

UQAM ▪ January 28, 2016  
“La Journée de Réflexion”

Getting it right:

# The pillars of TOD

(2 plus 1)

Christopher Zimmerman

Vice President for Economic Development



**Smart Growth America**

Making Neighborhoods Great Together

# Who is Smart Growth America?

Smart Growth America is a national non-profit organization dedicated to researching, advocating for, and leading coalitions to bring smart growth practices to more communities nationwide.



- **SGA Leadership Institute**
- **Local Leaders Council**
- **LOCUS developers**



# What is "smart growth?"

- Smart growth is a better way to build and maintain our towns and cities.
- Smart growth means building urban, suburban and rural communities with housing and transportation choices near jobs, shops and schools.
- This approach supports local economies and protects the environment.



# Ladders of Opportunity

REVITALIZE • CONNECT • WORK

## Economic opportunity through transit-oriented development

FTA is providing technical assistance and resources to help communities grow their economies, advance equity, and improve quality of life for everyone.

Transportation plays a critical role in connecting Americans and communities.

*"Transit-oriented development is critical to both the success of new transit projects and to the economy of the local communities they serve. What's particularly great about TOD is that it encourages people to use transit to reach jobs, education, medical care, housing and the other vital services they need."*



## On-site technical assistance workshops

The request period for the first round of technical assistance workshops is now closed. To stay updated for the next round, join our mailing list.

Thanks to all who applied. Awardees will be announced by February 19.

To learn more about this assistance and application process, watch the informational webinar recorded on December 10, 2015.

[Watch the webinar](#)

## Peer network and TOD database to launch in 2016

Coming soon! In early 2016, we will feature resources and training on public transportation, transit-oriented development, land use, urban planning, affordable housing, and community-based economic development.

We will also launch our TOD peer network. Elected and appointed officials interested in TOD are invited to join to share their successes, learn new ideas from other cities, get support and mentoring on policy or program implementation, find out about funding and training opportunities, and access on-demand research, analyses, and micro-assistance.

Get alerted when the full site launches:

[Join our mailing list](#)



U.S. Department of Transportation  
Federal Transit Administration



Smart Growth America  
Making Neighborhoods Great Together

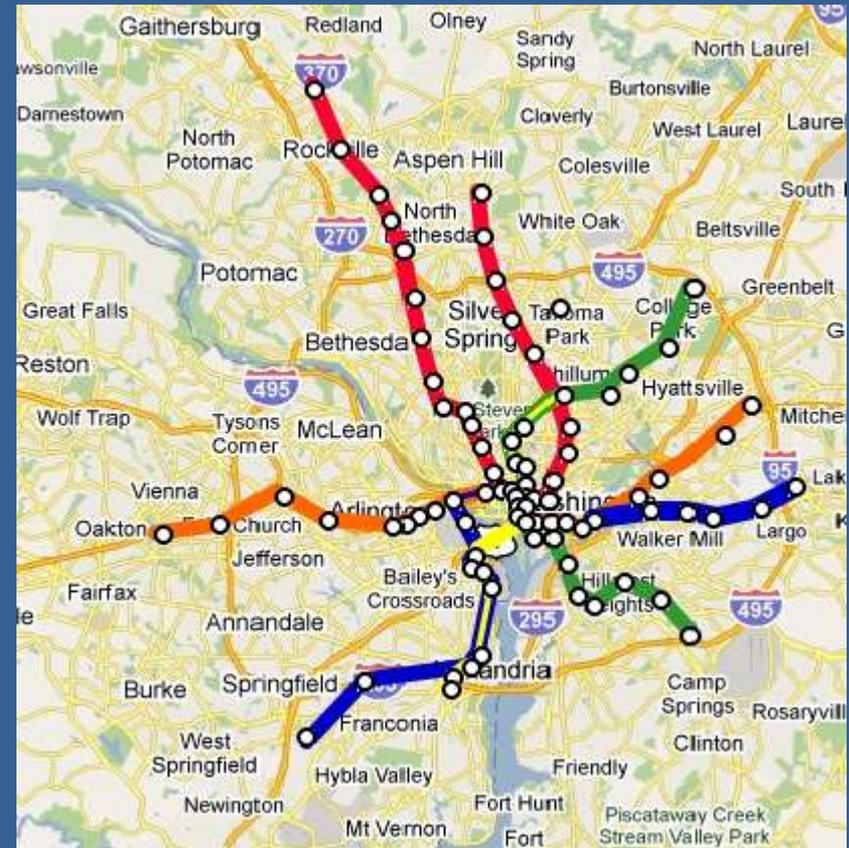
TOD is hot.

and getting hotter.

# Washington since the bust

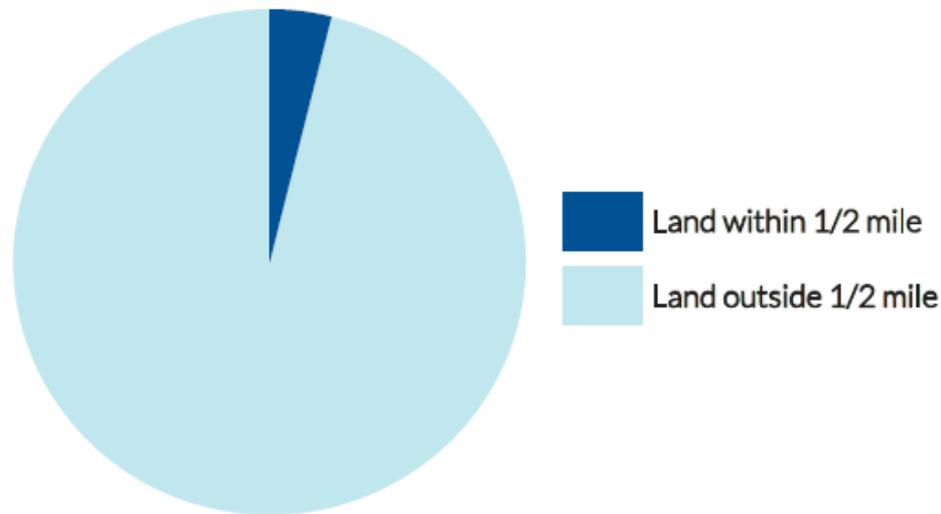
“Of the 5.5 million square feet of office space under construction in the region, about 4.6 million of it, or 84 percent isn’t just near a Metro station but *within a quarter mile of one*, according to data from Jones Lang LaSalle, CoStar Group and Delta Associates.”

