

# LELAND CONSULTING GROUP RT - GETTING READY FOR TOD

Regional Transit  
Sacramento Regional Transit District  
**TOD Conference**

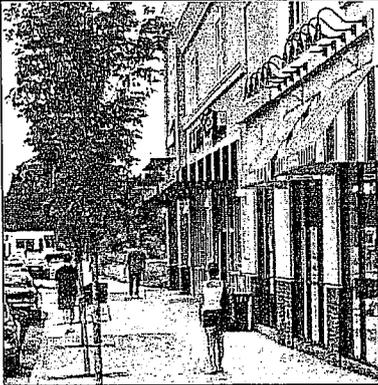
## Getting Ready for TOD

30 September 2004



### What are TODs

- Projects or places contributing to or benefiting from transit ridership
- Can form transit villages
- Can form or support centers or may strengthen a downtown
- May contain districts or sectors
- All TODs are not created equal



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## RT - GETTING READY FOR TOD

### Focus of Today's Presentation

- Explore **challenges** of developing TOD
- Explore challenges of communities **"getting ready"** for those opportunities, many of which have little or no experience with TOD
- Understand market realities and barriers—opportunities and constraints
- Examine principles applicable to all transit-related projects that can help communities and the private sector **"get ready"**

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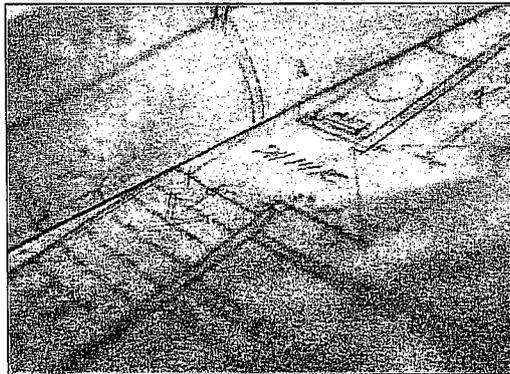
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### Moving Plans to Projects

- Why don't more of our plans get built?
- What are we doing wrong?

OR

- What aren't we doing right?
- What are we missing?



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## Transit-oriented Development

*Most TODs are some form of public-private partnership*

*The public is involved and therefore ...*



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## Expectations—Public-Private Partnerships

- What the Public Sector Seeks from the Private Developer:
  - Developers who know Mixed-use and Place Making
    - Know the public scrutiny and won't back out
    - Understand public process
    - Have experience in the type of project desired
    - Successful track record
  - Developers Who are Financially Strong
    - Equity or an equity source in place
    - Debt sources as well

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## Expectations—Public-Private Partnerships

- What the Developer Seeks from the Public Sector:
  - Strong Political Will
    - Stable City Council/Planning Commission
    - Community Support
    - Community and Business Alignment
    - Favorable (or at least neutral) media
  - Public Financial Means
    - Urban Renewal
    - Bonding Capacity
    - Land Control
    - Other Needed Incentives and Mechanisms

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## How Do We Get Ready?

*"You have to be very careful if you don't know where you're going because you might not get there"*

Yogi Berra



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## How Do We Get Ready?

- We see pictures of TODs and therefore have expectations
  - Frequently, too much early emphasis on end product—not enough on how to get there ...
- What can we really achieve?
  - How does a community get ready to create a successful TOD and an authentic place?



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## How Do We Get Ready?

- How do we make it happen?
  - Getting ready can take from one to three years ...
  - Implementation should begin on Day #1
  - Political commitment and financial capability must precede physical planning
- Make sure transit planning supports development



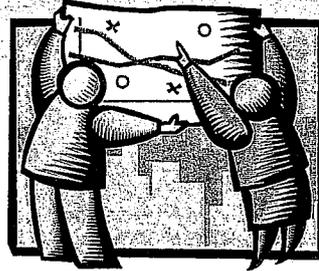
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## Getting Ready—How?

