit line, it is not oriented toward or supportive of the transit investment, nor is it consistent with TOD principles of compact, mixed-use, pedestrian-oriented places that connect to transit. For example, buildings are single story/low density, parking lots separate the transit station and businesses and auto-dependent uses (such as drive-through restaurants) are located near transit stations and impede accessibility from the transit station to the development.

Where there is good development, it is “project by project” and lacks a critical mass found in a multiple projects located in a corridor or district wide. More emphasis is needed on executing TOD at a corridor or district scale in order to capture the benefits of high-quality TOD. In the future, care must be taken to not build “faux-TOD” (development around transit that is low density and not connected to transit), and spread the region's resources too thinly to have a real impact. “Faux-TOD” does not result in the same benefits as high quality TOD: it produces fewer riders and does not capture the same community benefits as having a higher density,

mix of uses in a walkable environment connected to transit. The graphic on the following page illustrates the differences between high-quality TOD and faux TOD.



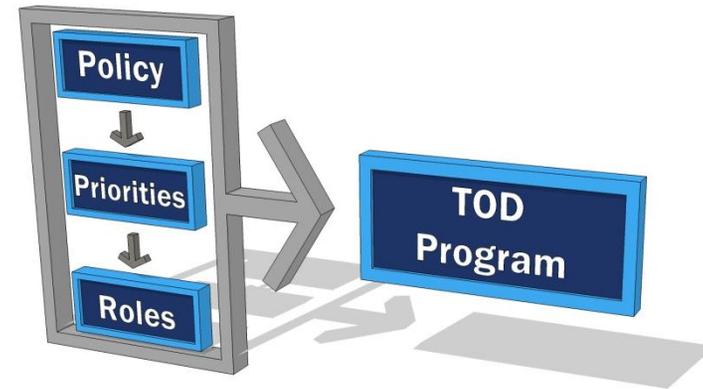


## IV. The Organization of the TOD Strategic Action Plan

The creation of high-quality TOD takes more than regional policy/action or local policy/action. It requires multiple players, all acting as partners to support the TOD goals. Throughout the process, the role of the partners will change depending on the needs of the project, timing, expertise, land acquisition, funding, etc. Regardless of the role played, every partner must work together to fulfill the vision of a region with high-quality TOD.

A regional TOD strategy helps accomplish this by filling the gaps to support local jurisdictions and developers, using the same goals and access to the same technical resources for all partners. The intent of a regional strategy is to provide the framework for TOD to be implemented at the local level and to identify the unique regional role that the Metropolitan Council, as the transit agency and Metropolitan Planning Organization (MPO) can play to make all partners successful and fully engaged in TOD.

Priorities and partnerships are defined in the strategy with an end goal of maximizing opportunities for catalytic TOD throughout the region and effectively leveraging the regional transit investment. The roles of the Metropolitan Council are defined in relation to its partners, including cities, counties, non-profits, private sector and other stakeholders, with an emphasis on regional collaboration.



### TOD Strategic Action Plan Components

The TOD Strategic Action Plan has many parts, all emanating from the Metropolitan Council mission, goals and policies. Each component builds off the other and all lead back to the Council’s mission to “foster efficient and economic growth for a prosperous metropolitan region.” The main components of this TOD Strategic Action Plan, described in the following sections, are grouped in two parts:

- **TOD Policy:** The overarching policy, to be developed and adopted by the Metropolitan Council, provides the “why” for the TOD Strategic Action Plan. The policy identifies the vision, priorities and goals of the Council’s TOD program.

- TOD Strategies and Tools: The strategies and tools provide the “what” that constitutes the TOD program. The strategies and tools are grouped into five main categories: collaboration; technical resources, communication and education; TOD planning; TOD development; and TOD funding. Within each category, specific actions are identified including recommendations for timing, roles and priorities.

## V. TOD Policy

### TOD Policy Overview

#### **Establish and adopt a TOD policy, including a joint development and land acquisition policy.**

Unequivocally, the development and adoption of a TOD policy by the Metropolitan Council is the most important action and top priority of this TOD Strategic Action Plan. The TOD Policy will serve as the main driver to protect and enhance the investment called for in the 2030 TPP.

All work programs, budget decisions, and involvement by the Metropolitan Council in TOD discussions stem from this policy. This does not mean, however, that the strategies and tools (i.e., the means to implement high-quality TOD) cannot be initiated without the TOD policy. Just the opposite: Metropolitan Council staff currently has a directive for implementing TOD in the existing Council's mission and its established priorities. The existing TOD policy direction can be found in Appendix C.

The existing Metropolitan Council policy documents provide the authority to engage in TOD, but are not explicit in the specific role the Council should play in TOD. The current language in the 2030 Regional Development Framework and the 2030 TPP is limited in scope: it relates to, but does not specifically mention, TOD, and puts the primary responsibility for TOD on the shoulders of local communities rather than declaring it a shared responsibility.

A specific TOD policy serves to formalize the Metropolitan Council's roles and responsibilities, and provides staff and leadership with additional direction and authority that makes it easier to move forward with the other elements of the TOD Strategic Action Plan.

A comprehensive, detailed TOD policy should be a stand-alone policy supported by principles and priorities, yet also inter-related and incorporated into other regional policies that address the relationship between transportation and land use. For example, elements of the TOD Policy should support and be reinforced by Thrive MSP 2040, TPP and the Housing Policy Plan in order to enhance the enforceability of the policy.

The TOD policy should serve multiple purposes, including:

- Communicating the vision and goals for TOD with the Council's partners
- Setting expectations around TOD-related investments
- Providing a resource to internal and external professionals
- Influencing TOD-related programs and activities

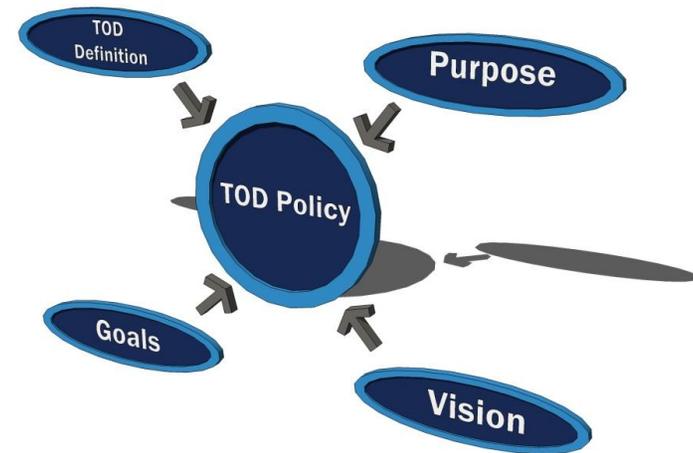
## TOD Policy Elements

A new overarching TOD policy should be at a high level, identifying the principles and priorities for the Metropolitan Council, and laying out why TOD is important to achieving regional objectives. The policy should identify the desired outcomes of the future TOD program – in other words, what the Council is trying to solve for with an increased engagement in TOD.

The policy sets the expectations and requirements for TOD, linking it to the transit investment and funding, regardless of whether the line is existing, under construction or planned in the future. It establishes the role of the Metropolitan Council as being more than a transit service agency and moves it toward being a partner in TOD to achieve regional objectives.

A TOD policy should include six key elements:

1. Vision: the Council's values and long-term goals related to TOD.
2. Purpose: a statement of need for establishing a TOD policy and how that need relates to the other functions of the Metropolitan Council.
3. Definition: a common definition that describes the type of development the region aspires to have along the existing and future transitways in the Twin Cities.
4. Goals: the outcomes and priorities around which a TOD program will be created.
5. Strategies: the specific actions needed to address the goals.



6. Roles: specific responsibilities for the Metropolitan Council in relation to its partners to implement TOD on a regional level.

The vision, purpose, definition and goals should be adopted by the Metropolitan Council as the Council's TOD policy. In order to allow the policies to remain timeless, the strategies, roles and performance measures to assess how well the goals are met should be defined in a long-term TOD Strategic Action Plan, which can be updated as needed. The TOD Strategic Action Plan guides the daily involvement of the Council in TOD. As noted previously, other regional policies of the Council should be consistent with and incorporate the elements of the TOD Policy. Examples of TOD policies from other regions can be found in Appendix D.

### TOD Vision

The vision for TOD should be framed in the context of the Metropolitan Council’s mission “to foster efficient and economic growth for a prosperous metropolitan region.” The vision statement should speak to the regional value of working in partnership with others to most effectively advance the collective regional and local goals of TOD throughout the region.

### TOD Purpose

The reasons to establish a TOD policy should be incorporated into the purpose statement, such as return on the public investment, housing affordability, increased tax base, equity, and/or transit ridership. The policy should be a clear call to action to create high-quality TOD in the region, provide direction to make effective choices, and reward projects that embrace TOD principles.

As part of the purpose statement, the Council may incorporate the principles identified in Thrive MSP 2040:

- **Collaboration:** Engaging all levels of government, the private sector, regional institutions and the public to implement a shared vision.
- **Equity:** Connecting all residents to opportunities such as good jobs, transportation choices, safe and stable housing, a range of parks and natural areas, and vibrant open spaces.
- **Stewardship:** Using resources prudently to help ensure the region’s financial, social and environmental sustainability now and for future generations.

- **Integration:** Aligning and coordinating policies, plans, resources, and actions both within and outside of the Metropolitan Council to more effectively achieve regional and community goals.
- **Accountability:** Identifying appropriate indicators and measuring outcomes to evaluate the effectiveness of goals and policies.

### TOD Definition

The TOD policy will define TOD for the purposes of creating priorities and implementing the TOD Strategic Action Plan. It should apply to all high-capacity transit, in future, new and existing transitways, recognizing that TOD may look different depending on the transit mode. TOD should be framed as a concept that is applied across a district or station area, not just on a project basis.

### TOD Goals

A TOD policy can serve many different outcomes. First and foremost, the policy must be consistent with the mission and priorities set by the Metropolitan Council. The policy should not try to be all things to all people: it should focus on a select number of desired outcomes. The goals should be tied to performance measures or targets, identified in a TOD Strategic Action Plan, as a way to quantify the amount and quality of TOD that is occurring in the region.

During discussions with Metropolitan Council leadership and staff and its regional partners in September 2012 and February 2013<sup>4</sup>, the following objectives were identified as potential Council goals:

- Collaborate between the Metropolitan Council and its regional partners to accelerate the implementation of high-quality TOD.
- Prioritize limited resources by targeting investments in TOD to programs and locations where they can have the greatest success.
- Focus on implementation of, as well as planning for, TOD as part of a larger regional equitable economic competitiveness strategy.
- Improve internal coordination on TOD related programs and projects in order to align investments and priorities and support TOD implementation.

### Subsets of the TOD Policy

In addition to the high level, overarching TOD policy, the Metropolitan Council should also adopt policies related to joint development and land acquisition for TOD as these implementation tools differ in many ways from the traditional roles and responsibilities of a transit agency. These policies should be consistent with the overarching TOD policy, incorporated into the TOD policy, and include definitions, purpose statements, and outcome goals that provide clear direction as to the role the Council will play in development of land owned by the Council.

<sup>4</sup> Summaries of Think Tank 1 and 2 are provided in Appendix E.

### Joint Development Policy

The Metropolitan Council's authority to enter into joint development is grounded in three powers: general authority, the application of which is described in a 2006 policy regarding declaration and disposal of surplus property; Joint Powers Agreements with local governments; and Housing and Redevelopment Authority (HRA). Previous application of the joint development authority has been limited. A new joint development policy, as a subset of the overarching TOD policy, should formalize the authority and set the policies and processes for the Council's role in joint development.

Joint development is defined broadly by the Center for Transit Oriented Development (CTOD) as "generally, cooperation between the public and private sectors to deliver transit-oriented development (TOD), usually involving development on transit agency owned land".<sup>5</sup> The Federal Transit Administration (FTA) uses a narrower definition that applies only to construction projects that include real estate in which FTA has or will have an interest, such as property that was acquired with federal funds.

The definition included in the Metropolitan Council's joint development policy should use a broader definition, similar to the CTOD definition (i.e., including any public private partnership), with consideration given to the requirements of FTA joint development regulations. Using the narrower FTA joint development definition

<sup>5</sup> Definition can be found in the 2008 study "Capturing the Value of Transit"

(i.e., determining that joint development is only applicable when there is a federal interest), may inadvertently limit the opportunity for future partnerships with other non-federal entities.

The joint development policy should describe the approach for the Metropolitan Council to enter into relationships with the private sector by identifying preconditions for when to engage in joint development and outcomes desired by individual joint development projects (i.e., enhanced ridership, revenues, affordable housing, mix of uses, higher density, etc.).

### Land Acquisition/Disposition Policy

The existing Metropolitan Council 2006 policy on the disposal of surplus property identifies revenue as the primary reason to dispose of land, but also includes a caveat for “other priorities and objectives.” This policy provides the framework and guidelines for identifying the circumstances under which the Council acquires and disposes of land for any purpose (i.e., parks, sanitary sewer, transit, TOD). However, because desired purpose for TOD land acquisition and disposition is different (i.e., the community benefits and economic development potential is likely greater than the revenue benefit to the Council), the existing policy does not go far enough in its desired outcome. A land acquisition and disposition policy specific to TOD is needed. It should be consistent with the larger 2006 policy, as well as any future overarching Council land acquisition/disposition policy, yet address the specific needs and purpose of acquiring and disposing of land for TOD, including identifying the intended outcomes.

The policy should describe the primary function of the land acquisition: is transit use the primary purpose, with the opportunity to use the land for TOD joint development a secondary consideration? Can land be acquired if TOD is the primary purpose, and there is not a specific transit use? For example, some regional agencies acquire land along transit lines, with local funds, with the intent to hold the property for future TOD uses. Other agencies are strategic in their selection of sites for construction staging, purposely choosing sites that have better redevelopment potential as TODs than other sites that may be more convenient for construction. Finally, many agencies choose only to acquire land for transportation purposes and to develop land only after it has served its intended transportation purpose.



## VI. TOD Strategies and Tools Overview

### Strategies and Roles Overview

The existing Metropolitan Council programs related to TOD provide a solid foundation on which to build a successful TOD Strategic Action Plan, consistent with the objectives desired by the Council and its partners. The existing program activities could be strengthened and refined, as well as new activities added to address the evolving needs of the region as it increases its transit investment.

The strategies identified in the following sections are intended to implement the TOD policy as defined by the Metropolitan Council, build off the existing roles of the Council, without assuming the Council will take on new roles<sup>6</sup>.

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<sup>6</sup> It should be noted that although the previous section of this TOD Strategic Action Plan outlines the framework of a TOD policy, including suggested concepts to be incorporated in the policy, the specific policy has not yet been created nor adopted by the Metropolitan Council. As a result, the strategies and roles proposed in the following sections may be modified or revised depending on the specific goals adopted.

Five types of strategies are identified:

1. Collaboration
2. Technical Resources, Communication, and Education
3. TOD Planning
4. TOD Development
5. TOD Funding

Each strategy includes a menu of action items or tools designed to be implemented when both financial and staff resources are available. Understanding that limited time and financial resources require trade-offs as to what is implemented and when, the strategies include recommendations for the prioritization and timing for implementing the tool.

Priorities are identified on a sliding scale based on the ease of implementation and ability for the tool to move the regional TOD discussion forward based on best practices from other communities across the nation:

●○○ = low priority

●●○ = medium priority

●●● = high priority

Best practice examples for select priorities are included in each section.