- Washington Post, Oct. 13, 2013



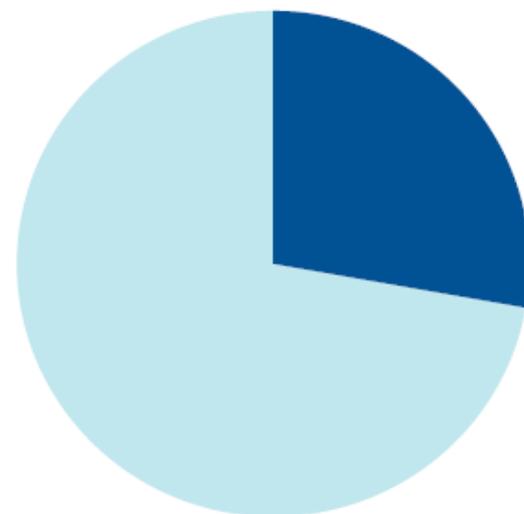
# Contribution to tax base

Share of land within 1/2 mile of Metrorail stations



**4 % of land area**

Share of property tax revenue from land within 1/2 mile of Metrorail stations



**28 % of tax base**

# Around the country, too

**azcentral** THE ARIZONA REPUBLIC  
A GANNETT COMPANY

LOCAL SPORTS THINGS TO DO BUSINESS TRAVEL POLITICS OPINION 75° USA TODAY VIDEO JOBS CARS HOMES MOR

## State Farm exec: Transit helped Tempe get \$600M hub

 **Parker Leavitt**, The Republic | azcentral.com 9:55 a.m. MST February 20, 2015

 **291** **83** **1** **8** **EMAIL** **MORE**

CONNECT TWEET LINKEDIN COMMENT EMAIL MORE

Tempe's public transportation network, which includes neighborhood shuttles, buses and light rail, played a major role in State Farm's decision to build a massive regional headquarters overlooking Tempe Town Lake, a company executive said last week.

Michael Tipsord, chief operating officer for Illinois-based State Farm Insurance Cos., discussed the reasons for choosing Tempe at a Feb. 12 event organized by Arizona State University's W. P. Carey School of Business. State Farm will anchor a \$600 million development by Sunbelt Holdings and Ryar Companies.

**STORY HIGHLIGHTS**

- A State Farm executive credited Tempe's transit system as a major factor in site selection
- The company is adding thousands of new jobs in

(Photo: Parker Leavitt/The Republic)

Major insurance company chooses new location in Phoenix area – for transit

Digger

# Marriott CEO: We will move our headquarters

By **Jonathan O'Connell** March 1

Marriott International plans to relocate its headquarters from its sprawling Bethesda campus in coming years, chief executive Arne M. Sorenson said last week, prompting what could be a high-stakes battle for the prominent corporate nameplate among local jurisdictions.

A little more than 2,000 people work at Marriott's corporate headquarters, located in over 900,000 square square feet on Fernwood Road in Bethesda.

Digger

# Marriott CEO: We will move our headquarters

By Jonathan O'Connell March 1

Marriott CEO Brian Thompson said last week, prompting what could be the largest corporate nameplate among local jurisdictions to move someplace.”

“I think it’s essential we be accessible to Metro and that limits the options. I think as with many other things our younger folks are more inclined to be Metro-accessible and more urban. That doesn’t necessarily mean we will move to downtown Washington, but we will

A little more than 2,000 people work at Marriott’s corporate headquarters, located in over 900,000 square square feet on Fernwood Road in Bethesda.

January 28, 2014

Stations draw multifamily and office properties

## DART Rail Attracts Billions in Development

More than \$5.3 billion in private-capital transit-oriented development projects have been built, are under construction, or are planned near Dallas Area Rapid Transit's light rail stations since the debut of DART Rail in 1996.

Additionally, office properties located within 0.25 mile of a station command an average 13.9 percent higher lease rate.

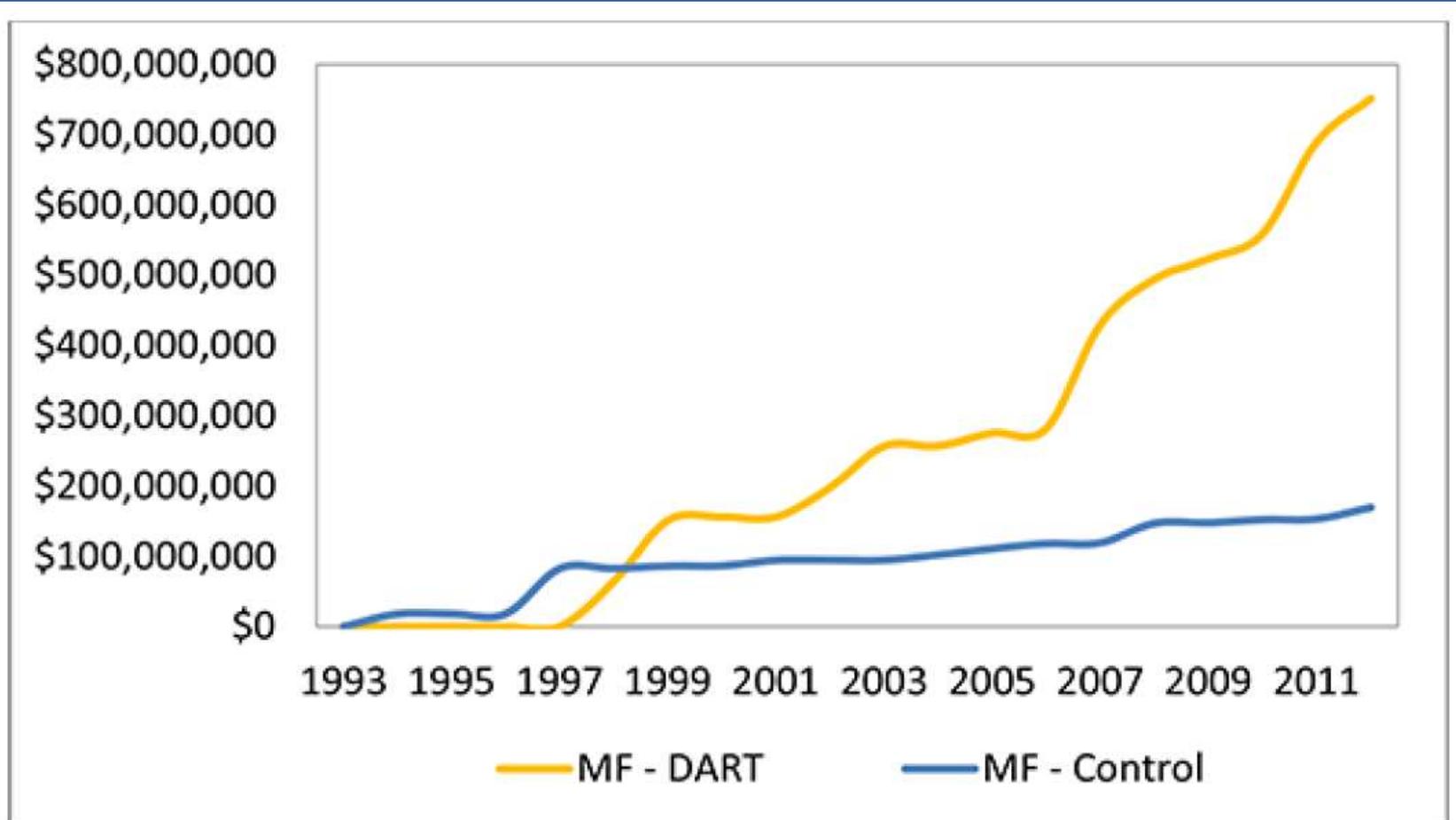
The latest study from the Center for Economic Development and Research at the University of North Texas examines DART Rail's positive impact on property development and extends the research to consider the effect on commercial lease rates.