- Create and follow an over-arching strategy
- Who will be the guardian of the strategy?
- Gravity drives us to the details
- Follow universal principles that apply to urban, suburban, and rural scenarios



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## Don't Let Planning for TOD be an Incomplete Thought

- Do not plan for TOD alone
- Understand the larger community context
- How does TOD support the larger community?
- TOD must integrate with other principles:
  - Smart Growth
  - Public-private partnering
  - Mixed-use development
  - Centers evolution
  - Place Making
  - Market strategies
- Take time to **“Get Ready”**

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## Have a Strategy for TOD

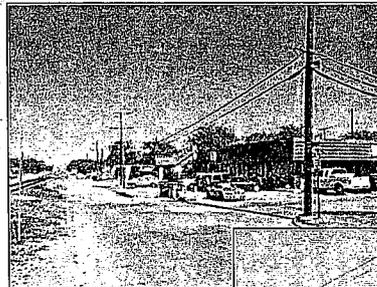
- “Get Ready” well in advance of actual project(s)
- Establish leadership early
- Understand and apply proven principles



## Let's Explore Ways to Get Ready

### Remove or Mitigate Barriers in Advance

- Market
- Physical
- Financial
- Regulatory
- Political



*Before*

*Plano, Texas*



*After*

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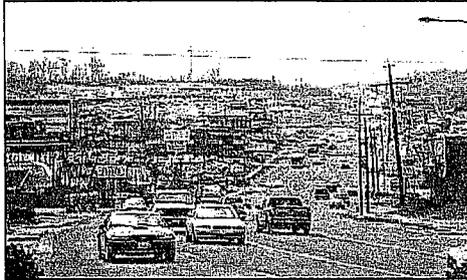
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### Market Barriers

- Regional and local economic conditions
- Is market demand real?
- Lack of precedent for project components
- Introducing density to community
- Overcoming fears of pioneering
- Weak visual exposure
- Lack of critical mass

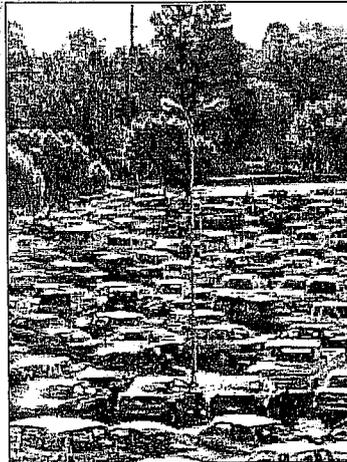


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### Physical Barriers

- Transit design not development oriented
  - Site separated from community
  - Park and ride between station area and TOD
  - Poor pedestrian environment
  - Lack of good vehicular connection
  - Lack of public realm elements
- Incompatible land uses
- Inadequate site size / shape



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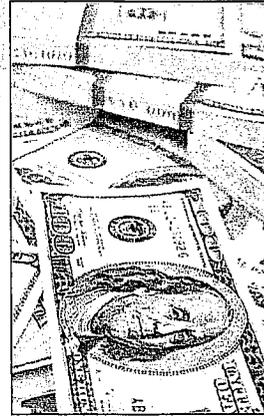
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### Financial Barriers

- Inadequate public funds for planning, property acquisition, programs, and start up
- High development costs in relation to revenues
- Off- and on-site infrastructure costs
- Perceived risks inhibiting private investment
- Absorbing land and tear-down costs

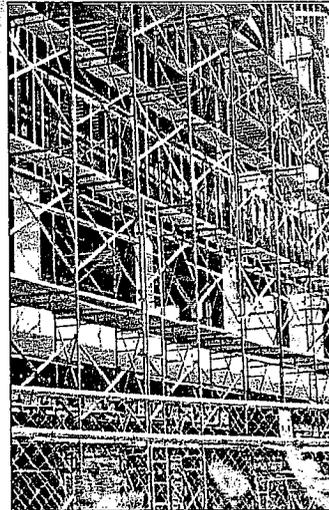


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### Regulatory Barriers

- Inappropriate codes and zoning
- Restrictive heights, uses, stacking, etc.
- Inflexible code administrators—regulatory overkill
- Overly prescriptive design standards
- Onerous permitting process – time is money!



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## Political Barriers

- Not enough communication
  - Not understanding the nature of political resistance
  - Internal consensus building is frequently incomplete
  - Partnerships don't exist or are weak (public/public)
  - Private sector and media support is underdeveloped



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## Political Barriers

- Lack of TOD experience
- Intellectual / emotional ownership lacking with decision makers
- Capital requirements not fully understood early
- Lack of true champions
- An Implementation strategy is missing



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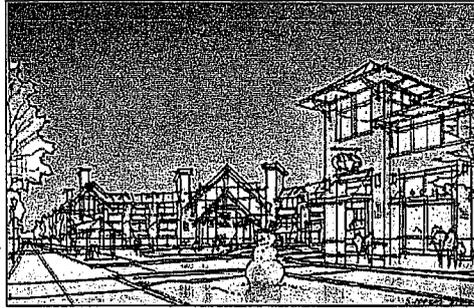
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## Critical Concern—Incomplete Information

- Underfunding TOD, or premature focus on images and transplants
  - Pictures do not tell us the risks
  - Pictures do not tell us how
  - Pictures do not tell us the costs
- Follow proven principles ...