### Role of Partnerships

A successful TOD strategy cannot be done by the Metropolitan Council alone. It requires a focus at both the regional and local levels, and partnerships with cities, counties, agencies like Minnesota Housing Finance Agency, economic development partnerships like Greater MSP, and community development partnerships like Central Corridor Funders Collaborative, employers, developers, affordable housing advocates and philanthropic agencies, to name a few. The Council's role in any partnership is to look at TOD from the perspective of a convener of regional issues with an eye toward implementation. For each of the actions defined in the following pages, the role for the Metropolitan Council is identified as follows:

**Lead:** Metropolitan Council takes the primary responsibility for the action.

**Convene:** Metropolitan Council initiates the discussion, but the success of the action requires full participation and input from the regional partners.

**Support:** The regional partners take the primary responsibility for the action, with the Metropolitan Council assisting in a support role that helps the partners be successful in their TOD efforts.

### Not All Strategies All the Time

The use of strategies and roles of the various partners will likely vary at the different stages of TOD evolution. Linking land use and

transportation through TOD takes time. It is an evolutionary process, potentially years in the making, to develop the right mix, form, function and location of land uses that support a transit investment.

Throughout the region, transit investments are in different stages of development. Hiawatha light rail has been operating for almost a decade and Northstar commuter rail for almost five years. Central Corridor light rail is under construction. The Bottineau light rail extension is still in planning stages. As a result, the needs in each corridor will be different. Therefore, the TOD Strategic Action Plan should be a dynamic document, responding to the unique needs of the partners in the region as they navigate through the various evolutionary stages.

Potential needs during the various stages of TOD development include:

**Phase 1: During Early Discussions of New Transitway Investments/Before Final Alignment Determined.** Discussions with the public about the benefits of creating walkable, compact communities near transit should occur concurrent with discussions of the transit infrastructure investment in order to link important destinations and opportunities for redevelopment with potential station locations for the greatest ridership potential. Creating an overall TOD corridor vision is the first step in corridor planning.

**Phase 2: After Final Alignment Determined/During Final Design.** After the line location has been identified, a station area plan and implementation strategy can identify specific details about the

desired land uses, density, urban form and pedestrian amenities for the area one-half mile around each transit station.

**Phase 3: During/Post Transitway Construction - Public Improvements.** As transit infrastructure is put in place, public improvements and regulatory changes to enhance the walkability of the place and support the future development of TOD should also be made. It may also be appropriate to preserve sites for future TOD redevelopment.

**Phase 4: Post Transitway Construction – Partnerships and Improved Amenities.** As the transit line matures, and interest in development along the line increases, a more aggressive role, such as providing development incentives, initiating pilot projects, engaging in joint development, and providing parks and streetscape improvements, may be needed to ensure development consistent with TOD principles occurs.

**Phase 5: Post Transitway Construction - Build TOD Station Area Districts.** As development around the station areas matures and is built-out, partnerships with TOD developers may include joint development, redevelopment assistance or education of TOD urban design principles.

The phases mentioned above are general guidelines for when certain activities occur. If, for example, station area planning does not occur during Phase 2, it can occur during later stages of construction or post-construction. The phases are simply identified to illustrate how building a fully integrated TOD takes time and

multiple tools. The expectations for development should be scaled accordingly.



Phases of TOD Evolution

## VII. Collaboration Strategy and Tools

Implementing a TOD Strategic Action Plan is an enormous undertaking and will require both Metropolitan Council staff and resources and partnerships with external stakeholders.

Internal implementation of the TOD Strategic Action Plan cannot be done successfully if it is added as an after-thought to an existing job description. Rather, TOD implementation requires dedicated staff and resources. This not only allows staff enough time to move projects forward, it sends a clear message both internally throughout the Metropolitan Council and Metro Transit and externally to the regional partners that the Council is embracing TOD as a regional strategy. Formalizing internal partnerships between the various departments within the Council to focus on TOD implementation is imperative.

The effectiveness of the TOD Strategic Action Plan will also be based on the ability of the region to collaborate and form meaningful partnerships between cities, counties, non-profits, economic development organizations, employers, developers, financial institutions, interest group advocates and others. Like any relationship, partnerships take work and must be nurtured. Providing opportunities for interaction and engagement will help facilitate relationships. The following collaboration strategies identify how the Metropolitan Council can be a regional convener to bring the various partners together with a focus on TOD.

| Collaboration Strategy Actions                 |                           |          |   |
|--|---------------------------|----------|---|
| Action   | Metropolitan Council Role | Priority | Timing  |
| 1 Establish TOD Program Team                   | Lead                      | ●●●      | Immediate   |
| 2 Create an internal-agency TOD working group  | Lead                      | ●●●      | Immediate and on-going                            |
| 3 Create external regional TOD Advisory Groups | Lead                      | ●●●      | Fall 2013, as Corridors of Opportunity winds down |

### Specific Tools and Actions

**1. Establish TOD Program Team** - The TOD Program should be organized to include dedicated full-time staff working on TOD implementation. The team should be located in a central location, where they have access to the different departments involved in implementing TOD and transit projects. They should be charged with facilitating the effective implementation of a TOD work plan, consistent with the Council policies and goals and based on this TOD Strategic Action Plan. This work should be done in partnership with the external TOD Advisory groups and the internal TOD Working Group.

The role of the dedicated TOD staff should be to:

- Serve as the primary point of contact for TOD implementation at the Metropolitan Council, including Metro Transit.
- Lead and coordinate the internal TOD working group.
- Manage TOD implementation projects, strategies and tools, such as the joint development/land acquisition program, advocacy and outreach efforts, and performance measures/evaluation metrics.

**2. Create an internal TOD Working Group** - The TOD Working Group should include representatives of multiple departments within the Metropolitan Council, including Metro Transit, that have responsibilities for managing the region's transit investment. The TOD Working Group should meet on a regular basis to collaborate and coordinate the activities of the various departments, and work together to implement the strategies identified in the Action Plan. Part of the purpose of this group is to provide a forum for the different departments, such as long-range planning and engineering, to sit down at the same table and share perspectives on the different stages and elements of transit and TOD projects.

**3. Create external regional TOD Advisory Groups** - External TOD advisory groups could bring regional partners together around TOD-related issues. Two different groups are recommended: 1) a high level elected/appointed leadership advisory group and 2) a staff level technical group. Both groups should be convened by the Metropolitan Council on a regular basis (quarterly, for example) to provide input into the policies and programs discussed at the regional level. Their role may vary depending on the topic, but may



including brainstorming ideas or serving as a sounding board, reviewing TOD policy, identifying appropriate performance measures and targets.

The TOD Policy Advisory Group should include high level elected/appointed regional leadership including the public, private and non-profit sector. The TOD Policy Advisory Board should focus on policy issues related to advancing and implementing TOD in the region.

The TOD Technical Advisory Group should consist of staff level technical partners and focus on the technical mechanics of implementing TOD. This group should focus on the details and discuss the challenges, opportunities and local needs of TOD implementation. At times, the group, or a subset, could meet with the TOD Working Group to discuss specific issues.

## VIII. Technical Resources, Communication and Education Strategy and Tools

A robust education, advocacy, communication and resource strategy can strengthen TOD at all stages. Communicating the benefits and evolution of TOD is crucial for prioritizing transit investment funding. Through a robust understanding of TOD benefits decision makers can assess how an investment in one part of the region can benefit other parts of the region.

Education and technical resources can support local partners in their TOD efforts, serving as a clearinghouse for national best practices and collecting data to address the performance measures and targets identified in the policy goals.

As the region becomes more TOD savvy and TOD evolves to become more sophisticated, the type of education and technical resource needs will likely vary. For communities in the early stages of the TOD evolution, sharing best practice information with developers, cities and counties may be most useful. Technical resources may be appropriate during times when, for example, local planning or comprehensive plan updates are occurring. During the later stages of the TOD evolution, the educational component may focus more on measuring regional TOD success.

Through the Council’s Local Planning Assistance program, some of these roles are already being performed, such as providing technical

assistance for local planning issues. Moving forward, technical assistance should include TOD expertise in addition to the more general planning focus provided in the past. Technical resources should focus on how to integrate and make TOD explicit in the daily business of planning for the cities and the region.

| Technical Resources, Communication and Education Strategy Actions |                           |          |                                     |
|---|---------------------------|----------|-------------------------------------|
| Action  | Metropolitan Council Role | Priority | Timing                              |
| 1 Assess partner needs  | Lead                      | ●●●      | Immediate OR fall 2013              |
| 2 Measure and share local TOD success stories                     | Lead                      | ●●●      | Immediate and on-going              |
| 3 Produce an Annual Report to track where TOD is happening        | Lead                      | ●●●      | Immediate, then annual updates      |
| 4 Create TOD peer networks to share information                   | Convene                   | ●●○      | On-going, fall 2013                 |
| 5 Create a centralized home for TOD resources and best practices  | Lead                      | ●●○      | On-going, fall 2013                 |
| 6 Engage in public outreach and engagement                        | Support                   | ●●○      | On-going                            |
| 7 Conduct original research                                       | Lead                      | ●○○      | On-going, level of effort will vary |

## Specific Tools and Actions

**1. Assess partner needs** - Asking partners for input on the specific types of information and resources they need to implement TOD will set the stage for the TOD technical resource, communication, and education strategy. The topics identified as “needs” by partners, including local communities and developers, can be addressed through the information sharing and data collection tools described throughout this plan. The assessment should be framed so partners understand that the Metropolitan Council will not be able to fill every need.

**2. Measure and share local TOD success stories** - Local TOD best practices are plentiful and need to be shared to celebrate local successes. Information should be shared publically, as part of the peer network and a public relations campaign, as well as on-line.

**3. Produce an Annual Report to track where TOD is happening** - An annual report can be a powerful communication mechanism to track and report investment related to TOD along corridors and in station areas. In addition to the data collected through the Transit Corridor Development Data System, an on-line interactive mapping tool can show where TOD is planned and where it exists in the region. This report could be part of the State of the Region that the Chair gives annually.

**4. Create TOD peer networks to share information** - Providing a forum for others to share their stories will be more effective and efficient than doing best practice research and sharing results. The

programs that have worked best are those that focus on outcomes, and provide concrete methods for overcoming challenges.

**5. Create a centralized home for TOD resources and best practices** Many partners in the region have been creating resources, models, and best practices for implementing TOD. The Corridors of Opportunity in particular has produced an enormous amount of information. However, there is no central, organized home for these resources. In addition, other communities throughout the nation have already created new model policies and ordinances and other work that can be models for the Twin Cities. The Metropolitan Council should bring together these resources in a dynamic resource database or library that can be updated over time.

**6. Engage in public outreach and engagement** – As a support role, the Metropolitan Council can provide communities with technical support to help the public understand the benefits of TOD and support implementation in their communities. Corridors of Opportunity started the discussion with community groups, such as historically under-represented and people of color that may have been excluded from engagement in the past. The TOD staff should continue those discussions. Staff should connect communities with the groups that desire special attention and work with communities to address concerns. This action is particularly important during the early stages of transitway development, but also useful as the focus turns from transit to TOD.

**7. Conduct original research** - For topics of strong interest to the region or that are closely tied to the local economy, the Metropolitan Council should continue to conduct and commission

studies and reports to address these shared issues (i.e. parking, urban design standards and healthy communities.). The Council currently advises the University of Minnesota Transitway Impacts Research Program on topics of regional interest. The findings should be shared during peer network events.

### ***Approaches for Sharing Knowledge and Success***

*Different regions use different approaches for sharing success stories and discussing challenges. Use what works best for the regional partners in the Twin Cities. Some creative ideas include:*

- *TriMet, in Portland, Oregon, occasionally publishes the Community Sourcebook that summaries lands use and transportation initiatives case studies of successful TOD.*
- *Toolbox Tuesdays are sponsored by Southern California Association of Governments (SCAG) to provide professional, free training to local government staff and others in the use of computer-based tools and education in practical approaches to timely planning issues.*
- *Get Centered! is an occasional series funded and organized by Portland Metro to help build capacity of business and property owners, and nonprofit and local government staff to make investments along transit lines and in downtowns and centers. The program includes local agencies sharing their stories, national experts sharing the latest research and best practices, and field trips to other best practice communities.*
- *The Regional Transportation District (RTD) of Denver produces an annual update on the status of TOD activities along the region's transit investments.*

## IX. TOD Planning Strategy and Tools

Planning for TOD at all scales – station area, corridor, and region – sets the stage for successful TOD implementation, including market driven and public sector investment. The Metropolitan Council’s role should be to articulate the regional goals and then support the local efforts in reaching those goals through corridor and station area planning. Some of the strategies recommended here are already underway at the Council, and should be continued and revised to be consistent with the TOD Policy.

At the regional scale, Thrive MSP 2040 will provide a land use vision and the TOD Policy will articulate the regional goals for TOD. The Corridors of Opportunity initiative has created a model for how to bring together stakeholders at the corridor scale to advance the region’s economic competitiveness and ensure people of all incomes and backgrounds share in the resulting opportunities from the regional transit investment. Continuing to support these, and similar, efforts will be an important role for the Council moving forward.

Local jurisdictions are responsible for station area planning and making the land uses changes necessary to support TOD. However, by playing a supportive role, the Metropolitan Council can act as an equalizer – lifting up communities in need of planning to get them ready for TOD implementation. This supportive role will vary, depending on the capacity and experience of local jurisdictions and their partners, and may come in the form of technical assistance as

noted earlier, funding for station area planning, or creating forums to support corridor-scale planning and collaboration.

The following pages provide details about actions that collectively can be considered the TOD planning strategy.

| TOD Planning Strategy Actions                          |                           |          |  |
|--|---------------------------|----------|--|
| Action   | Metropolitan Council Role | Priority | Timing   |
| 1 Integrate TOD goals into regional planning documents | Lead                      | ●●●      | Immediate and as regional plans are updated      |
| 2 Establish performance targets                        | Lead                      | ●●●      | After the TOD policy is developed                |
| 3 Engage in/initiate corridor planning                 | Lead/Support              | ●●○      | Immediate and ongoing                            |
| 4 Provide technical resources for planning services    | Support                   | ●●○      | Ongoing, level of effort will vary as needed     |
| 5 Participate in Station Area Planning                 | Support                   | ●●○      | As needed, dependent on corridor or jurisdiction |

## Specific Tools and Actions

**1. Integrate TOD goals into regional planning documents (Thrive MSP 2040, 2030 TPP, etc.)** - As noted earlier, the Metropolitan Council's existing regional planning documents include some references and support of TOD. However, as these documents are updated, today with Thrive MSP 2040 and in the future with others, they should incorporate the goals outlined in the TOD Policy in order to ensure these regional planning frameworks are aligned.

**2. Establish performance targets** - Through discussions with cities and counties, the Metropolitan Council should establish performance targets for the region, or for individual corridors, that articulate the goals set forth in the TOD Policy. Depending on the policy goals, it could be appropriate to establish performance targets, such as density around transit, access to jobs or mix of uses, which could be made binding through local policies, including comprehensive plans.

Setting performance targets at the regional or corridor level, rather than at the station area, allows individual station areas to plan for the uses, densities, and character that make the most sense in the local context, while coming together to meet regional or corridor goals. In this way, station areas and jurisdictions can share the responsibility for meeting TOD goals.

**3. Engage in/initiate corridor planning for TOD** - Corridor planning for TOD provides the context for how station areas relate to each other and allows local jurisdictions to plan for complementary uses along a line. It also allows regional and county stakeholders how to

link to regional goals and set performance targets (see above). Incorporating TOD planning into the analysis before a future corridor line is established will help integrate TOD with the transit investment. Corridor planning is particularly important during the early stages (phases 1-3) of TOD evolution.