"Even through difficult economic times, DART

### View the study: Developmental Impacts of the Dallas Area Rapid Transit Light Rail System



# DART raises property values



**Figure 2. Cumulative Value of Multi-Family Development, 1993-2013**

# DART raises property values

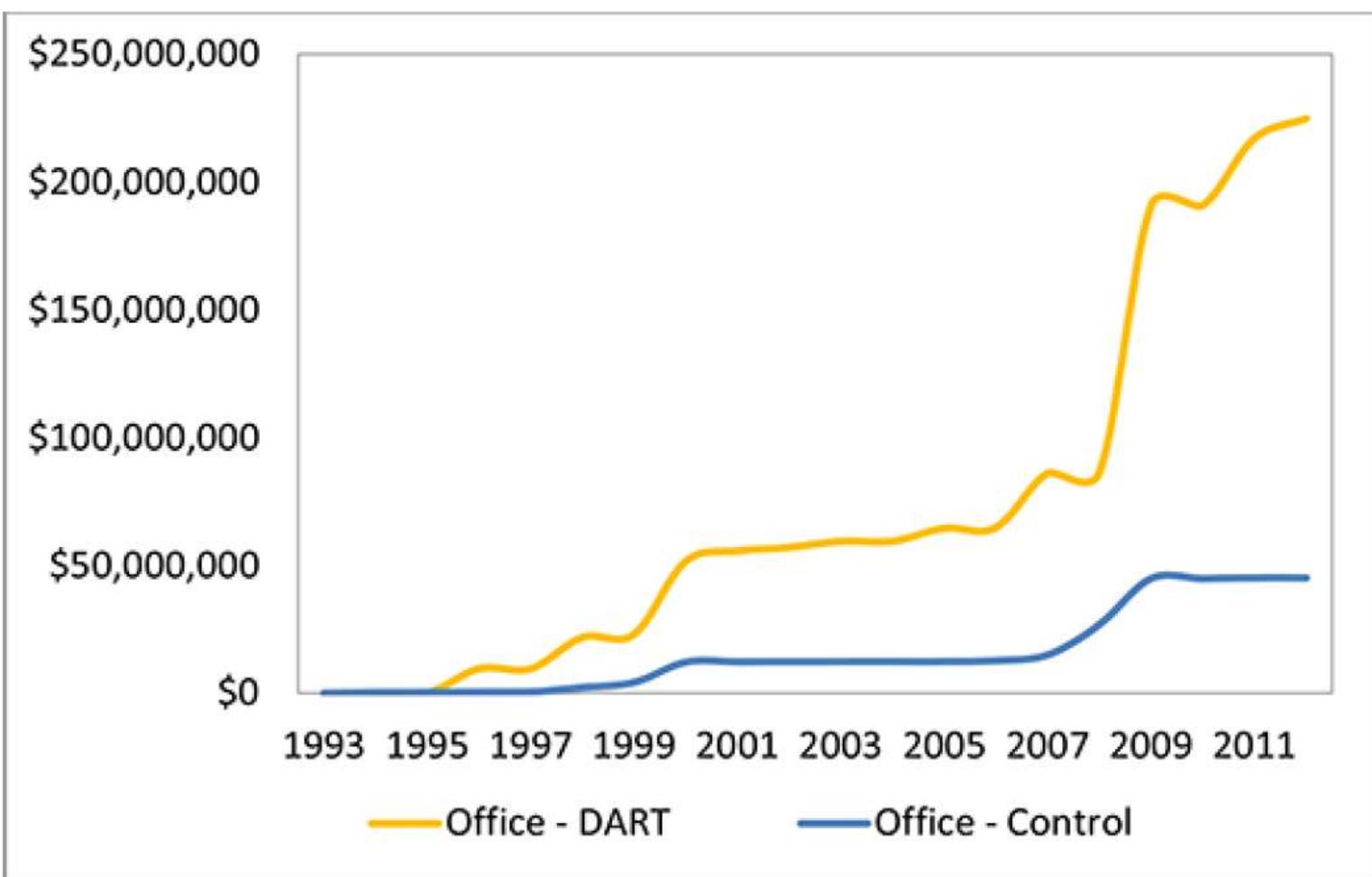
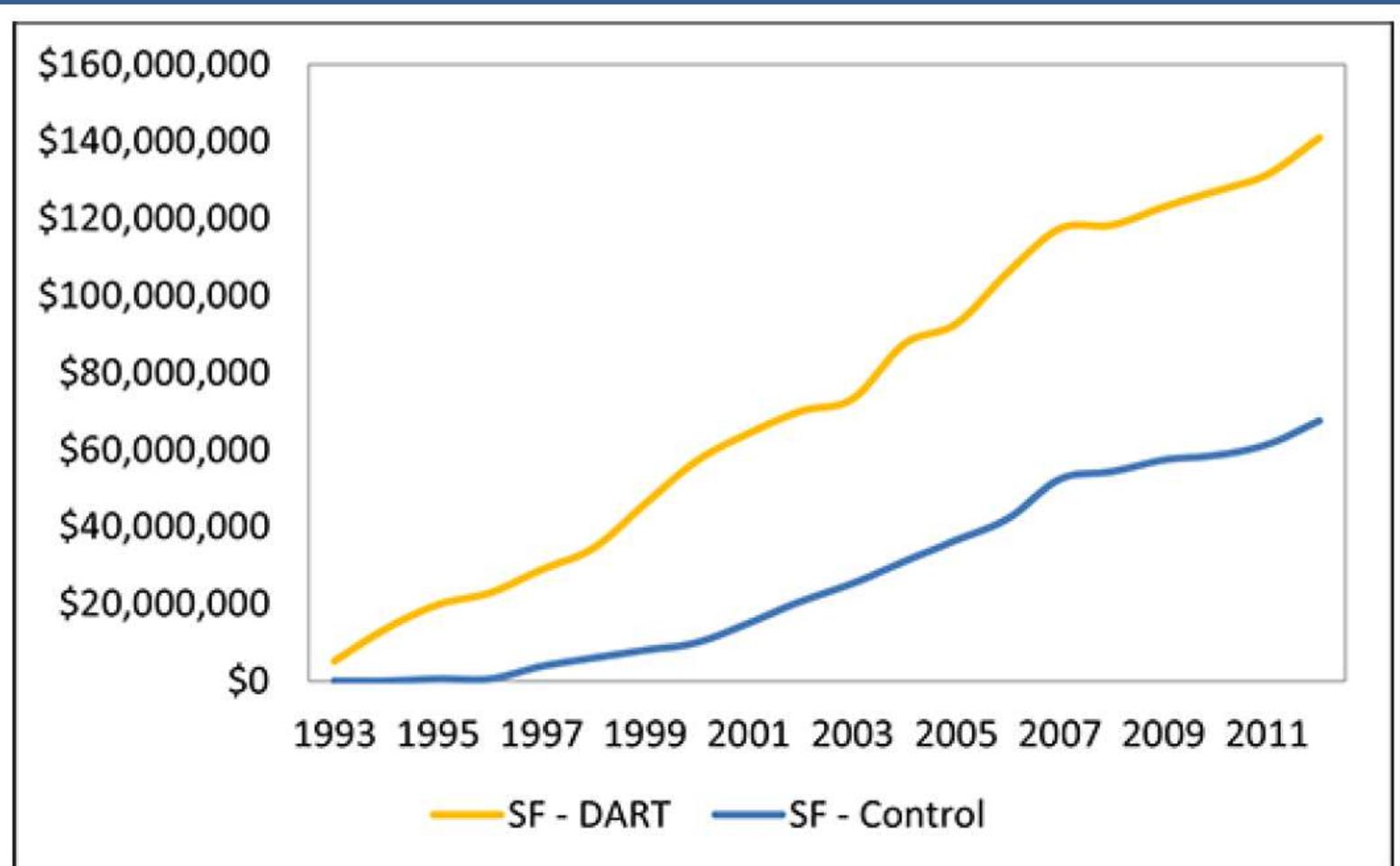