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## Ignite Leadership

- Leadership – single biggest issue – public and private
- Need for political support and consistency
- Designate a civic champion
- Designate the governmental implementation team
- Provide political cover for staff
- Access public capital at state / regional / local levels



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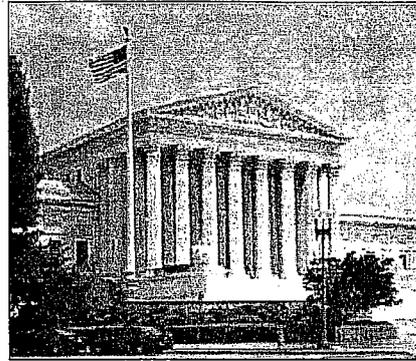


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## It's All About People

The most important ingredient is people—  
Put the “human infrastructure” into place:

- Decision makers
- Public partnerships
- Championing TOD projects
- Willing investors

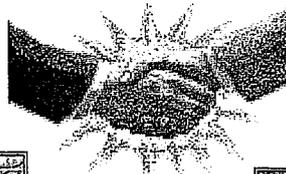


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## Nurture Public Partnerships

- Build public partnerships for implementation
  - Local, Regional, State, and Federal
- Many small projects add up
- Private investment follows public commitment



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### Share Responsibilities for Transit Villages

TOD Development Principles	Responsibility		
	Public	Private	Joint
Maximize pedestrian access	•		
Promote development densities			•
Define areas where development will be concentrated			•
Develop a strong commercial core		•	
Plan and manage parking effectively			•
Promote commercial land use intensities	•		
Promote residential development near transit/shopping	•		
Promote and provide incentives for infill	•		
Provide residential units above grade level retail			•
Provide an adequate amount of retail		•	
Establish a wide range of land use activities			•
Encourage a mix of different housing types			•

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### Make a Complete Plan

- More than just a physical plan with visual representations
- Holistic, comprehensive, complete
  - Physical
  - Financial / Economic
  - Social / Cultural
  - Marketing
  - Operational
  - Educational
- More than just a real estate deal—it's community building
- Captivate the hearts and minds of the people who will make it happen

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## Many Projects

- A complete plan moves many projects forward together
- Don't wait for just one developer
- Many small projects add up
- Make opportunities for local developers: "bite-size pieces"
- Maximize return on public investment through leverage



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## Market Driven, Not Transit Driven

### Think Development When Thinking Transit

- Development must be viable without transit
- Developers make market, not transit decisions
- Investment is enhanced by proximity to transit
- Private development by private developers
- Agencies stay attuned to the private sector



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## Understand Development Risk

- Public staff should become educated about private sector investment risk
  - Market, capital and operation risks
  - Rents available (market) vs. land cost tend to drive project feasibility
  - Risk is determined by project type, experience, and local conditions
  - Financing is frequently recourse—the developer is personally at risk

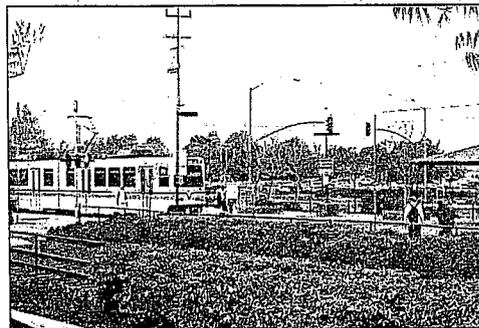


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## Respect Evolution

- Change takes time—allow for evolution
- New uses will be introduced
- Progress may be choppy
- Older uses may remain
- Retain the best of history
- Insist on quality
- Build communities, not projects



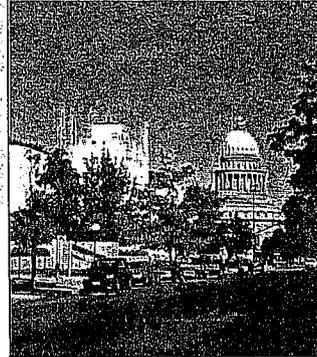
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## Supportive Government