The Metropolitan Council should build upon the momentum and processes created through Corridors of Opportunity and support ongoing and future corridor planning efforts being led by partner agencies (including the counties), by continuing to participate in corridor planning groups and by bringing technical resources, data, and research tools to support corridor planning efforts. These efforts may also tie into TOD Development Strategies (described below) and to Council internal agency coordination strategies (outlined above). For example, efforts to bridge engineering and land use goals along the Southwest corridor should remain a priority for those staff and departments.

**4. Provide technical resources for planning services** – Not all cities and counties have the same resources or expertise to integrate TOD principles into their comprehensive plans, zoning codes or urban design guidelines. The Metropolitan Council can provide additional technical resources to these cities through the Local Planning Assistance staff, grant funded consultants, or by connecting cities with other technical resources that can help with the planning efforts. The level of support desired will depend on the local capabilities and staff availability, and should be determined on a case by case basis.

**5. Participate in Station Area Planning** - The Metropolitan Council has a vested interest in supporting station area planning. Not only is good TOD planning important to enhance the regional transit investments, it will increase the region's competitive advantage in New Starts applications. Three levels of detail are included in the overarching category of "station area planning," all intended to provide a higher level of detail for the development offerings:

- Conceptual planning, which identifies the vision for the station area.
- Station area planning, which legal binds the vision by the adoption of zoning, design guidelines and entitlements for future development.
- Detailed master plans, which include specific development programs for the site, including the specific mix of uses, density and community amenities. This step should also include a market analysis.

To date, a variety of sources and partners have performed station area planning, including local cities and counties, foundations, federal grants, and the Council.

Moving forward, a consolidated program and proactive approach to station area planning could be an important technical resource tool that the Council provides to support local jurisdictions leading station area planning efforts. This may be particularly crucial for jurisdictions without the capacity to update zoning codes and engage stakeholders in lengthy planning processes. The Council can act as an equalizer for these communities.

The specific support role of the Metropolitan Council should be determined by the capacity at the local level. At a minimum, multiple Council departments (including Local Planning, Met Transit, etc.) should be at the table and part of the locally led station area planning discussions to inform and be informed by the local process. Station area planning is particularly important during the planning stages (phases 1-4) of the TOD evolution.

### ***Setting Performance Measures by Corridor***

*Metropolitan Transportation Commission (MTC) in San Francisco sets performance targets for new transit investments on a corridor scale. The program ties the ultimate funding of these lines to the ability of local jurisdictions to create the regulatory land use environment (set the zoning) to ensure that each corridor will have ridership to support the transit investment. Specific corridor targets were set for each individual corridor. MTC requires stakeholders to form Corridor Working Groups, consisting of the transit agency, the local jurisdictions in the corridor, and representatives from regional planning bodies, to assess whether the planned level of development satisfies the performance target and assists in addressing any deficit in meeting the threshold.*

## X. TOD Development Strategy and Tools

The TOD development strategy will flow directly from the Metropolitan Council’s policies on joint development and land acquisition. A TOD development strategy is a collaborative effort. Even in cases where the Council owns the land, it needs to work in partnership with the local jurisdictions. It needs to be invited to participate and construct a joint development project.

The objective of a TOD development strategy is to facilitate private development that raises the standard for TOD in the region. Much of this strategy focuses on connecting developers with property owners and financial institutions that can partner on TOD. This, in turn, can result in the private sector furthering the regional objectives of the TOD policy.

When the Metropolitan Council is a partner in development, as is the case in joint development, the expectation is that the developer will bring more to the table than they would otherwise bring with only private market forces. Joint development provides a mechanism to work with developers to identify "above and beyond" actions that also serve a public purpose.

The following recommendations focus on joint development of the parcels currently owned by the Metropolitan Council. Strategies and tools for future land acquisition are not provided since those actions will stem from the land acquisition policy. Should the TOD policy support the acquisition of land for joint development,

additional strategies, such as conducting a market analysis when considering a land purchase, will be required.

| TOD Development Strategy Actions                                      |                           |          |                                |
|---|---------------------------|----------|--------------------------------|
| Action  | Metropolitan Council Role | Priority | Timing                         |
| 1 Encourage private developers to build TOD                           | Convene                   | ●●●      | Immediate (after hiring staff) |
| 2 Understand development industry needs                               | Convene                   | ●●●      | Immediate (after hiring staff) |
| 3 Connect partners with site-specific TOD resources and opportunities | Convene                   | ●●●      | Immediate (after hiring staff) |
| 4 Identify opportunity sites  | Convene                   | ●●●      | Immediate (after hiring staff) |
| 5 Conduct a Portfolio Analysis  | Lead                      | ●●○      | After the policy is developed  |
| 6 Offer Key Sites for Development                                     | Lead                      | ●●○      | As appropriate                 |
| 7 Actively pursue land acquisition and development partnerships       | Lead                      | ●●○      | 3-5 years                      |
| 8 Partner with a land bank  | Convene                   | ●○○      | Long term                      |

## Specific Tools and Actions

**1. Encourage developers to build TOD** – Creating TOD requires that the development community understand the nuances of TOD, including the financing, timing, development types and barriers to development. A key tool in building the capacity of TOD developers in the region is to inform and educate. The Metropolitan Council TOD program should include dedicated staff with real estate expertise that can work with developers to broker deals and network with developers, land owners and financial institutions to facilitate TOD. The Council’s policy and vision can be further implemented by encouraging private market actions. This action may be most beneficial in phases 2-5, after the vision for the corridor is established and as the plan is being developed and implemented.

**2. Understand development industry needs** –TOD program staff must understand the needs of the development industry to move TOD forward, and facilitate ways in which to address the needs. For example, private developers work on a faster timeline than most government agencies. As a result, they need decision making processes that involve community partners and the Metropolitan Council to be flexible and expedited whenever possible. Identifying the development industry needs and potential solutions to address the needs can be done as part of assessing the partner needs tool (described under the Technical Resources, Communication and Education strategy above).

**3. Connect partners with site-specific TOD resources and opportunities** – Although TOD should be thought of as a district or a corridor, it is built project by project. In addition to educating about and encouraging developers to build TOD, Council TOD staff can work with developers and communities to connect them with land owners, financial institutions, and other developers with experience building TOD. This tool requires dedicated TOD staff to keep their ears to the ground and have familiarity with the real estate market to know how and where to tap into resources and opportunities for development. This action may be most beneficial in phases 2-5, after the vision for the corridor is established and as the plan is being developed and implemented.

**4. Identify opportunity sites** – As part of connecting potential developers with development sites, the opportunities for TOD in the region must be understood. This could include the strategic assessment of sites around the region to identify development barriers and opportunities. The Council’s role would likely be more of connecting people and resources than conducting analysis. This action is most appropriate during the later stages of TOD implementation, after the plan has been developed.

**5. Conduct a Portfolio Analysis** - For the lands owned by the Metropolitan Council, a portfolio analysis should be completed to identify the market, constraints and development potential of the sites. Because it is a specialized analysis, it is typically done by a real estate market consultant. The results of this analysis would provide insight into the potential timing for development and appropriate uses for the site.

**6. Offer Key Sites for Development** - The focus of the joint development program should be on known opportunity sites (Snelling and Central Station for example). Using the joint development policy as a guide, the role of the Council will need to be defined and a work program established for each offering with dedicated staff, goals, contacts and partners.

The joint development offering should clearly define any expectations for developers related to equity, mixed income housing or other community benefits, yet should be flexible in terms of procurement procedures and development requirements. The more prescriptive an offering is, the less attractive the offering looks to developers and the less opportunity there is for development creativity. Once a developer has been selected, the Council may want sign a preliminary agreement with the developer for the purpose of negotiating the formal development agreement. The “intent to negotiate” agreement could be an exclusive dealings agreement, letter of intent or memorandum of understanding. It would outline the roles and responsibilities of each party during the negotiations and provide a degree of certainty for the developer and Council that certain milestones will be met.

Each offering should be negotiated on a project by project basis. The work program for each site may vary. The management of the joint development should be done by a TOD manager with real estate or development experience.

**7. Actively pursue land acquisition and development partnerships** - Partnerships with involved communities and private and non-profit developers should be sought well before settling on a joint

development approach. Finding the right partners takes time and patience. The partners must be willing to adequately share the risks and benefits, and commit the time and financial resources necessary, all with the end goal of leveraging the transit investment to enhance development. APTA identified the following characteristics of successful joint development partnerships<sup>7</sup>:

- Transit agency leadership
- Public involvement and a shared vision
- Communications and trust through shared work
- Written agreements that formalize relationships
- Implementation and commitment of staff resources

**8. Partner with a land bank** - One approach may be to partner with the Twin Cities Community Land Bank to hold land with strong TOD redevelopment potential. The decision to bank a parcel should include: the significance of the opportunity, the likelihood the parcel will be developed in another way or the potential to implement the region’s vision; the strategic location of the property within the transitway network; the level of risk involved in purchasing/owning the land; the cost of operation and maintenance, including taxes; and the availability of funds.

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<sup>7</sup> “Forming Partnerships to Promote Transit-Oriented Development and Joint Development,” APTA SUDS-UD-RP-002-09, December 31, 2009.

### ***Joint Development Approaches***

*In Denver, RTD approaches joint development project by project, either through RFQ/RFP process or an unsolicited process initiated by a private developer or another public entity. The agency's policy states that both solicited and unsolicited joint development proposals need to be closely coordinated with local jurisdictions, and before issuing an RFQ/RFP for property with a residential component, RTD will work with the local jurisdiction to determine the affordability goals, if any, to be included in the RFQ/RFP.*

*Los Angeles Metro's Joint Development Program is housed in the agency's Real Estate Division, allowing the program to focus on project delivery rather than planning efforts. Guidelines for how the agency will engage in joint development is set out in the joint development policy, but staff take on project by project level engagement, working with developers and local jurisdictions to get projects on Metro land that result in transit ridership benefits. Though the agency has no specific policy about affordable housing, about half of all units produced on Metro land are restricted affordable. Metro provides long term ground leases to developers in all joint development projects today.*

*Portland's TriMet frequently sells property under joint development rather than lease because they do not have the institutional capacity to manage leases over the long term. When a property is sold by TriMet, it not only has a restriction to maintain satisfactory continuing control, but also has development controls embedded in the transaction. TriMet requires affordable housing production in its joint development projects. The advantage of this strategy for achieving affordable housing goals is that the transit agency can influence the location and amount of affordable housing being built at its stations through specific requirements within the joint development solicitation.*

*For more information on how other transit agencies approach joint development, see Making Affordable Housing at Transit a Reality: Best Practices in Transit Agency Joint Development, at <http://www.reconnectingamerica.org/assets/Uploads/transitagencyjointdevelopment2010.pdf>*

## XI. TOD Funding Strategy and Tools

The implementation of TOD requires strategic investment of limited public dollars, aligned across programs and jurisdictions to leverage private investment. No regional funding program will be able to support TOD implementation on its own, nor should it. Instead, partnerships between local jurisdictions and the region that support private market sectors are the way forward. For example, the Council's LCA TOD Grant Program has played an important role in supporting TOD in the region. It has the opportunity to continue making future strategic funding allocations to implement high-quality TOD, especially if its criteria include the TOD Strategic Action Plan goal of *prioritizing limited resources by targeting investments in TOD to programs and locations where they can have the greatest success.*

Prioritizing funds to locations and programs allows the Metropolitan Council to focus its wide range of tools and limited resources in areas where they will make the biggest impact in advancing TOD. This prioritization can be made by aligning the criteria for receiving regional funding with the regional TOD vision, purpose and goals. With clear expectations tied to outcomes, the community benefits of grant funded programs can be enhanced.

The specific funding tools and actions recommended below are all tools to consider: none are absolutes. In addition, there may be other funding options for which the Council is currently not authorized to implement, but may want to explore seeking authority to implement. For example, the state-authorized Right of

Way Loan Acquisition Fund (RALF) currently provides no interest loans to cities to buy land where highways are planned but not built. The cities hold the land until Minnesota Department of Transportation is ready to purchase it, at the original purchase price, and build the highway. A similar type of no interest fund might be an option for acquiring land along proposed transitways for TOD.

| Funding Strategy Actions  |                           |          |                                       |
|---|---------------------------|----------|---------------------------------------|
| Action  | Metropolitan Council Role | Priority | Timing                                |
| 1 Incorporate TOD Policy into funding criteria  | Lead                      | ●●●      | After the TOD Policy is complete      |
| 2 Provide operating funding for TOD Program   | Lead                      | ●●●      | Immediate and ongoing                 |
| 3 Support TOD Prioritization Tool and incorporate into Metropolitan Council programs                                | Lead                      | ●●●      | Immediate and ongoing                 |
| 4 Continue to fund Livable Communities TOD Grants while leveraging more in terms of outcomes and private investment | Lead                      | ●●●      | Immediate and ongoing                 |
| 5 Explore creation of station area grant program  | Lead                      | ●●○      | 1-3 years                             |
| 6 Direct transportation dollars to TOD-supportive infrastructure  | Lead                      | ●●○      | 1-3 years                             |
| 7 Use New Starts funding to support TOD   | Lead                      | ●●○      | During New Starts application process |

## Specific Tools and Actions

**1. Incorporate TOD Policy into funding criteria** - This action will go hand-in-hand with incorporating the TOD Policy into planning documents, and spans the recommendations laid out in this section.

**2. Provide operating funding for the TOD Program** - The TOD Program within the Metropolitan Council will need operating funding for staff and work plan elements. Funding should be allocated out of the general fund and the budget for the TOD Program should also provide a discretionary fund to enable the Council TOD staff to respond to immediate local needs following a strict framework for distributing funds.

**3. Support TOD Prioritization Tool and incorporate into Metropolitan Council programs** - The TOD Prioritization Tool (currently being developed with support from the McKnight Foundation) will enable the Metropolitan Council and other partners in the region to prioritize their investments in TOD.

The Prioritization Tool will assist Council staff in understanding where public dollars can be deployed in order to get results that better meet the Council’s goal of implementing successful TOD—above and beyond what the market or local stakeholders would provide without funding assistance.

Given market conditions and the state of the transit system’s build out, not every jurisdiction in the region will be ready for the same investments to support TOD at the same time. Some may be ready to receive the station area planning grants while others should

receive development funding or investments in key pieces of TOD-supportive infrastructure.

**4. Continue to fund Livable Communities TOD Grants while leveraging more in terms of outcomes and private investment -**

The criteria used to evaluate applicants and distribute funds should be re-evaluated to ensure that the program is strategically leveraging the grant funds to advance the TOD Policy and the Prioritization Tool. Quantitative and qualitative performance outcomes of the grant recipients should be tracked and the results reported in the annual report (described in the Technical Resources, Communication and Education Strategy).

**5. Explore the creation of a station area planning grant program -**

The local needs assessment (described in the Technical Resources, Communication and Education Strategy) will provide useful information to determine the scale of need for planning dollars across the region. In smaller communities with limited resources, station area planning may be a significant need. In other communities, where they have been able to complete station area planning through Corridors of Opportunity and/or Hennepin County's Transitways project, the need may be less. In order to equalize the planning opportunities available to each community, the Metropolitan Council should establish a station area planning grant program. Funding for station area planning could come from a variety of sources, based on availability and need.