Figure 3. Cumulative Value of Office Development, 1993-2013

# DART raises property values

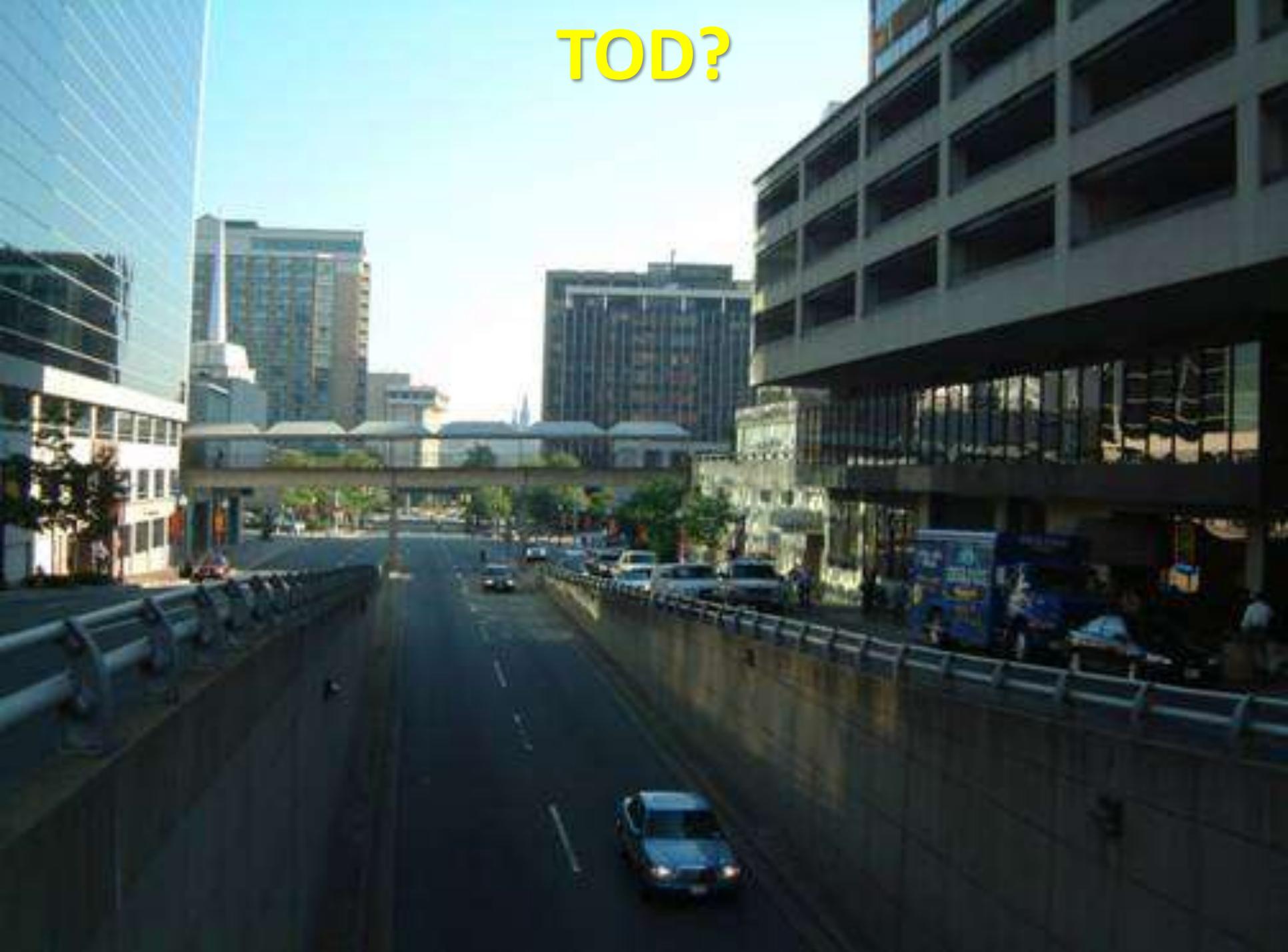


**Figure 5. Cumulative Value of Single-Family Development, 1993-2013**

So everyone wants TOD.

But not everything sold as TOD  
really is.

TOD?