- Mitigate barriers
- Provide support for achieving standards – consultation, code interpretation, and assistance
- Review practices and identify and change policies
- Set clear goals
- Understand and use financial tools
- Be open for business – act like a partner



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## Choose Your Private Partners Wisely

- RFQ, not RFP—avoid beauty contests
- Partner with experience and capability
- Plan together and negotiate the best TOD solution
- Early one-on-one interviews with elected officials: get candid insight and support
- Program first, determine financing, then draw

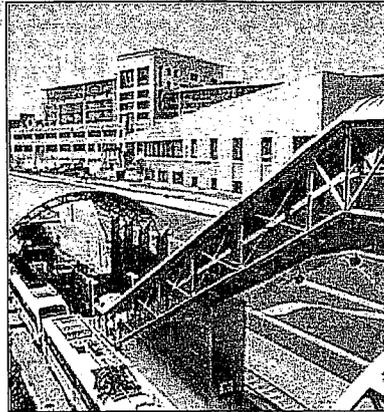
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## How Things Get Done

- Public sector cannot do it alone
- Public-public partnerships create climate for development
- Public-private partnerships build great places
- Private investment follows public commitment
- Public realm establishes the opportunity for development excellence



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## Getting Ready—Learn from Others

- Look to other communities that have already implemented TOD
- Learn from success and mistakes
- Resources
  - Case studies
  - Lessons learned
  - Myths revealed
  - Professional organizations (ULI, APA)



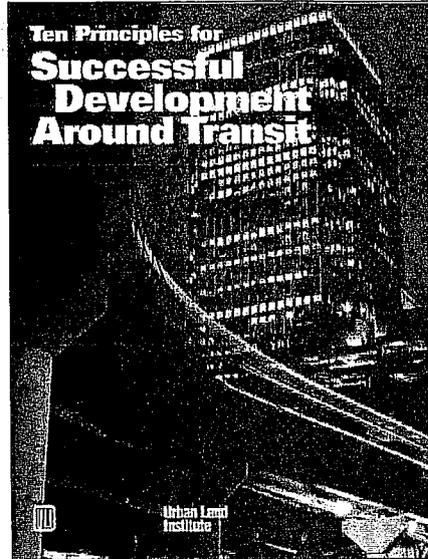
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Apply Proven Principles

Ten Principles for  
Successful  
Development  
Around Transit  
*Urban Land Institute*

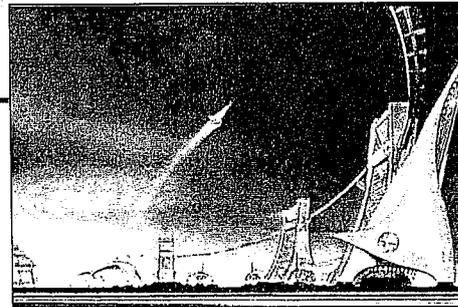


[www.uli.org](http://www.uli.org)

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Get ready for TOD! Our congratulations  
in advance! And remember ...



*"The future ain't what it  
used to be"* Yogi Berra



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Real Estate Strategists • Rebuilding America's Urban Places  
Portland • Denver

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## Sacramento Light Rail Stations

- |   |   |
|---|---|
| ▪ <b>Northeast Line</b><br>Watt/I-80<br>Watt/I-80 West<br>Roseville Road<br>Marconi/Arcade<br><b>Swanston</b> | ▪ <b>South Line (Phase 1)</b><br>4th Avenue/Wayne<br>Hultgren<br>College<br>Fruitridge<br>47th Avenue |
| ☐ <b>Royal Oaks</b>   | ☐ <b>Florin</b>   |
| ☐ Arden/Del Paso  | ☐ <b>Meadowview</b>   |
| ☐ <b>Globe</b>  |   |



*Swanston Station*

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## Sacramento Light Rail Stations

- **Folsom Line**
  - 39th Street
  - 48th Street
  - 59th Street
- **University/65th**
- **Power Inn**
  - College Green
  - Watt/Manlove
  - Starfire
  - Tiber
- **Butterfield**
  - Mather Filed/Mills
  - Zinfandel
  - Cordova Town Center
  - Sunrise
- **Downtown Stations**
  - Alkali Flat/La Valentina
  - 12th & I
  - St Rose of Lima
  - Cathedral Square
  - 7th & Capitol
  - 8th & Capitol
  - 8th & O
  - Archives Plaza
  - 13th Street
  - 16th Street
  - 23rd Street
  - 29th Street

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