**6. Direct transportation dollars to TOD-supportive infrastructure -**

Transportation infrastructure that supports development is a crucial component to successful TOD implementation. While these district

or corridor scale public improvement projects are funded by a variety of sources, coordination between regional and local sources will ensure that these projects are part of TOD implementation.

The Metropolitan Council's Transportation Advisory Board (TAB) recommends the distribution of federal transportation dollars, including several federal funding programs: the Surface Transportation Program (STP), Transportation Enhancements (TE), and Congestion Mitigation Air Quality (CMAQ). The new Transportation Alternatives funding allocated through MAP-21 will also be distributed through the TAB. The TAB selects projects to receive funding through the Regional Solicitation process. The projects are then programmed into the region's Transportation Improvement Program (TIP), which the Metropolitan Council adopts.

Over the years, the TAB's Regional Solicitation criteria have incorporated land use criteria that support the implementation of regional policies and land use plans. As the criteria are revised to incorporate Thrive MSP 2040, the 2030 TPP, and the TOD Policy, the Council should incorporate criteria that direct more transportation funds to TOD-supportive projects. Transportation infrastructure improvements that cannot be funded through project-specific TOD grants are particularly important to ensure station areas are walkable and support multi-modal access to stations.

The Regional Solicitation Evaluation project is currently identifying ways in which these dollars could be allocated more strategically. For example, requiring a local match for project applicants, or for TOD related infrastructure would reward jurisdictions that have “put skin in the game” in terms of their own investment and support for TOD implementation, whether that has been through planning and regulatory land use changes, local investments in infrastructure or TOD development.

**7. Use New Starts funding to support TOD** – Transit supportive land use planning for the areas surrounding stations (including joint development activities) are eligible expenditures for FTA funding. Portland and Miami have both funded TOD planning up through adoption of plans and zoning in this way. MAP 21 redefines the project elements allowable under New Starts funding to create a greater connection between land use and transportation. For example, pedestrian and bicycle connections to stations can be an eligible activity for a New Starts applications. Opportunities to use New Starts funding should be considered during the early stages of transitway planning.

### ***TOD Grant Performance of Other Regions***

*Compared to other MPOs, the LCA TOD Grant Program is unique in that it supports a variety of necessary pieces related to TOD project development but has thus far kept the bar fairly low in terms of who is eligible.*

*The Transit-Oriented Affordable Housing (TOAH) Fund, which the MPO in the Bay Area has now contributed \$20 million, restricts funding to projects that are within Priority Development Areas (in places jurisdictions have agreed to take on a higher share of the region’s residential growth) and within a half mile of high quality transit service. To date, TOAH has funded 5 projects that will include 506 units of affordable housing, 48,000 SF of retail for \$15.9 million from the fund.*

*And as of April 2013, Denver’s TOD Fund has used \$15 million of its fund to preserve or create 626 affordable homes, 120,000 SF of commercial space for community assets such as: new public library, child care program, theater company and affordable space for nonprofits. The Fund has been drawn down \$12,975,650 leveraging almost \$180,000,000 from public, private and nonprofits partners, and over 500 jobs have been created from TOD Fund property development and redevelopment.*

## **XII. Conclusion**

There are many recommendations presented in this TOD Strategic Action Plan. All are important components to a robust TOD program. As mentioned earlier, the high priority recommendations of collaboration and creating a TOD policy will set the framework and foundation for implementation of the other recommendations. As the TOD program matures, the TOD Strategic Action Plan can be updated to reflect new roles and responsibilities to address the changing needs of the program.



## **XIII. Appendices**

- A. TOD Program Environmental Scan
- B. Matrix of TOD programs
- C. Existing Council Policy related to TOD
- D. Other TOD Policy examples
- E. Summary of Think Tank 1 and 2



## Appendix A: TOD Peer Agency Environmental Scan (January 22, 2013)

### Introduction

As part of the Met Council Transit-Oriented Development (TOD) Implementation Strategy, information was presented during Think Tank #1 summarizing how peer agencies have successfully implemented TOD policies and programs to result in built TOD projects. A summary of the PowerPoint presented at Think Tank #1 is attached as an appendix. The following Environmental Scan builds off the Think Tank discussion and:

- explores the evolution of TOD from plan to implementation;
- identifies where the Minneapolis-St. Paul region is in the evolutionary process;
- identifies typical roles for transit agencies and metropolitan planning agencies along the evolutionary continuum;
- provides case study examples from peer agencies that are in the implementation phase of TOD evolution; and
- recommends next steps to identify potential roles for the Met Council and its partners in TOD implementation.

### TOD Evolutionary Process

Linking land use and transportation through TOD takes time. It is an evolutionary process, potentially years in the making, to develop the right mix, form, function and location of land uses that support a transit investment. TOD requires a long term vision and commitment to the development within a ½ mile of the transit stations. As systems expand and grow, the focus of TOD does as well. The evolutionary process includes five basic phases:

**Phase 1: During Early Discussions of New Transitway Investments/Before Final Alignment Determined.** TOD discussions with the public should occur concurrent with discussions of the transit infrastructure investment (e.g., during the alternatives analysis stage). Early consideration of important places to serve and opportunities for redevelopment can help identify potential station locations with the greatest ridership potential, and can create an overall TOD corridor vision.

**Phase 2: After Final Alignment Determined/During final Design.** After the line location has been identified, a TOD plan identifying specific details about the desired land uses, density, urban form and bike/pedestrian amenities should be created for the ½ mile around each transit station. An implementation strategy should accompany the TOD plan to ensure that future development is consistent with TOD principles and the station area vision.

**Phase 3: During/Post Transitway Construction – Public Improvements.** As transit infrastructure is put in place, public improvements to enhance the walkability of the place and support the future development of TOD should also be made. Improvements may include: bike/pedestrian crossings and connections from adjacent land uses to the station platforms, surface parking located near the station as a means to preserve the site for future TOD redevelopment, TOD regulations and incentives, prioritization of TOD opportunity sites.

**Phase 4: Post Transitway Construction – Partnerships and Improved Amenities.** As the transit line matures, and interest in development along the line increases, a more aggressive role for the public sector may be needed to ensure that development consistent with TOD principles occurs. This more aggressive role may include: providing development incentives, initiating pilot projects, engaging in joint development, and providing parks and streetscape improvements.

**Phase 5: Post Transitway Construction – Built TOD Station Area Districts.** As development around the station areas matures and is built-out, more specialized TOD developers will emerge, broadening the pattern of TOD throughout the corridor.

### **Between Planning and Implementation: Status of Met Council's TOD Evolution**

At the TOD Implementation Strategy Think Tank in September, 2012, the participants reflected on where the Twin Cities region is in the TOD evolutionary process. The conclusion was that the “needle on the meter” is between Phase 2 and Phase 3. The Met Council has started the TOD discussion, and has programs in place to encourage and facilitate the development of TOD. Unfortunately, not all new development located in station areas follow the principles of TOD<sup>1</sup> and, as a result, there is a lack of affordable housing and jobs, and the development functions no differently than it would if it was located along a corridor that did not have transit. In other words, it is still auto-oriented rather than transit-oriented.

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<sup>1</sup> The Principles of TOD include:

1. Medium to high density development that is greater than the community average
2. A mix of uses
3. Compact, high quality pedestrian-oriented environment
4. An active, defined center
5. Limited, managed parking
6. Public leadership

Participants agreed that they wanted to “move the needle” to the next steps of TOD evolution by shifting from planning to implementation. There was strong consensus that the Met Council should increase its involvement in TOD. In the evolutionary continuum, this means moving from the TOD Plan in Phase 2 to TOD Implementation in Phases 3 and 4.

### **TOD Implementation: Transit Agency and MPO Roles**

The evolutionary process described on the proceeding pages is an ideal process, and not always followed. In reality, TOD is often secondary to transit infrastructure – an after-thought in the planning process. As the system expands, the role of TOD expands and the leadership shifts from the transit agency leading the charge to regional and local governments and their partners advocating for TOD as it relates to the larger vision of livable communities and affordable housing.

To provide insight into how other regions similar to the Met Council have moved forward with implementing TOD, an environmental scan was completed of national TOD best practices. Broadly stated, there are three types of TOD involvement that move TOD from planning to implementation, each with different degrees of effort:

- Conventional TOD program.
- Hybrid TOD program.
- Expansive TOD program.

The three types of TOD involvement means different roles for both the transit agency and the metropolitan planning organization (MPO), of which the Met Council serves both roles.

**Principles to guide** the Met Council’s increased involvement in TOD identified at Think Tank #1 include:

1. Moving from planning to implementation
2. Becoming more proactive
3. Partnering with local governments and other stakeholders
4. Being more strategic/targeted in the face of potentially shrinking resources
5. Making changes that will survive political cycles and leadership changes
6. Becoming better coordinated externally and internally
7. Exerting stronger regional leadership
8. Leveraging our investments for more impact

The table below summarizes the different hats that the Met Council can play as both the transit agency and the MPO for the region.

| Type of TOD involvement   | Role of Transit Agency  | Role of MPO  |
|---------------------------|---|--|
| Conventional TOD program. | Joint development of land owned by the agency at transit stations; education of the transportation impacts of land use decisions; advocate for good outcomes.;  | Funds grants for local government TOD activities; regional strategies linking land use and transportation; secondary role to transit agency; serves as regional convener of TOD discussions. |
| Hybrid TOD program.       | More than conventional program, but not expansive. Targets resources to fund TOD projects.  | Planning funds targeted for TOD; focus on TOD, centers, livability; and dedicated TOD staff to provide tools for implementation and to track projects.                                       |
| Expansive TOD program.    | Partner, fund and participate in development within ¼ mile of the transit station, helping to shape land to be transit friendly, encouraging affordable housing, and leveraging livable communities principles. | TOD implementation focus; dedicated staff; one of many partners; and actions reflect larger strategy.  |

### National Best Practices: TOD Implementation

Conventional, hybrid and expansive programs in Dallas Texas, Washington DC Metro region, Denver Colorado, and Portland Oregon, were studied as potential next steps for the Met Council.

#### Conventional TOD Program: Dallas, TX

Dallas Area Rapid Transit (DART) opened in 1996 and currently has 77 miles of transit (bus, light rail and commuter rail), 58 transit stations, and 898,000 daily riders.

Historically, the city of Dallas has made no changes to its plans or zoning codes to promote or allow TOD. For example, at the Mockingbird Station (located at the intersection of Mockingbird Lane, a major east-west arterial, and the North Central Expressway), both land parcels were already zoned for mixed-use development, so there were no zoning obstacles to overcome. With the exception of federal contributions towards local infrastructure, the development has been 100 percent privately financed. Mockingbird Station was created without TOD planning or supportive policies by the regional planning agency, the city of Dallas or DART. The developer connected his project to the regional Katy Trail and has spent over \$600,000 for improvements to public sidewalks and landscaping. In addition, the developer paid \$500,000 to bury existing aboveground utilities. The city allowed the project to build only 1,600 spaces (2,200 were required, 1,400 are built thus far) by granting a mixed-use parking reduction credit. However, the city refused to reduce parking further to reflect transit's proximity. The project currently has 1,400 parking spaces; two double bays of parking for 150 cars are in the center of the project, and the rest is structured or below ground. The developer estimates he may have only needed to provide 1,300 spaces, but he acknowledges that some tenants may have resisted the lower figure. Questioning the parking standards could have been risky because there was no track record for such a development.

The most coordination with public agencies occurred in designing and building the pedestrian bridge linking the project directly to light rail. As light rail was already operational prior to the project kickoff, there was no opportunity to change the location of the station.

Today, the City of Dallas has moved to embrace TOD with a TOD tax increment financing district, new TOD plans and a draft TOD policy. Within the same region, suburban Dallas has a history of supporting TOD. The City of Plano provided leadership to facilitate development of the Eastside Transit Village: the city advocated for the station location, saw opportunity to marry development with the DART LRT platform, assembled the site, offered it for development, leased the land to Amicus Partners, paid for public infrastructure and streetscape improvements, increased the allowable density from 40 to 100 dwelling units per acre, and waived fees. The City of Plano created a strong and effective partnership between the city and the developer to deliver the project, and displayed a willingness to support increased density to enable the project to be financially feasible.

NCTCOG, the MPO in Dallas, is also supportive of TOD: it has a comprehensive TOD program, TOD working group, and supports sustainable development. A grant program run by NCTCOG provides transit planning and infrastructure grants, of which the majority go toward TOD projects. The grant program provides \$1 million annually in planning grants and \$39 million annually in infrastructure. Because the implementation of the grants is locally driven, the outcomes have been uneven.

TOD along the transit lines includes \$4.7 billion worth of development. Of the TOD along the transit lines, more than 10 are considered joint development opportunities. The joint development has generated approximately \$400,000 in revenue as of

September 2012. As part of the joint development process, DART hired a real estate advisor to assess their sites and identify sites that were most ready for development based on the criteria of accessibility, market/demographics, property attributes and development readiness.

### Hybrid TOD Program: Denver, CO

Development around existing light rail lines in Denver is significant: between 2004 and 2010, TOD in southeast Denver has provided nearly 5,300 residential units, nearly 500,000 square feet of retail, and more than 1.9 million square feet of office space within ½ mile of all station areas. Denver's Regional Transportation District's (RTD) TOD program has been a significant driver in facilitating this development. RTD and the region's MPO, the Denver Regional Council of Governments (DRCOG) have worked together to see 36 station area plans completed and adopted, with funding provided from Transportation Improvement Program (TIP) funds.

With the passing of the half cent tax to implement the FasTracks program (a multi-billion dollar comprehensive transit expansion plan to build 122 miles of new commuter rail and light rail, 18 miles of bus rapid transit, 21,000 new parking spaces at light rail and bus stations, and enhance bus service), RTD created a TOD program to meet the planning needs of the jurisdictions. The program began by defining the TOD strategic policy and process for joint development according to FTA regulations. The Strategic Plan for TOD and the Transit Access Guidelines are policy documents that guide the TOD program for both internal and external partners. The policies establish a vision, goals and strategies. The RTD TOD policy states four goals for all TOD projects:

1. Promote multi-sector, cross-jurisdictional partnerships;
2. Encourage sustainable development that supports the transit system;
3. Ensure a hierarchy of multimodal access; and
4. Protect and enhance RTD's transit assets.

Outreach and coordination of the RTD's TOD program is primarily done by RTD through the annual *TOD Status Report*, which provides a comprehensive database of development within ½ mile of the stations. RTD's internal outreach and coordination has been a significant part of the program to implement the TOD policy. RTD's Transit Access Committee provides coordination and recommendations for access related design changes and joint development projects.

Education and outreach of TOD within the region has been the responsibility of the regional partners, including DRCOG. DRCOG hired a TOD program manager to lead educational services to jurisdictions and created a series of events focused on TOD including Metro Vision Idea Exchange, TOD Lunch talks, and TODay workshops. Additionally, DRCOG developed a series of videos to communicate the advantages and key components to successful TOD, interviewing local and national experts on TOD as well as the

experience of transit users. Other external partners, such as professional associations, the Denver Metro Chamber and Metro Mayor's Caucus, have also partnered to develop a strong basis of regional support for TOD.

To implement the TOD Strategic Plan, RTD developed corridor workshops for each of the six corridors of FasTracks. The purpose of these workshops was to work with each jurisdiction to modify station location and layout, where possible, to best meet economic development and planning efforts by the jurisdictions. Additionally, the workshops provided a forum for adjacent jurisdictions to share information and work together to create a corridor of stations that complement and support each other. Approximately 40 station area plans have been completed by local governments within the six corridors since 2004.