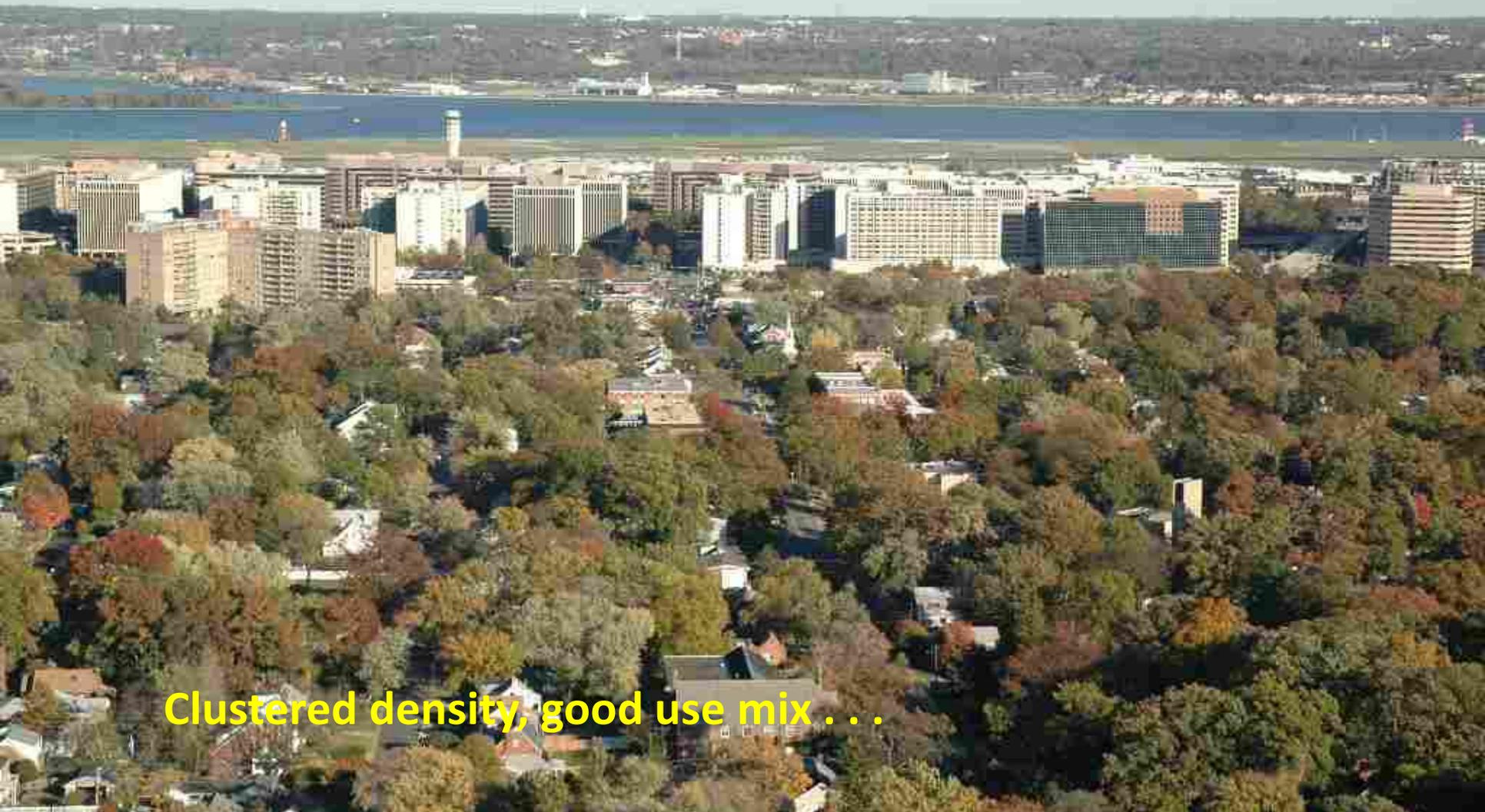


Transit interface?





# Crystal City



Clustered density, good use mix . . .



**Unfortunately, too much of it looks like this**

So, what makes  
“authentic” TOD?

Back to first principles.

# « Les grands piliers d'un TOD »

Deux – ou trois?:

1. Mixité
2. Densification

*I would argue that a 3<sup>rd</sup> is necessary:*

3. Urban design for walkability

# « Les grands piliers d'un TOD »

Traditional planner's criteria – The “D’s”:

1. Density
2. Diversity
3. Design

# « Les grands piliers d'un TOD »

My version: 3 Big Rules --

1. The vital  $\frac{1}{4}$  mile
2. Mixed use
3. Design for pedestrian

# « Les grands piliers d'un TOD »

My version: 3 Big Rules --

1. The vital  $\frac{1}{4}$  mile (*this is about density*)
2. Mixed use (*this is diverse use mix*)
3. Design for pedestrian (*this is walkability*)

*If you have just the first 2,  
you get "TAD," not TOD.*

A) Without density, the station will be underutilized.

**90 % of riders  
within 1/2 mile  
of station**

**75 % within  
1/4 mile**

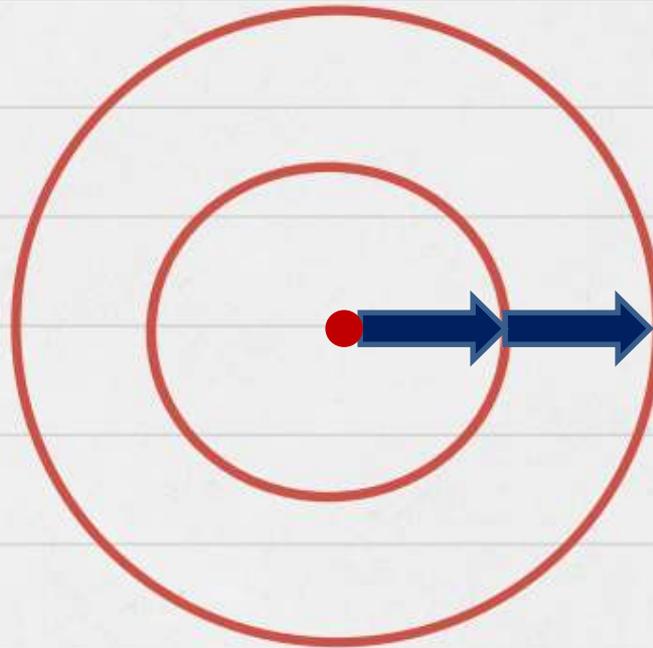
1/2 MILE WALKING DISTANCE

1/4 MILE WALKING DISTANCE

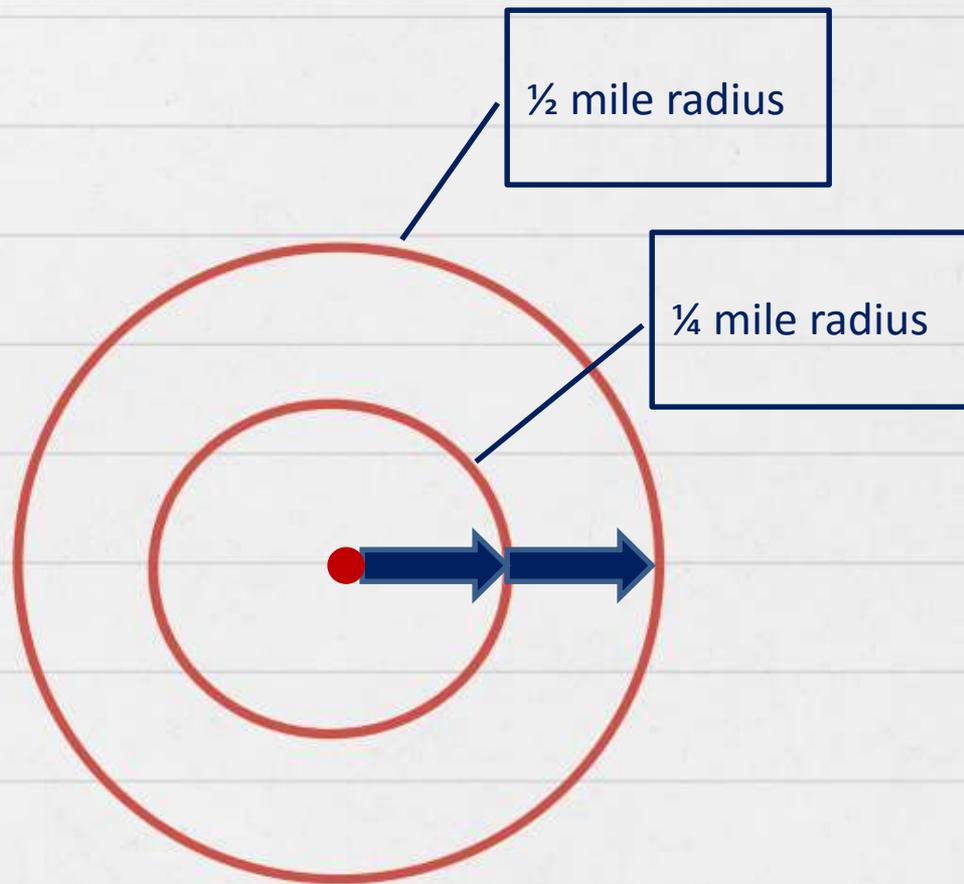
CENTRAL  
TRANSIT  
LOCATION

**1. The vital 1/4**  
(and the pretty important 1/2)

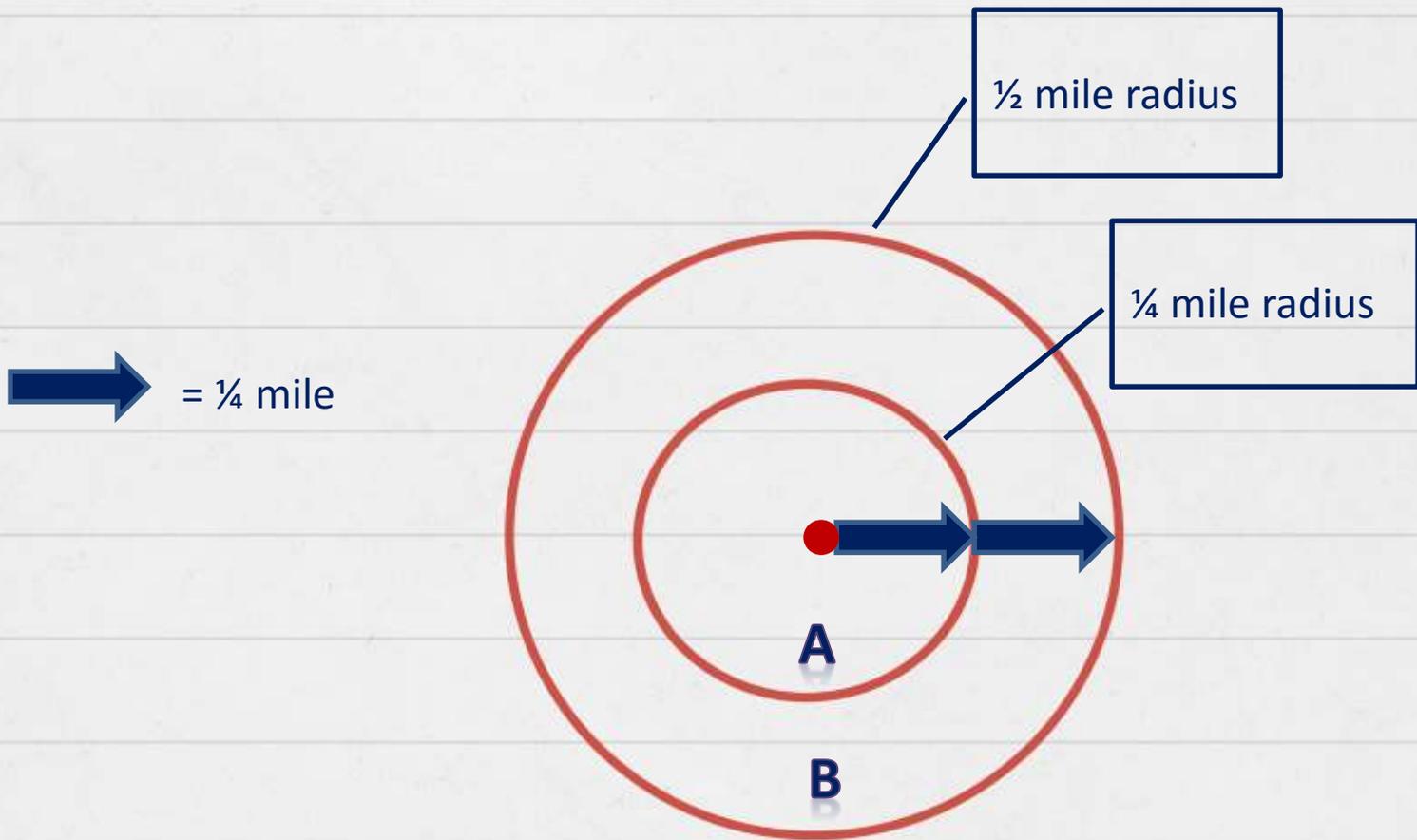
 = ¼ mile



 = ¼ mile



$$\text{Area of a circle} = 2\pi r^2$$



Area "A" = 126 acres

Area "B" = 377

(503 - 126 = 377)

Thus, the "second ring" has almost triple the area of the first.