RTD's primary tool for TOD implementation has been joint development. RTD developed a TOD Pilot Program to demonstrate good built TOD that could be replicated throughout the corridor. Eleven stations were submitted by jurisdictions, four were selected. Criteria included market potential, within an existing or funded rail corridor, ability for RTD to help nudge development, TOD plan in place, commitment by local jurisdiction, commitment by developer/property owner. RTD acts as a development partner by setting policies, selecting sites, and choosing a developer. It serves as an advocate on behalf of TOD developers and local jurisdictions to help move projects through project review in a timely manner.

### Hybrid TOD Program: Washington DC

Washington Metropolitan Area Transit Authority (WMATA) has been successful with joint development on the publically owned land located adjacent to transit stations. It has not, however, been able to extend its success to TOD on public and private land within a five minute walk of a transit station.

WMATA operates 103 miles of transit, with over 750,000 daily riders. At the over 80 transit stations, there has been 52 joint development projects have been built with a market value of \$4 billion. WMATA receives \$7 million in annual revenue from the joint development projects. As WMATA has evolved from joint development on WMATA owned sites to a broader TOD focus, there has been an increased focus on station access and retrofitting of stations to provide more TOD. The process, however, has been difficult, resulting in a lack of trust and increased risk for the development community.

Many developers, residents, and local governments find WMATA's approach to developing its station-area properties cumbersome: there has been a lack of respondents to joint development requests for proposals; confusion in communities near station areas

caused by endless reviews often at odds with community concerns; and a frequent disconnect between local area plans and WMATA goals.

Internally, WMATA is often in conflict with itself in terms of its development goals. The organization does not allow authority to exist below the WMATA Board, thereby tying the hands of staff who are “on the ground” meeting with developers and community representatives. When decisions are made, WMATA too often changes its mind even after a deal is struck and commitments are made. These commitments add costs and burdens that were not originally contemplated in the deal.

Externally, WMATA has not historically been involved as a property owner and regional transit provider with a stake in the outcome when local jurisdictions are drafting master plans and contemplating zoning decisions encompassing Metrorail station areas. WMATA has not been meeting with community groups early enough to discuss its planning and development goals, and not serving as the advocate that it should be as the regional transit agency for a system-wide approach to transit station developments and their design.

Metropolitan Washington Council of Governments (MWCOG) is not viewed as a leader in TOD. It does not have programs or defined funding for TOD. A TOD pilot program is under discussion.

### [Expansive TOD Program: Portland, OR](#)

The evolutionary process of becoming a transit city began over 25 years ago when the first light rail line was planned in Portland. At that time, TriMet, the transit agency, focused on building partnerships and convincing others TOD was a good idea to preserve land within the region. With the first light rail line, TOD was largely an afterthought.

When the first streetcar in Portland was built, 15 years later, the focus had shifted from TOD as a means to preserve land, to creating new walkable communities. Many consider the streetcar to be a housing and redevelopment tool; not just a tool for moving people out of their cars. Since the streetcar opened in 2001, over \$3.4 billion in development and 10,212 residential units have been built along the routes. The Region 2040 Plan, the regional growth strategy and vision for the Portland Metropolitan region, identifies a series of centers, most of which are focused around transit. As such, TOD is a means to become a sustainable place, not an end in itself.

As each light rail line developed, it became clearer that the addition of transit alone was not enough to spur development and increase ridership. There needed to be a clear strategy and tools to realize the construction of a higher density mix of uses near

transit. The strategy involves coordination among various agencies, with each playing a different role consistent with its overall mission:

- TriMet, the transit agency, seeks to focus growth next to transit because of the evidence supporting the theory that the more people who can walk to transit, the more people who will use transit. TriMet has no special TOD tools or sources of funding. TriMet does: select rail alignments with an eye toward TOD; modify station locations to facilitate supportive development; fund local government planning to get supportive policies in place; write-down land costs to get better design/density/affordability in TODs; turn park and rides into TODs; and invest the savings from rail construction to create TODs.
- Metro, the MPO, oversees the implementation of the regional vision (Region 2040) and identifies existing and future expenditures for transportation projects and programs. It sets the regional plan for expanding transit. In addition to its transportation planning role, Metro has a TOD program that is dedicated to making TOD, centers and corridors happen as part of an aggressive strategy to implement Region 2040. The TOD program, created in 1998 with dedicated staff, operates through a series of cooperative agreements between Metro and local jurisdictions and utilizes developer agreements with private developers, primarily for site acquisition. The program has an annual budget of \$2.9 million to invest in “brick and mortar” development tied to transportation outcomes. In the past, the program has focused on projects that otherwise might not be developed on a given site without additional subsidy. The program has leveraged \$30 million in grant funding into \$300 million of development.
- Portland Development Commission (PDC) is the urban renewal and economic development arm of the City of Portland. PDC funds projects that are sustainable, support the community and transit, pay prevailing wages and meet minority and disadvantaged business goals. PDC also uses tax abatement and developer agreements to support projects. It has funded several TODs in the City of Portland.
- Local governments have changed their local zoning code and design standards to be support of transit. For example, in the city of Portland, TOD is allowed without replacement parking reducing the cost of development. For the 130 light rail stops, there are fewer than 10,000 parking spaces.

In addition, the private sector is asked to be partners and be innovative. In return, the public sector seeks to reduce the risk. For example, when the streetcar was built in the Pearl District, a developer agreement was signed by the developer and the City of Portland. The agreement addressed housing density, housing affordability, parks, and infrastructure.

More than \$11 billion in development consistent with transit-friendly land use plans have occurred along Portland's 45 miles of light rail, 10 miles of modern streetcar and 10 miles of commuter rail. Over 125,000 daily riders use transit in Portland. The TOD investment has resulted in residential and employment growth within walking distance of transit.

### **Lesson Learned: TOD Implementation**

Based on the national best practices, several lessons learned can be applied to the Met Council's TOD implementation strategy:

- Each TOD situation is unique. Programs and policies must be flexible to accommodate the differences in various situations through planning, coordination and consultation with major stakeholders while still being consistent with the overarching goals of the TOD programs and policies.
- Only when development is part of the TOD policy will it be prioritized in budgets and staffing. If it is not explicit in the policy, agencies are generally not active partners in TOD project development.
- Becoming a good partner with the private sector reduces risk, which in turn makes TOD more financially feasible for private developers. Good partnerships include having clear expectations and the ability to make decisions in a timely manner.
- TOD should be planned as a district (i.e., multiple parcels and development projects), not as individual projects. This creates flexibility in developing TOD both in terms of development performance (i.e., mix of uses, density) and the creation of a sense of place around the transit station.
- Public outreach and engagement is essential: elements of TOD, such as density, often raise concerns with the public because of misperceptions. Developers may need assistance navigating a transparent and public process to ensure that community interests are considered.
- Internal communication is equally important to ensure that support for policies and initiatives is built on a solid foundation. The benefits of TOD need to be told. The qualitative outcomes, such as creating affordable housing, livable communities, and health benefits, are just as important as the quantitative benefits of increased ridership and revenues.

### **Recommendations for Potential Roles in TOD Implementation**

At Think Tank #1, the participants identified several potential roles to explore the Met Council in TOD implementation. In general, the participants agreed that the appropriate roles for the Met Council included:

- Establishing better policies related to TOD;
- Making smarter investments that support TOD; and
- Being a regional leader and advocate for TOD projects.

Specific ideas that were raised during Think Tank #1 to move the Met Council from planning to implementation were:

1. Create a more strategic acquisition strategy that includes TOD goals in addition to transit goals.
2. Analyze existing Met Council land holdings and create a strategy to use them for TOD.
3. Partner with a nonprofit that banks land for TOD.
4. Explore shifting from using general grant requirements to partnering with cities on specific RFPs for TOD projects.
5. Assign staff to provide technical assistance to cities.
6. Create a cross-functional TOD team that brings together staff from all divisions to strategically focus their work on TOD.
7. Create and identify new financing tools for cities and developers to use in TOD.

## Next Steps

Think Tank #2 will explore the implementation ideas noted above, as well as other ideas taken from national best practices. During the next month, the consultant team will develop a list of specific recommendation ideas for discussion with the Met Council staff. During a series of internal discussions over the next two months between the consultant team, Met Council project staff, and the Executive Committee, more specific recommendations will be developed to create a menu of options for discussion at Think Tank #2. The discussions will allow the consultant team to get a better understanding of how comfortable Met Council leadership is with moving forward with the various options. If there is a significant concern with any approach, either in terms of legal authority or willingness of local governments to be supportive of a new Met Council role, it should not be taken forward for public discussion. However, if the consultant team believes that a role is important for TOD implementation, we may push back on the Met Council to see if the concept can be modified and moved forward as an option.

During the same time frame, the Met Council's legal authority to engage in certain roles will be examined. Information will be presented at Think Tank #2 regarding the Met Council's ability to take on certain roles under the existing authority, and if changes to existing authority, or perceived authority, are required, the steps required to make the change. Before the research on potential roles and legal authority is presented at Think Tank #2, it will be vetted with Met Council staff and representatives in order to seek the internal buy-in, mentioned under lessons learned above.

# TOD Supportive Programs

## Met Council TOD Strategic Plan

### Appendix B

| PROGRAM   | AGENCY  | FUNDING AVAILABLE  | WHO CAN APPLY?   | DESCRIPTION  | USES   |
|---|---|--|--|--|--|
| <b>METROPOLITAN COUNCIL TOD SUPPORTIVE PROGRAMS</b>   |   |  |  |  |  |
| <b>EXISTING</b>   |   |  |  |  |  |
| Livable Communities Act (LCA) Transit-Oriented Development Program (TOD)  | Metropolitan Council                                      | \$7 million for 2013 and \$5 million ongoing.  | Statutory or home rule charter cities or towns that are participating in the Metropolitan Livable Communities Housing Incentives Program; metropolitan counties and development authorities with an eligible TOD Area.   | Provides funding resources to help catalyze Transit-Oriented Development in and around light rail transit, commuter rail and high-frequency bus transit stations.  | Land acquisition, public infrastructure and contamination cleanup (to catalyze TOD projects) |
| Livable Communities Demonstration Account (LCDA)  | Metropolitan Council                                      | Council-established guidelines state that up to 40% of the total funds available in a grant cycle is available to projects located in Minneapolis and/or Saint Paul. \$8 million annually ongoing. | Statutory or home rule charter cities or towns that are participating in the Metropolitan Livable Communities Housing Incentives Program; metropolitan counties and development authorities.   | Implement community development objectives and comprehensive plans. Development grants provide funds to support Projects that connect development or redevelopment with transit; intensify land uses; connect housing and employment; provide a mix of housing and affordability; and/or provide infrastructure to connect communities and attract investment.   | Land acquisition or public infrastructure (to catalyze development projects)                 |
| Local Housing Incentive Account (LHIA)  | Metropolitan Council                                      | \$1.5 million annually   | Local units of government eligible to receive LHIA funding are those communities that are participating in the Metropolitan Livable Communities Housing Incentives Program.  | Provides funding to communities to expand and preserve lifecycle and affordable rental and ownership housing. These grant funds may be used for costs associated with projects that help municipalities meet their negotiated LCA housing goals, including, but not limited to, acquisition, rehabilitation, and construction of permanent affordable and life-cycle housing.  | Finance affordable housing projects  |
| Tax Base Revitalization Account (TBRA)  | Metropolitan Council                                      | \$2-3 million in 2013. (From the Livable Communities fund, but scheduled to run out in 1-2 years.)   | Statutory or home rule charter cities or towns that are <i>participating in the Metropolitan Livable Communities Housing Incentives Program</i> . Metropolitan counties and local development authorities are also eligible to apply for projects that are located in LCA-participating communities. | Provides funds to investigate and clean up polluted land in areas that have lost commercial/industrial activity to make them available for economic redevelopment that enhances the tax base of the recipient municipality while promoting job retention or job growth and/or the production of affordable housing.  | Environmental cleanup  |
| Transportation Improvement Program (TIP) (Not the program originating funds, but a listing of how federal and state transportation funds will be spent) | Metropolitan Council (Transportation Advisory Board, TAB) | The TIP is updated once a year and shows how dollars will be allocated over a four year period.<br><br>The 2013-2016 TIP includes funding that sums to \$2,771 million.                            | Cities; Counties   | The TIP documents the 5-year allocation of federal funds to local transportation projects.<br><br>The allocation decisions are made through TAB Committees, which are then documented in the TIP.<br><br>These allocation decisions are governed in part by the Development Framework and the Metropolitan Council's 2030 Transportation Policy Plan (TPP), which sets overall regional transportation policy and details major long-range transportation plans.<br><br>In some cases, this funding may be used to support TOD projects. Any priorities for TOD would be outlined in the Development Framework or TPP. | Transportation infrastructure  |
| <b>FORMER PROGRAMS (expired, one-time opportunities, etc.)</b>  |   |  |  |  |  |

## TOD Supportive Programs

### Met Council TOD Strategic Plan

| PROGRAM   | AGENCY  | FUNDING AVAILABLE   | WHO CAN APPLY?   | DESCRIPTION  | USES   |
|---|---|---|--|--|--|
| Land Acquisition for Affordable New Development (LAAND) Program           | Metropolitan Council, Minnesota Housing and the Family Housing Fund   | Funding for the 2011 LAAND Initiative was provided through resources from the Funders as follows:<br>Metropolitan Council - \$1,956,500; Family Housing Fund - \$1,000,000; Minnesota Housing - an eligible activity under the Consolidated RFP | Metropolitan Council – local units of governments, within the seven-county metropolitan area participating in the Livable Communities Act Local Housing Incentives Account program, and their development authorities;<br><br>Family Housing Fund – local units of governments, their housing or development agencies, and nonprofit organizations within the seven-county metropolitan area; Minnesota Housing – a nonprofit organization, a city, a joint powers board established by two or more cities that owns or will own the housing, a public housing agency that owns or will own the housing, an Indian tribe or tribal housing corporation that owns or will own the housing, a private developer. | Loan financing to acquire land for affordable housing projects in places that are close to job growth areas or significant number of lower wage jobs, allows for density that is consistent with achieving affordability, minimize vehicle miles traveled, are proximate to public transit and implements existing community plans.  | Property Acquisition                               |
| Local Implementation Capacity Grants                                      | Corridors of Opportunity  | \$953,000; (25%), \$238,250, of the funds are allocated for general predevelopment planning and (75%) \$714,750 for site specific predevelopment projects.  | Cities; Local Development Authorities; Counties; Rail Authorities; Private or Non – Profit Developers; Non-Profit Organizations supporting TOD, entrepreneurs and small business development; Eligibility for general predevelopment studies for TOD tools are limited to public agencies or partnerships with public agencies.  | The Local Implementation Capacity (LIC) grants will provide early support for the development of high-density residential and commercial centers designed to maximize access to these uses by transit, walking, and biking. Implementation of local general predevelopment and site specific predevelopment planning that promote Transit Oriented Development (TOD).  | Planning/ Development Financing                    |
| Hiawatha Land Assembly  | Met Council/TAB   | \$ 5 million; Originally Federal CMAQ funding; after \$1.5 million allocated to assemble Downtown East Station site, in 2007 \$3.5 million in CMAQ funds swapped with Hennepin County funds that were dedicated to LRT Operating                | Cities. After awarding Minneapolis \$1.5 million toward Downtown East/Metrodome Station block acquisition, Metropolitan Council solicited notice of funding availability in 2005 to Minneapolis, Bloomington and Hennepin County, making \$3.5 million available for land assembly for TOD. Minneapolis expressed interest, and issued subsequent RFP for development funding, and received 8 proposals. 3 projects ultimately were approved for funding by the City and Met Council.  | \$5 million Hiawatha Land Assembly funding program was created in 1999 as part of the TAB's federal transportation funding process; initial \$1.5 million award made in 2001 to Minneapolis towards assembly of the Downtown East/ Metrodome Station block, where a transit oriented development would eventually be built on the block. Minneapolis prepared the site with parking underneath prior to LRT operation and station opening. Metropolitan Council & Minneapolis solicited additional land assembly projects in 2005-06, and three were awarded remaining \$3.5 million for mixed use TOD, including affordability, at: 38th Street (Longfellow Station); Franklin Station Development; and Cedar-Riverside (Currie Park Lofts and Station Place) | Land Assembly for TOD around Hiawatha LRT stations |
| Ready for Rail -- Central Corridor Small Business Forgivable Loan Program | Metropolitan Council, City of St. Paul Housing and Redevelopment Authority, the City of Minneapolis, and Central Corridor Funders Collaborative | Up to \$20,000. Loan amounts depend on demand and demonstrated loss of revenue.   | For-profit small businesses with no more than \$2 million in annual gross sales that: Are independently owned (with four or fewer locations) Are located on the Central Corridor Light Rail Line (or within one block of the construction zone); Have been at their current Central Corridor location for one year or more; Are focused on retail services (selling products or services directly to the consumer, including restaurants); Have experienced a decline in revenue due to the construction of the Central Corridor Light Rail Line.  | Provide a modest safety net for businesses that show a loss in sales due to the construction of the Central Corridor Light Rail Transit Line. The forgivable loan may be used for basic business expenses, including payroll, inventory, rent/mortgage, utilities, taxes, marketing, and insurance.  | Loan Forgiveness                                   |

## TOD Supportive Programs

### Met Council TOD Strategic Plan

| PROGRAM   | AGENCY  | FUNDING AVAILABLE  | WHO CAN APPLY?   | DESCRIPTION   | USES   |
|---|---|--|--|---|--|
| <b>STATE</b>  |   |  |  |   |  |
| Transit Improvement Areas (TIA)                                   | Minnesota Department of Employment and Economic Development | State allocated  | Statutory cities, home rule charter cities, counties and joint powers boards are eligible applicants. Designated TIAs must encompass a half-mile radius around a transit station.  | Loan program to fund TOD projects that "increase the effectiveness of transit." Loans for designated Transit Improvement Areas and projects must provide minimum density and a mix of uses. Program is authorized and accepting applications, but as of yet not funded. State plans to use applications to leverage "other sources of funding."   | Implementation   |
| Redevelopment Grant Program                                       | Minnesota Department of Employment and Economic Development | State allocated, About \$3 million in state bond funds will be made available in 2013 round.   | Cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities.   | Grants can pay for land acquisition, demolition, infrastructure improvements, soil stabilization when in-fill is required, ponding or other environmental infrastructure and adaptive reuse of buildings, including remedial activities at sites where a subsequent redevelopment will occur.<br><br>Grants pay up to half of redevelopment costs for a qualifying site, with a 50-percent local match.   | Environmental cleanup, implementation  |
| PFA Loans and Grants  | Minnesota Public Facilities Authority (PFA)                 | Since its inception in 1987, the PFA has financed more than \$3.2 billion in public infrastructure projects in communities throughout Minnesota. | Cities, counties   | Low interest loans and grants to finance infrastructure that might otherwise be unaffordable to communities if they had to borrow money for the projects at market rates. The PFA helps local units of government construct facilities for clean water (including wastewater, stormwater and drinking water) and other kinds of essential public infrastructure projects.<br><br>Programs include: Clean Water Revolving Fund; Drinking Water Revolving Fund; Phosphorus Reduction Grants; Small Community Wastewater Treatment Program; Total Maximum Daily Load (TMDL) Grants; Transportation Revolving Loan Fund; Wastewater Infrastructure Fund; Credit Enhancement Program   | Primarily water related facilities, but there is a Transportation Revolving Loan Fund. |
| Minnesota Community Capital Fund (MCCF)                           | Developed and managed by the Northland Institute.           | State wide (membership-based) loan program. Offers subordinated loans from \$50,000 to \$1,500,000.  | Local governments and economic development organizations apply to be members and can then offer loans to small businesses and nonprofits.  | MCCF is a bank participation loan fund that leverages millions of dollars in underutilized local economic development funds through the pooling of resources. The Fund provides its members with greater lending flexibility and the capability of offering much larger loans to their local small businesses and nonprofit organizations than would be possible with their own limited and restricted resources.<br><br><b>MCCF Capital Access</b> - Gap financing loans from \$50,000 to \$1,500,000.<br><b>Green Loans for Businesses</b> - Loans to finance improvements that reduce energy costs, improve cash flow and improve business property values. Loan amounts are from \$50,000 to \$300,000.<br><b>SBA 7(a) Small Business Loans</b> - Loans from \$100,000 to \$2,000,000 can be used to finance the purchase of owner-occupied commercial real estate; business equipment; remodeling and leasehold improvements; long-term working capital; and for the refinancing of existing debt.<br><b>SBA 504 First Mortgage Loans</b> offer long-term fixed rate loans ranging from \$250,000 to \$8,000,000 for growing small businesses. | Business improvement loans.  |
| Public Transit Participation Program (State/Federal Program 5311) | Minnesota Department of Transportation                      | State allocated  | Minnesota entities who fall into these categories: state or local governments; private nonprofit organizations; operators of public transportation services; private operators of public transportation services; tribal governments | Provides financial assistance for public transit services. This grant program supports capital, planning and operations of transit systems in small and large urban areas and in rural areas outside of the 7-county Twin Cities metropolitan area.   | Planning   |

## TOD Supportive Programs

### Met Council TOD Strategic Plan

| PROGRAM   | AGENCY                                    | FUNDING AVAILABLE   | WHO CAN APPLY?   | DESCRIPTION   | USES  |
|---|---|---|--|---|---|
| Low and Moderate Income Rental Program (LMIR)                 | Minnesota Housing                         | \$95,000,000  | Limited Dividend and Non-Profit Sponsors   | Amortizing first mortgage loan. Mortgage funds for new construction / substantial rehabilitation of rental housing or acquisition and rehabilitation of existing rental housing, or refinance / debt-restructure. Minimum development size twenty units.  | Development financing   |
| Housing Trust Fund (HTF) Capital                              | Minnesota Housing                         | \$21,110,000  | A nonprofit organization, a for-profit organization, a limited dividend entity, a cooperative housing corporation, a city, a joint powers board established by two or more cities, a public housing agency, an Indian tribe or tribal housing corporation, a natural person. | Support the development of affordable housing. Priority is given for development serving households experiencing long term homelessness (i.e. emergency shelters, transitional housing, permanent rental, or permanent supporting housing).   | Deferred loan, development, construction, acquisition, preservation, and rehabilitation of low-income rental housing. |
| Historic Tax Credit (Rehab Tax Credit)                        | Minnesota Housing                         | N/A   | Check website  | The Credit for Historic Structure Rehabilitation provides credit against income tax or insurance premium tax liability equal to the amount of the federal historic structure rehabilitation credit for projects that are placed in service during the taxable year. The law also allows the Minnesota Historical Society to pay a grant in-lieu of the credit, equal to 90 percent of the credit.                                   | Affordable housing rehabilitation   |
| Preservation Affordable Rental Investment Fund (PARIF)        | Minnesota Housing                         | \$14,425,000  | A nonprofit organization, a city, a joint powers board established by two or more cities that own or will own the housing, a public housing agency, an Indian tribe or tribal housing corporation, a natural person who owns or will own the housing, a private developer.   | To provide funding to assist in the preservation of federally assisted permanent rental housing where the federal subsidies are at risk of being lost. Risk of loss may be due to one or more of the following factors: deteriorating physical condition, diminished owner capacity, conversion to market rates.  | Acquisition, rehabilitation and debt restructuring or equity takeout.   |
| Housing Tax Credit (HTC) Program                              | Minnesota Housing                         | Round 2 2013 awards up to \$900,000   | Local governments, land clearance authorities, state-created governmental entities, regional councils/MPOs, state agencies, Indian tribes  | The HTC offers a ten year reduction in tax liability to owners and investors in eligible affordable rental housing units produced as a result of new construction, rehabilitation, or acquisition with rehabilitation. Gives 3 points in scoring for projects within a half mile of LRT, BRT, commuter rail station (2 points for bus or park and ride, or within TIA.) Proposed for 2014 is increasing points available to 4 or 5. | Development financing   |
| Brownfields Assessment Revolving Loan Fund and Cleanup Grants | Minnesota Pollution Control Agency (MPCA) | State allocated   | Local governments, land clearance authorities, state-created governmental entities, regional councils/MPOs, state agencies, Indian tribes  | Funding for planning/assessing brownfield redevelopment, conducting planning and community involvement, and site cleanup.   | Environmental cleanup/ Planning   |
| Metropolitan Landfill Abatement                               | Minnesota Pollution Control Agency (MPCA) | Approximately \$1,208,770 is available for EA grant awards among four (4) Focus Areas | State allocated  | Focus on providing assistance to the seven metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington for implementation of projects featuring resource conservation, reuse, waste and toxicity reduction, and recycling activities that advance the goals, policies, and objectives identified in the Metropolitan Solid Waste Management Policy Plan.  | Environmental cleanup   |
| Resource Conservation and Greenhouse Gas (GHG) Reduction      | Minnesota Pollution Control Agency (MPCA) | Approximately \$1,208,770 is available for EA grant awards among four (4) Focus Areas | State allocated  | Focus on providing assistance in identified regions of the State for implementing projects achieving measurable outcomes in waste and toxicity reduction, reuse, and/or recycling.  | Environmental cleanup   |

# TOD Supportive Programs

## Met Council TOD Strategic Plan

| PROGRAM   | AGENCY   | FUNDING AVAILABLE   | WHO CAN APPLY?  | DESCRIPTION   | USES                            |
|---|--|---|---|---|---------------------------------|
| <b>REGIONAL (Non-Metropolitan Council Programs)</b>     |  |   |   |   |                                 |
| Transit-Oriented Development Bond Program               | Hennepin County Board of Commissioners   | Funding from general obligation bonds, over \$13 million awarded since 2003. County Board has authorized an additional \$2 million per year in the capital budget through 2012. | Statutory or home-rule-charter cities or towns and development authorities (e.g., housing and redevelopment authority, economic development authority or port authority); Private entities, including nonprofit and for-profit developers; Hennepin County and the Hennepin County Housing and Redevelopment Authority. | Grants or loans to public agencies, for-profit and non-profit developers for TOD projects within redevelopment areas. Projects must have multi-jurisdictional impacts and enhance transit usage.  | Implementation                  |
| Housing/Transit-Oriented Development (TOD) Loan Program | Local Initiatives Support Corporation (LISC), Twin Cities Community Land Bank, and the Family Housing Fund | up to \$14.3 million  | Nonprofit and socially-responsible private developers Projects must be located within ½ mile of Hiawatha, Central, or Southwest LRT corridors.  | Preserve and create more housing options available to lower-income residents near transit; Strengthen neighborhood by increasing access to jobs, and integrating the promotion of TOD with other arenas such as public health, parks and green space, affordable housing, and economic development to produce more holistic and equitable outcomes for the entire corridor. | Planning/ Development Financing |
| The Coaction Fund                                       | Local Initiatives Support Corporation (LISC) Twin Cities   | Ranging from \$35,000 to \$70,000 annual grant commitments  | Nonprofit, Twin Cities-based organizations, or partnerships of organizations, focused on physical and economic development (e.g. income, asset or wealth building).   | Capacity building program for community based development.  | Planning/ Development Financing |

# TOD Supportive Programs

## Met Council TOD Strategic Plan

| PROGRAM   | AGENCY   | FUNDING AVAILABLE   | WHO CAN APPLY?   | DESCRIPTION  | USES  |
|---|--|---|--|--|---|
| <b>LOCAL GOVERNMENT (Existing Programs)</b>           |  |   |  |  |   |
| Capital Acquisition Revolving Fund                    | Minneapolis Community Planning and Economic Development Department | Funded with \$1 million in Community Development Block Grant (CDBG) money, other funding comes from Neighborhood Revitalization Program funds.  | City   | Funding to acquire property or provide loans for private sector property acquisition and site assembly for sites located on commercial and transit corridors and at commercial nodes for mixed commercial and residential use. At least 20% of the housing units must be affordable at <50% area median income (AMI).  | Property Acquisition  |
| Minneapolis Affordable Housing Trust Fund (AHTF)      | City of Minneapolis  | \$3 million in 2013 (Uses CDBG funds.)  | Non-profit or for-profit developers.   | Used to provide gap financing (the difference between conventional financing and project costs) for affordable and mixed-income rental housing production and preservation projects.<br><br>This is a city-wide program, but project proposals can receive up to 20 points in the scoring system if the project has elements of TOD. (Up to 10 points if the project is located within 0.5 miles of high service local fixed route transit such as light rail or within 0.5 miles of park and rides and transit stops served by express route, or up to 5 points if located within 0.25 miles of any other transit stop; up to 5 points for proximity to jobs; up to 5 points for higher density development.) | Affordable Housing  |
| St Paul Affordable Housing Trust Fund                 | City of St Paul, St Paul HRA                                       | Seeded with \$2.5 million, of which \$1.25 million is available multifamily development, and only \$500,000 for new production. Eventually, the fund may be enhanced with a percentage of future TIF district proceeds. | Anyone can apply for the funds on a first come, first basis.   | The fund will serve a variety of purposes, including multi-family housing. These programs include: 1. Foreclosure Prevention (SHOP Foreclosure Buyback Program, Preserving Senior Homeownership, FHA Title I Home Improvement Loan Program); 2. Preservation of Affordable Multi-Family Housing; 3. New Construction of Affordable Multi-Family Housing; and 4. Neighborhood Stabilization Program.<br><br>The first program includes an eligibility extension for properties near transit, but the others do not differentiate.   | Affordable Housing  |
| Minneapolis Development Infrastructure Fund           | City of Minneapolis (CPED and Public Works)                        | Started at \$2 million a year over a 5 year period.   | For City infrastructure projects   | From Mayor Rybak's 2013 Budget Address: Expand this program in 2013 in order to: allocate resources for our work to reopen Nicollet Avenue at Lake Street, partner with Hennepin County along Penn Avenue in North Minneapolis, and fund needed street work in the West Bank, where several new development projects are in the works.   | Infrastructure  |
| High Density Corridor Housing Program                 | City of Minneapolis  | No maximum. Matching funds are encouraged.  | Neighborhood organizations, nonprofit and for-profit developers, CPED staff and other interested parties can nominate sites for the program.   | Assist in the acquisition of site(s) to be used to create multifamily housing developments on or near community, commercial and transit corridors. At least 20% of the housing units must be affordable at <50% MMI (city affordable housing policy) and at least 51% must be affordable at <80% MMI (CDBG regulations). Funds can be used for acquisition, relocation, demolition, property management and related costs.   | Land Assembly, predevelopment financing, Affordable Housing |
| Minneapolis Capital Acquisition Revolving Fund (CARF) | City of Minneapolis  |   | CPED will have an open nomination process to solicit suggestions for specific sites and projects from neighborhood organizations, developers, City staff and other interested parties. | Can be used to acquire property for redevelopment along commercial and transit corridors and at commercial nodes designated by The Minneapolis Plan. Funds can be used to assemble or aid in assembly of larger sites for development of new commercial buildings, mixed residential and commercial buildings and mixed-income rental and ownership multifamily housing. Eligible costs are acquisition, relocation, demolition, property holding management costs, gap financing for private acquisition and assembly.  | Land Assembly, predevelopment financing                     |
| <b>LOCAL GOVERNMENT (Potential Opportunities)</b>     |  |   |  |  |   |