## Riders per acre

$$\text{Riders}^1 = Y$$

$$\text{Riders}^2 = X$$

$$\text{Riders}^3 = Z$$

$$\text{Acres}^1 = 126$$

$$\text{Acres}^2 = 377$$

$$\text{Acres}^3 = ?$$

$$Y/(Y+X+Z) = .75$$

$$X/(Y+X+Z) = .15$$

$$Z/(Y+X+Z) = .10$$

$$r1 = Y/126$$

$$r2 = X/377$$

$$Y + X = .9(Y+X+Z)$$

$$\text{Riders}^1/\text{acres}^1 = r1$$

$$\text{Riders}^2/\text{acres}^2 = r2$$

~~~~~

$$\text{If: } Y+X+Z = 1,000$$

$$\text{Zone 2} = 3 \times \text{Zone 1}$$

$$\text{Riders}^1 = 5 \times \text{Riders}^2$$

$$750/126 = 5.95$$

$$150/377 = 0.40$$

Propensity to ride is 15x greater in Zone 1 than 2.

$$r1/r2 = 14.88$$

$$\text{If: } Y+X+Z = R$$

$$Y = .75R$$

$$X = .15R$$

$$Z = .10R$$

$$.75R/126 = .0060R$$

$$.15R/377 = .0004R$$

Propensity to ride is 15x greater in Zone 1 than 2.

# CAPITAL BUSINESS

In the News Calif. rampage Ann Hornaday Afghanistan Malaysia Airlines Hillary Clinton

EDGE



## Every foot matters when it comes to real estate near Metro, researchers say

12 [Facebook] [Twitter] [LinkedIn] [Pinterest] [Email] [Print] More

WRITTEN BY

Jonathan O'Connell

PUBLISHED: DECEMBER 10

E-mail the writer

Developers are gobbling up land near Metro stations and much of the new construction in the area, whether apartments, condos, offices, shopping or hotels is near Metro stations.