## TOD Supportive Programs

### Met Council TOD Strategic Plan

| PROGRAM                       | AGENCY   | FUNDING AVAILABLE | WHO CAN APPLY? | DESCRIPTION  | USES  |
|-------------------------------|--|-------------------|----------------|--|---|
| Benefit Assessment District   | Local Government                               | N/A               | Local          | Benefit Assessment Districts assess properties in proportion to the benefit conferred by an improvement and are used to pay for local infrastructure. Provides a uniform procedure for local government agencies to finance the maintenance and operation of public systems such as drainage, flood control, and street lighting.  | Infrastructure                              |
| Development Fees              | Local government                               | N/A               | Local          | Local plan fees for approval of development projects that fund not only current planning/permitting staff, but also long-range planning staff who perform strategic land use, urban design, and less frequently, capital improvement planning related to transit corridor and station area development.  | Planning                                    |
| Development Impact Fees       | Local Government                               | N/A               | Local          | Local governments may exact fees to compensate for the projected impact that new development will have on local public infrastructure. The major drawback with impact fees is that they are pay-as-you-go and difficult to bond against.   | Infrastructure                              |
| General Obligation Bonds      | Local Government                               | N/A               | Local          | General obligation bonds are issued for municipal projects that do not generate revenue, including infrastructure up-grades. These tax-exempt bonds are backed by the full-faith-and-credit of the issuer and generally include a limited or unlimited property tax levy pledge.   | Infrastructure                              |
| Local Property Tax Levies     | Municipal                                      | N/A               | Local          | Local governments may impose taxes which can be used on community services (infrastructure, transit etc.) Residential voters also directly influence the levy rate variable by voting on which services to offer to the community, increases and/or decreases in funding for specific services or purchases, or both.  | Affordable Housing, Transit, Infrastructure |
| Revenue Bonds                 | Local Government                               | N/A               | Local          | Tax-exempt revenue bonds are issued for specific public works projects and are generally secured with revenues from the infrastructure facility. They can be used to finance utilities upgrades needed to support higher intensity development around transit.   | Infrastructure                              |
| Special Tax Districts         | Locally enacted; enabled at state-level        | N/A               | Local          | In some states, special tax districts can retroactively pay for plans related to improvements financed by the district. For example, in California, the Mello-Roos or community facilities districts established to pay for community improvements or services can also be used to pay for planning and design work directly related to the improvements being financed. | Planning                                    |
| Tax Abatement                 | Local Government                               | N/A               | Local          | Full or partial exemption from real estate taxes for a limited time period.  | Market Rate TOD                             |
| Tax Increment Financing (TIF) | Local Government/<br>Urban Renewal Authorities | N/A               | Local          | In a TIF district, projected TIF revenues are bonded against and the bond proceeds used to pay for major development initiatives or infrastructure investments that catalyze private investment and increases in property values. A TIF district is a legally defined area targeted for redevelopment.   | Infrastructure                              |

# TOD Supportive Programs

## Met Council TOD Strategic Plan

| PROGRAM                                     | AGENCY                           | FUNDING AVAILABLE   | WHO CAN APPLY?                     | DESCRIPTION  | USES                 |
|---|----------------------------------|---|------------------------------------|--|----------------------|
| <b>PUBLIC / PRIVATE (Existing Programs)</b> |                                  |   |                                    |  |                      |
| Twin Cities Community Land Bank (TCCLB)     | Twin Cities Commercial Land Bank | Various   | Non-profit and for profit partners | TCCLB is a nonprofit organization that was formed by the Family Housing Fund as a strategic tool for government, neighborhood based organizations, community development corporations, and nonprofit and for profit developers to further community-based economic development and affordable housing goals. The Fund and its public/private partners have designed and implemented this highly innovative tool to respond quickly and effectively to the challenges and opportunities of the foreclosure crisis and to further regional growth objectives linking housing, jobs, transportation, and education. | Property Acquisition |
| Small Business Grants                       | Idea Café                        | The grant program will award \$1,000.00 in cash and a total of \$1,500.00 in advertising credits to the most inspirational small business owners. | Public                             | Idea Cafe funds ground-breaking or a simple business ideas that create solutions to everyday problems. These grants will help promising entrepreneurs with the process of taking their ideas to the next level.<br><br>The Café has funded 12 grants as of February 2013.  | Start-up grants      |

# TOD Supportive Programs

## Met Council TOD Strategic Plan

| PROGRAM  | AGENCY  | FUNDING AVAILABLE | WHO CAN APPLY? | DESCRIPTION   | USES               |
|--|---|-------------------|----------------|---|--------------------|
| <b>PUBLIC / PRIVATE (Potential Opportunities)</b>        |   |                   |                |   |                    |
| Commercial Debt  | Commercial Banks/Commercial Mortgage Backed Securities/Life Insurance Companies | N/A               | Private        | The majority of financing available for private real estate development is debt from banks, commercial mortgage securities, and other privately- and publicly-owned sources. Debt requires repayment under specific terms, including interest rate and repayment schedules. Creditors are not owners but may have recourse to the financed asset should a loan fail. The available pool of commercial real estate debt has been shrinking since 2007 with the housing market turndown and collapse of mortgage-backed securities and has not yet stabilized. Debt financing is scarce and expensive.  | Market Rate TOD    |
| Equity Investment  | Private Investors/Public REITs/Pension Funds/Foreign Investors                  | N/A               | Private        | Equity investment made up about 20 percent of total capital sources for U.S. real estate in 2009. The major sources of equity are predominantly private investors, but also publicly held real estate investment trusts, pension funds and foreign investors. Equity investment is constrained given the current real estate market, with capital flow directed towards low cost existing properties rather than new construction.  | Market Rate TOD    |
| Location Efficient Mortgages                             | Lenders   | N/A               | Private        | The location-efficient mortgage concept is that underwriting should take into account the transportation cost savings available to those living near transit, and their corresponding capacity to support higher mortgage payments relative to their incomes.   | Affordable Housing |
| Structured Loan Funds                                    | Community Development Finance Institution (CDFI)                                | N/A               | Private        | Mission-driven structured acquisition funds combine debt, equity and grant investments from public entities, community development finance institutions, commercial banks seeking CRA credit and foundation program and mission-related investment to provide lower cost property acquisition financing to equitable TOD projects (affordable, workforce and mixed income housing). These funds help meet the acquisition financing gap created by the limitations of permanent affordable housing finance which are exacerbated for TOD by the higher cost and scarcity of quality opportunity sites near transit. Public subsidy investments with no return expectations occupy the critical top loss risk position for these funds and are essential to their formation.   | Affordable Housing |
| Time "tranches"  | Private Developers/Real Estate Investment Entities                              | N/A               | Private        | Time tranches are used in a product such as a mortgage-backed security that allows investors to take less risk and enter and exit at different times in the development period. It helps fund complex mixed-use projects.   | Market Rate TOD    |
| Joint Development Ventures (Public/Private Partnerships) | Public Agencies/ Transit Agencies/ Private Developers                           | N/A               | Public/Private | Joint Development Ventures (Public/Private Partnerships) are designed to secure the most suitable private and/or public sector development on owned and non-owned property that are located on and/or adjacent to transit stations and corridors. There are many different tools that facilitate public and private co-development of these types of real estate projects. These include Requests for Proposals for private development of publicly owned sites, development agreements that delineate investment, responsibilities and outcome for each participant, co-use of improvements and air rights/ground lease development whereby a property owner retains ownership of a parcel while allowing development over an extended lease period. Local and regional governments may use these to obligate private development in exchange for various public contributions, or to delineate agreements with other institutional partners engaged in real estate development. | Market Rate TOD    |

## Appendix C: Metropolitan Council Existing Policy Context for TOD

**2030 Regional Development Framework** mentions TOD briefly as an example of a policy that local jurisdictions may choose to adopt. TOD is consistently mentioned in the category of “community role” vs. “Council role”. The general Framework policies support TOD:

- Policy 1: Work with local communities to accommodate growth in a flexible, connected and efficient manner.
- Policy 2: Plan and invest in multi-modal transportation choices, based on the full range of costs and benefits, to slow the growth of congestion and serve the region’s economic needs.
- Policy 3: Encourage expanded choices in housing location and types, and improved access to jobs and opportunities.

**Thrive MSP 2040**, the update of the 2030 Regional Development Framework, goals and policies are still in development. In general, THRIVE MSP 2040 will define regional goals that may be too big for one community, but are possible as a region to achieve, and will likely identify the need to coordinate land use, urban form and infrastructure to maximize, optimize, leverage public investment and to develop livable communities.

**2030 Transportation Policy Plan** includes a chapter on Transportation and Land Use that includes policies to coordinate transportation investments with land use and strategies for

strengthening transitway corridor potential. Policy 1, Land Use and Transportation Investments, includes several strategies that support TOD:

- Strategy 1a: Transportation investments and land development along major transportation corridors will be coordinated to intensify job centers and increase transportation links between job centers and medium-to-high density residential developments to improve the jobs/housing connections, community vitality and efficiency of the transportation system.
- Strategy 1b: Transit stations and service should be catalysts for the development or growth of centers along transit corridors.
- Strategy 1c: Transportation investments and land development will be coordinated to create an environment conducive to alternative travel modes including transit, pedestrian and bicycle travel.

**The Regional Transitway Guidelines** note that local communities along transitways are strongly encouraged to complete station area land use plans that reflect best practices in transit-oriented development planning and design”. Throughout the Guidelines, it references the Guide for Transit-Oriented Development.

**Guide for Transit-Oriented Development** highlights key ideas about TOD and offers local examples. All best practices and principles highlighted in the guide are identified as advisory only and not part of requirements of the Metropolitan Land Planning Act.

## Appendix D: Other TOD Policy Examples

### MTC – San Francisco Bay Area

[http://www.mtc.ca.gov/planning/smart\\_growth/tod/TOD\\_policy.pdf](http://www.mtc.ca.gov/planning/smart_growth/tod/TOD_policy.pdf)

#### Purpose

The San Francisco Bay Area — widely recognized for its beauty and innovation — is projected to grow by almost two million people and one and a half million jobs by 2030. This presents a daunting challenge to the sustainability and the quality of life in the region. Where and how we accommodate this future growth, in particular where people live and work, will help determine how effectively the transportation system can handle this growth.

The more people who live, work and study in close proximity to public transit stations and corridors, the more likely they are to use the transit systems, and more transit riders means fewer vehicles competing for valuable road space. The policy also provides support for a growing market demand for more vibrant, walkable and transit convenient lifestyles by stimulating the construction of at least 42,000 new housing units along the region's major new transit corridors and will help to contribute to a forecasted 59% increase in transit ridership by the year 2030.

This TOD policy addresses multiple goals: improving the cost-effectiveness of regional investments in new transit expansions, easing the Bay Area's chronic housing shortage, creating vibrant new communities, and helping preserve regional open space. The policy ensures that transportation agencies, local jurisdictions, members of the public and the private sector work together to create development patterns that are more supportive of transit.

There are three key elements of the regional TOD policy:

- (a) Corridor-level thresholds to quantify appropriate minimum levels of development around transit stations along new corridors;
- (b) Local station area plans that address future land use changes, station access needs, circulation improvements, pedestrian-friendly design, and other key features in a transit-oriented development; and
- (c) Corridor working groups that bring together CMAs, city and county planning staff, transit agencies, and other key stakeholders to define expectations, timelines, roles and responsibilities for key stages of the transit project development process.

## **RTD – Denver, Colorado**

<http://www.rtd-fastracks.com/media/uploads/main/TODStrategicPlanR.pdf>

### **Definition Of TOD**

While TOD can have many physical forms, it generally includes the following design principles:

- More compact and dense development within a 10-minute walk or ½ mile distance around transit facilities compared to existing development patterns in the same area;
- A mix of uses—either horizontal or vertical—usually including residential, retail, and office employment;
- High-quality, pedestrian-oriented urban design and streetscapes.

By focusing compact development around transit stations, TOD capitalizes on the value of public infrastructure investments and promotes sustainability. These development synergies promote increased transit ridership and an integrated station environment with more passenger amenities. In addition to increased ridership and more passenger amenities, TOD is also a successful tool for promoting local economic development, helping communities plan for sustainable growth, and increasing the overall quality of life in a region.

### **TOD Vision**

RTD's vision for TOD is to encourage compact, mixed-use, pedestrian-oriented, high-quality development at and around transit stations consistent with federal requirements, regional goals, and community objectives—including sustainable growth—in partnership with stakeholders while operating an attractive, comfortable, and convenient transit system for the residents of the district.

Since there is no one-size-fits-all approach to TOD, RTD has identified four key goals to best achieve success:

1. Promoting multi-sector, cross-jurisdictional partnerships;
2. Encouraging livable communities and sustainable development that support the transit system;
3. Ensuring a hierarchy of multimodal access; and
4. Protecting and enhancing RTD's transit assets.

## **TriMet – Portland, Oregon**

### **Strategic Direction:**

"Integrate transportation and land use goals"

TriMet owns a variety of real estate including park-and-ride lots, commercial parking lots, transit centers, operating facilities, construction staging sites, right-of-way and undeveloped parcels. These properties may provide opportunities to promote transit-oriented development (TOD).

### **Transit-Oriented Development Policy:**

TriMet will use its real estate to maximize opportunities for transit-oriented development.

The policy is meant to complement the other activities TriMet undertakes to shape land-use including:

- Planning and provision of transit services,
- Advocacy for land use policy and codes that support transit investments,
- Participation in specific development proposals and studies to support transit use.

## Sound Transit, Seattle, Washington

<http://www.soundtransit.org/x7147.xml>

### Purpose

The Transit-Oriented Development (TOD) Policy establishes a framework in which Sound Transit will evaluate, facilitate and implement TOD strategies as the agency plans, designs, builds and operates the regional transit system, through cooperation and partnerships with public and private entities, as allowed by applicable laws, regulations, plans and policies.

TOD is a land development pattern that integrates transit and land use by promoting transit ridership while supporting community land use and development visions. TOD strategies focus urban growth around transit facilities and leverage transit investments to help produce regional and local benefits, such as increases in transit ridership, development of walkable communities, improved access to jobs and economic opportunities, and reduced household driving and thus lowered regional congestion, air pollution and greenhouse gas emissions.

Sound Transit's primary responsibility is to complete and expand the high-capacity transit system to deliver transit service that connects the region's urban centers, which is a key step toward meeting local and regional land use goals. The basis for Sound Transit's involvement in TOD is informed by the agency's enabling legislation (RCW 81.104 and 81.112). Pursuant to the legislation, Sound Transit is authorized to plan, design, build and operate the regional transit system and to use its tax revenues for transit purposes. The legislation also guides Sound Transit to work with public and private interests to facilitate TOD. For example, Sound Transit is guided to work with local jurisdictions to set forth conditions for assuring land uses compatible with development of high-capacity transportation systems, such as providing for sufficient land use densities through local actions in high-capacity transit corridors and near passenger stations, preserving transit rights-of-way, and protecting the region's environmental quality. Additionally, the legislation guides the agency, in cooperation with public and private interests, to promote transit-compatible land uses and development, which includes joint development.

This policy provides guidance on the goals, strategies and tools that Sound Transit may use to evaluate, facilitate and implement TOD as it delivers the regional transit system.

## **City of Edmonton, Canada**

The City of Edmonton, through its planning, decision making processes and leadership, supports transit and land use integration. This optimizes the use of public transportation, increases mobility choices of Edmontonians and creates vibrant and diverse neighbourhoods to support a sustainable transit system and concentrate Edmonton's future urban form.

The City supports Transit Oriented Development that:

1. Establishes land uses around LRT stations and transit centres to reflect the characteristics of surrounding areas and each station or centre's role in the network.
2. Focuses medium and higher density residential, retail and employment growth around LRT stations and transit centres to support City investment in transportation infrastructure.
3. Creates a safe, direct and convenient circulation system for all modes of transportation, with an emphasis on public transit, pedestrians and bicycles that connects people and places.
4. Grows through collaboration, cooperation, partnerships, public information and education programs.
5. Increases transit ridership and reduces the number of automobile kilometers driven.

To encourage Transit Oriented Development, the City of Edmonton will:

- Enact bylaws, procedures, directives, processes, programs and guidelines.
- Promote, collaborate, cooperate and partner.
- Communicate land use and infrastructure expectations.
- Prepare Station Area Plans.

## **Appendix E: Summary of Think Tank 1 and 2**

# TOD Strategic Action Plan - Think Tank #1 “Top 10 List”

September 18, 2012

## Introduction

On September 10<sup>th</sup> and 11<sup>th</sup>, a group of Metropolitan Council Members and staff met with the team of consultants from PB Placemaking and CTOD to discuss the Council’s role in TOD. (See Appendix 1 for a full list of participants). The purpose of this Think Tank, the first of three, was to establish a “baseline” for TOD in our region. Among other topics, participants discussed opportunities and challenges for the Council in TOD, best practices from other regions, and the results of interviews by local partners. (See Appendix 2 for the detailed agenda.)

Throughout the two-day Think Tank the participants identified a wealth of ideas, challenges, opportunities, and best practices related to TOD. The following ten points seek to capture the bulk of the discussions and the general consensus of the participants.

## The Top 10 List

- 1. The following definition of “High Quality TOD for the Twin Cities Region” begins to capture the Council’s point of view, though some tweaks may be necessary:**

*A moderate to higher density neighborhood located within easy walking distance of a major transit stop that typically contains a mix of uses such as housing, jobs, restaurants, shops, and entertainment. These neighborhoods enable people of all ages, backgrounds, and incomes abundant transportation choices and the opportunity to live convenient, affordable and active lives.*

- 2. The current trend will not enable our region to achieve “high quality TOD” as defined above.** If we— as a region and an organization— don’t do better, the following will occur:
  - TOD of modest density, with too much parking and poor balance of uses (not enough employment and affordable housing)
  - Development projects that are adjacent to transit, but are not oriented to it (example cited: United Health Group station on Southwest).
  - Council resources will be spread too thin to have real impact.
- 3. The region currently has a unique opportunity to “move the needle” on TOD due to a confluence of many factors, including new transit projects, supportive leadership and initiatives like Corridors of Opportunity and LCA TOD.**
- 4. Because of the troubling trend (described in #2) and the unique opportunity (described in #3), the consensus was that the Council should increase its involvement in TOD.** However, the specifics of this involvement remain to be determined.

5. **Although the specifics still need to be determined, the Council’s increased involvement in TOD should be guided by the following principles:**
  - a. Moving from planning to implementation
  - b. Becoming more proactive
  - c. Partnering with local governments and other stakeholders
  - d. Being more strategic/targeted in the face of potentially shrinking resources
  - e. Making changes that will survive political cycles and leadership changes
  - f. Becoming better coordinated externally and internally
  - g. Exerting stronger regional leadership
  - h. Leveraging our investments for more impact (“efficient and economical growth”)
  
6. **One way— among many— that the Council could have a stronger impact on TOD is through better policies.** Clearer, stronger and more definitive policies would enable the Council to do the following:
  - a. Establish clearer expectations of TOD success among our partners, especially cities and developers
  - b. Drive internal organizational directions and decisions
  - c. Influence development through local comprehensive plans
  - d. Achieve the Council’s 3 goals: affordable housing for all, a thriving transit system, and economic development
  
7. **In addition to its policy role, the Council is in a unique position to convene and lead the region on TOD.** Among other roles, the Council’s external partners would like the Council to do the following:
  - a. Set the regional vision. Name a simple 1-sentence goal that can be a rallying cry.
  - b. Bring together partners to align policies and programs around the vision.
  - c. Release an annual report on the state of TOD
  
8. **The Council could also have a stronger impact on TOD through smarter investments.**
  - a. When considering grants and other infrastructure investments, prioritize areas. The common analogy was that we need to “spread the peanut butter widely but also place dollops of jelly on the best areas for investment.”
  - b. One size does not fit all (in terms of our TOD approach). We must distinguish investment areas based on many factors, such as:
    - i. Mode
    - ii. Appropriate use
    - iii. Stage of transitway development – before, during and after construction
  - c. Align Council resources to achieve TOD goals. For example, use TAB funds for TOD. Also, align parks funding.
  
9. **Also, the Council has an opportunity to shift its focus in TOD from planning to implementation, although the specific ways it does this need to be determined and vetted.** The opinions of

external partners and internal staff/Council Members ranged broadly; some are supportive of a bolder approach to implementation while others feel some of these strategies go too far:

- a. Create a more strategic acquisition strategy that includes TOD goals in addition to transit goals.
- b. Analyze existing Met Council land holdings and create a strategy to use them for TOD.
- c. Partner with a nonprofit that banks land for TOD
- d. Explore shifting from using general grant requirements to partnering with cities on specific RFPs for TOD projects.
- e. Hire staff with real estate expertise to coordinate internally and externally on specific projects.
- f. Assign staff to provide technical assistance to cities.
- g. Create a cross-functional TOD team that brings together staff from all divisions to strategically focus their work on TOD.
- h. Create and identify new financing tools for cities and developers to use in TOD

**10. Council staff should take on some quick wins to demonstrate success and explore possible roles in TOD.** In closing, Pat Born asked the participants to consider what activities the Council staff could begin immediately (before the TOD Strategic Action Plan is completed). These “quick wins” won’t be a sufficient or comprehensive set of actions, but they will enable the Council to keep moving forward on TOD and explore promising roles.

### **Next Steps**

The consultants and staff team will take the input and lessons from Think Tank #1 and use it to inform the content for Think Tank #2, which will be held in February. The purpose of Think Tank #2 will be to weigh some defined options for roles of the Council in TOD. Because of the importance of partnership and collaboration, this Think Tank will include the participation of Council partners, including local government, developers and others.

In the meantime (between now and February), Pat Born would like the various departments engaged in this effort to identify some quick wins that they can undertake immediately (as described in #10 above).

Also, in October or November, Pat Born or a member of the staff team will make an informational presentation to the full Council at a regular Metropolitan Council meeting about this effort. The purpose of this presentation will be to inform all members of the Council about the purpose and status of this project (since only a handful of Council Members could attend the Think Tank and previously the project has only been discussed within committees). This report will also identify ways that the Council’s work may be influenced or changed by the effort.

## Appendix 1: Think Tank #1 Participants

The following people participated in one or more sessions of the Think Tank.

### Community Development

- Lisa Barajas
- Paul Burns
- Baris Gumus-Dawes
- Katie Hatt
- Kristen Mason
- Guy Peterson
- Beth Reetz
- Nora Riemenschneider
- Mark Vander Schaaf

### Consultant Team

- GB Arrington
- Catherine Cox Blair
- Kimi Iboshi Sloop
- Chris Yake

### Council Members

- Jim Brimeyer
- Jon Commers
- Adam Duininck
- Steve Elkins
- Jennifer Munt

### Metro Transit

- Robin Caufman
- Mark Fuhrmann
- Sarah Ghandour
- Catherine Hansen
- Adam Harrington
- Kim Koempel
- Ryan Kronzer
- Craig Lamothe
- John Levin
- Marilyn Porter
- Chris Weyer

### MTS

- Connie Kozlak
- Karen Lyons
- Arlene McCarthy

Project Management & Executive Leadership

- Allison Bell
- Pat Born
- Don Mueting
- Meredith Salsbery
- Judd Schetnan

## Appendix 2: Think Tank #1 Agenda

### *TOD Think Tank 1:*

### *Establishing a Baseline for High Quality TOD in the Twin Cities*

TOD Think Tank 1 is an interactive workshop organized around assessing the ‘TOD baseline’ for the Twin Cities. Think Tank 2, which will be held in January 2013, will present and evaluate a spectrum of roles for the Met Council in TOD. These first two Think Tanks lead up to Think Tank 3 in April 2013, where a preferred role will be refined and vetted leading to a TOD Strategic Plan. One way to start to gauge the role the Met Council might play in TOD is by understanding the expected outcomes from various public, philanthropic and private players relative to what you aspire to do with TOD. What gap needs to be filled? The operating question for Think Tank 1 is: “if Twin Cities keeps doing what you are doing with TOD what are you likely to get?”

The following working definition for High Quality TOD will serve as a starting point for measuring performance:

*TOD for the Twin Cities* = A moderate to higher density neighborhood located within easy walking distance of a major transit stop that typically contains a mix of uses such as housing, jobs, restaurants, shops, and entertainment. These neighborhoods provide people of all ages, backgrounds, and incomes abundant transportation choices and the opportunity to live convenient, affordable and active lives.

#### **Location of all sessions:**

Conference Room A  
Southwest Light Rail Transit Project  
6465 Wayzata Boulevard, Suite 500  
St. Louis Park, MN 55426

#### **Refreshments and Logistics:**

Coffee, boxed lunches and snacks will be provided to the participants both days. There will also be work stations (including computers) that participants can use to check email and make phone calls as needed throughout the 2-day period. Private conference rooms can also be arranged for meetings or calls, as needed (if so, please contact Allison Bell [Allison.bell@metc.state.mn.us](mailto:Allison.bell@metc.state.mn.us))

#### **Monday, September 10**

- 8:30 – Kick-off – *Allison Bell*
  - Self-introductions
  - Charge to the group
  - Overview of schedule & expected outcomes from the project
- 9:00 – High Quality TOD for the Twin Cities – *Consultant Team*
  - Presentation: Parsing the working definition piece-by-piece

- Discussion
- 10:30 – National TOD State of the Practice: What are your peers doing and how do you compare? – *Consultant Team*
  - Presentation: Lessons learned from the field
  - Discussion
- 12:00 – Working Lunch – **Led by Pat Born**
  - What does TOD success look like?
- 1:00 – Twin Cities TOD State of the Practice 1 (focus on non-Met Council players) – *Consultant Team*
  - Presentation: Input from external stakeholders
  - Discussion
- 2:30 – Facilitated small group discussions – TOD and achieving the Council’s organizational priorities – *Consultant Team*
  - Group 1: Create a **financially sustainable 21st century transportation system**
  - **Group 2: Promote housing opportunities** that meet the diverse and changing needs of all
  - **Group 3: Leverage investments** that drive **regional economic** development.
- 3:30 – Small group report back
- [Technical Advisory Group Debrief]

## Tuesday, September 11

- 8:30 – Review of first session – *Consultant Team*
  - Self-introductions
  - Snapshot of day 1
  - Discussion
- 9:30 – Twin Cities TOD State of the Practice 2 (focus on the Met Council ) – *Consultant Team*
  - Presentation: Met Council TOD Strengths & Weaknesses
  - Discussion
- 10:30 – Where will your TOD trend take the Twin Cities? – *Consultant Team*
  - Facilitated large group discussion
- Noon – Working Lunch - Revisions (if any) to High Quality TOD Definition
- 1:00 – Facilitated small group discussions: Framing Potential TOD Roles for the Met Council to enable the region to realize high quality TOD
  - Develop ‘crash test dummies’ (each group will address: increasing effectiveness of what we do now; logical extension of current role; new expansive role for the Met Council)
- 2:30 – a Small group report back
  - Facilitated large group discussion
- 3:30 Closing remarks – **Pat Born**
  - Implications for Think Tank 2
  - Next steps
- [Technical Advisory Group Debrief]

## Think Tank 2

### Summary of Key Elements of the Think Tank 2 Discussions

- 1. Be brave in creating successful TOD in the region.** While the existing role of the Metropolitan Council is appreciated, the notion that more is needed came through loud and strong. The regional partners are not looking for more regulation or “big brother” oversight. They want regional leadership through partnerships, programmatic consistency, and resources to move the market beyond where it naturally would go.
- 2. Develop a TOD Policy.** Throughout the discussions, there was a consistent theme that direction for the Metropolitan Council’s role in TOD needs to come from the Council. Having this policy direction will help give staff at the local and regional government levels the authority to prioritize TOD within other programs. The policy must be specific in desired outcomes, yet flexible enough to meet differing needs in order to guide successful TOD. It must also reference a common TOD definition so that everyone is speaking the same language. There was agreement that the definition presented was a fine place to start, but it is necessarily generic and will mean different things to different people based on their perspective and experience with TOD.
- 3. Align principles and priorities with the TOD policy.** Principles and priorities need to follow the development of the policy in order to provide certainty about how resources will be allocated in the region. The programs and resources, both internal to the Metropolitan Council and external with the partners, should be aligned with the policies and priorities. Currently, the programs and resources do not flow from clearly defined priorities, which make it difficult for Metropolitan Council staff to stand behind their decisions and for the regional partners to know how their projects will be received.
- 4. Play a more proactive role.** There is strong support from partner agencies for the Metropolitan Council to play a more proactive role in Regional TOD by working with partners to fill the needs of the region. The needs of all the communities in the region are not the same, and the Metropolitan Council must take care not to treat all communities the same. A key part of this will be providing more resources with TOD expertise to address specific needs.
- 5. Focus on implementation, yet continue to plan for TOD.** The concept of moving the region to the next phase of TOD implementation was well received. The different needs of TOD in the three transit stages (pre-construction/design, construction/design, and post construction) was recognized and understood that the role of the Metropolitan Council will likely be different in each stage to address the differing needs.
- 6. Be a regional leader by providing TOD expertise.** The need for a forum to share information was mentioned. This includes developing a robust program for TOD education, advocacy, communications and resource management that supports the policy and provides a data base to be used by all partners to strengthen TOD in the region. Ideally, this could include development support staff with real estate and TOD delivery expertise to support the TOD implementation efforts.
- 7. Build strong partnerships.** The need for partnerships between the Metropolitan Council and its partner agencies in the region as well as partnerships between the Metropolitan Council departments was mentioned several times. Partnerships are needed to pool resources, share expertise, and communicate a shared vision. Internal partnerships can enhance communication to prevent potential conflicts between the engineering elements of designing transit and the land use elements of TOD, such as station accessibility. The purpose of the partnerships is to lead and monitor TOD activities on a regional level. Creating a working group, a TOD Implementation Group, was discussed to improve coordination and partnerships internally.

8. **Be nimble and flexible.** Any policy, program or resources needs to be nimble and flexible in its execution to respond to the differing geographic and market needs of stations and corridors. One size does not fit all. Creating a TOD Implementation Group at the Metropolitan Council staff level that meets regularly will help provide flexibility. The ability to be nimble and flexible referred to the ability to make decisions quickly in response to developer needs. It did not imply that the principles and priorities should change in response to the needs. Rather, the need for certainty and clarity in the priorities, and the application of the priorities, is just as important as being nimble and flexible.