For instance, of the 5.5 million square feet of office space under construction in the region at the moment, about 4.6 million of it, or 84 percent is within a quarter mile of a Metro station.

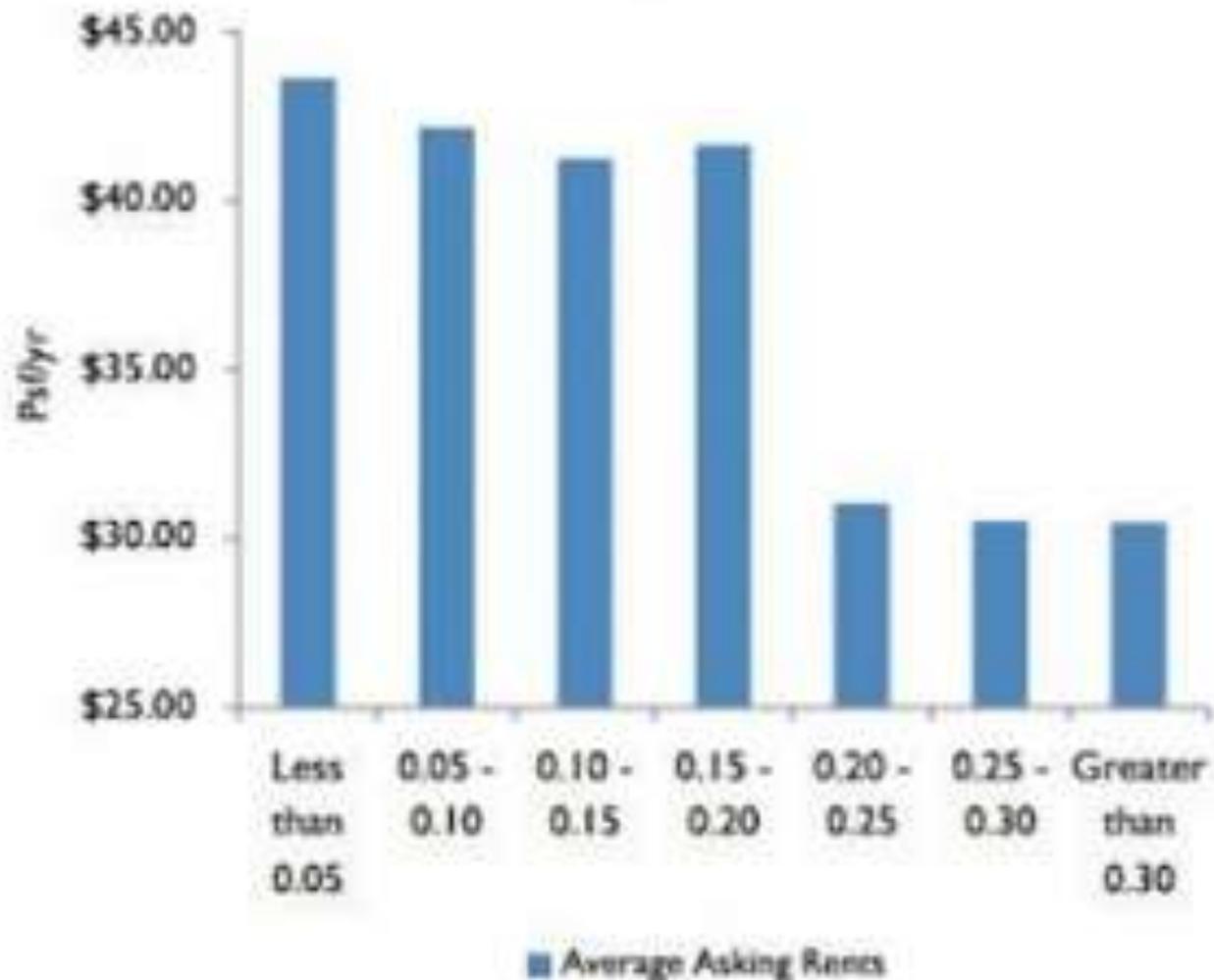
So sure, real estate near Metro is more valuable, but measuring by miles may be using too big of a ruler. Researchers from the real estate services firm Cushman & Wakefield recently looked at real estate values in one of the region's hotter markets

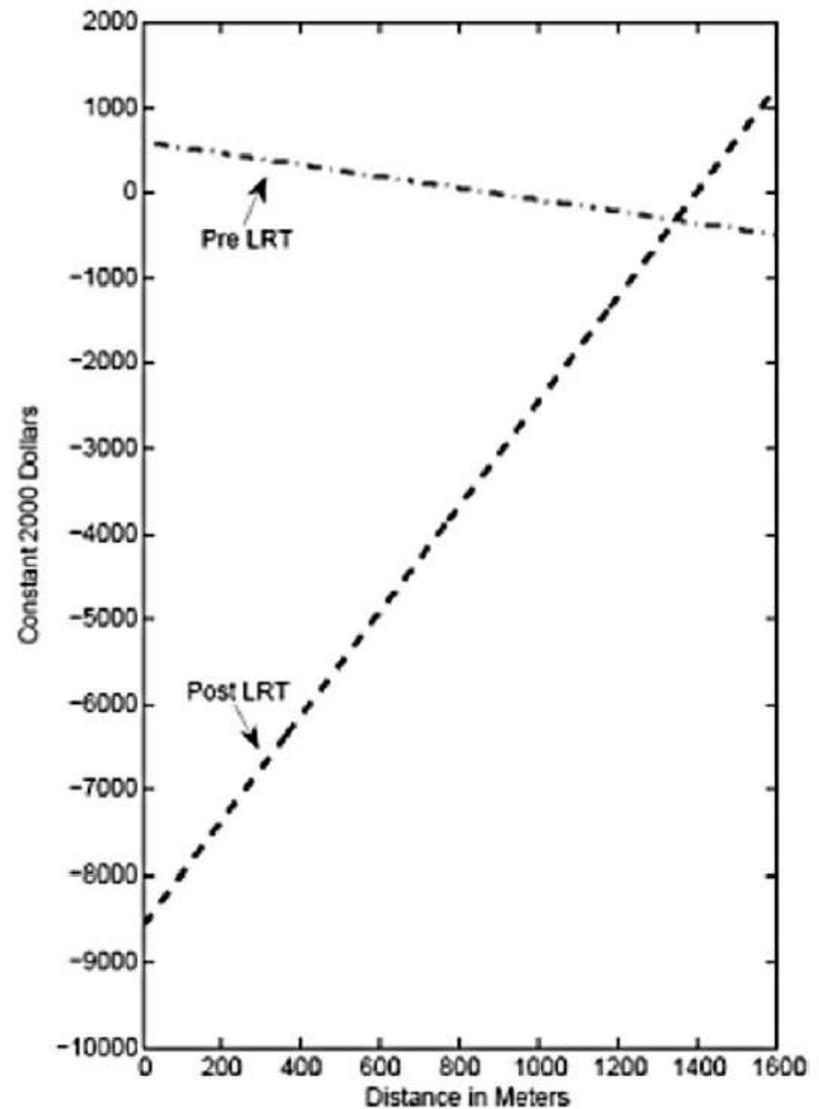
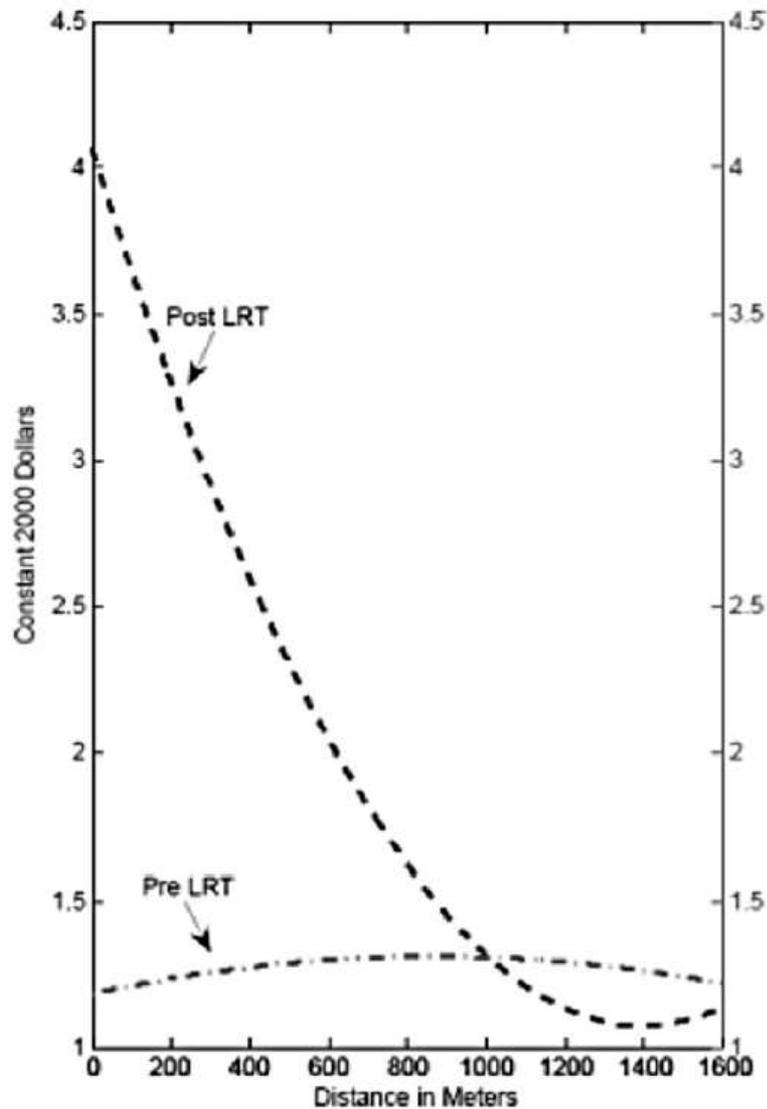


The Washington Post Recommended Silver Line now in hand, Metro begins testing, training with eyes on a summer opening

301.986.1800

## AVERAGE ASKING RENTS BASED ON DISTANCE TO METRO (IN MILES)

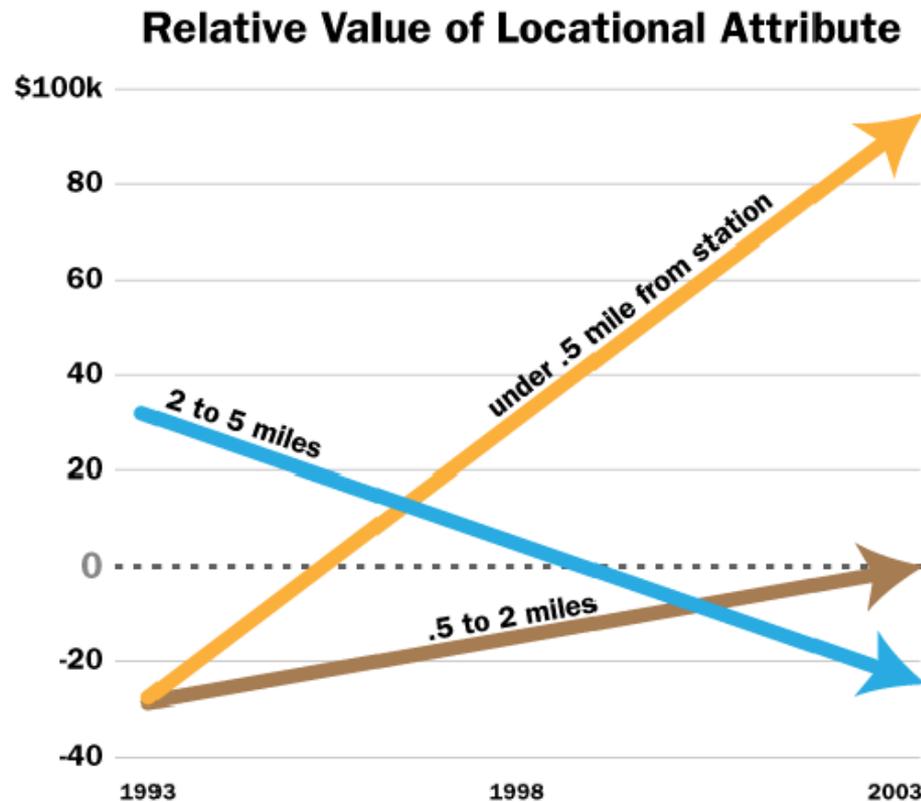




Left figure: accessibility effect; Right figure: price gradient. Unit \$ million  
 Left vertical axis is for post LRT and right axis is for pre LRT.

**Figure 3. Price Premium and Access to LRT Station**

# Property Values Increases with Proximity to Transit



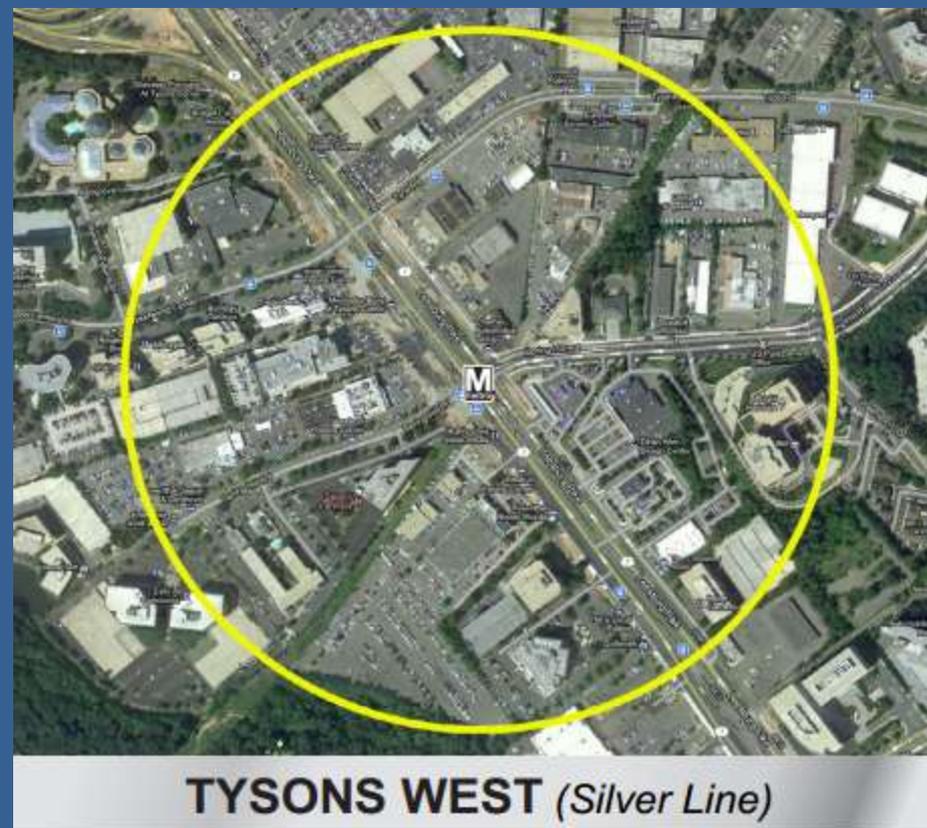
5. Creates value for property owners

**Dense development concentrated close to  
Metrorail stations**

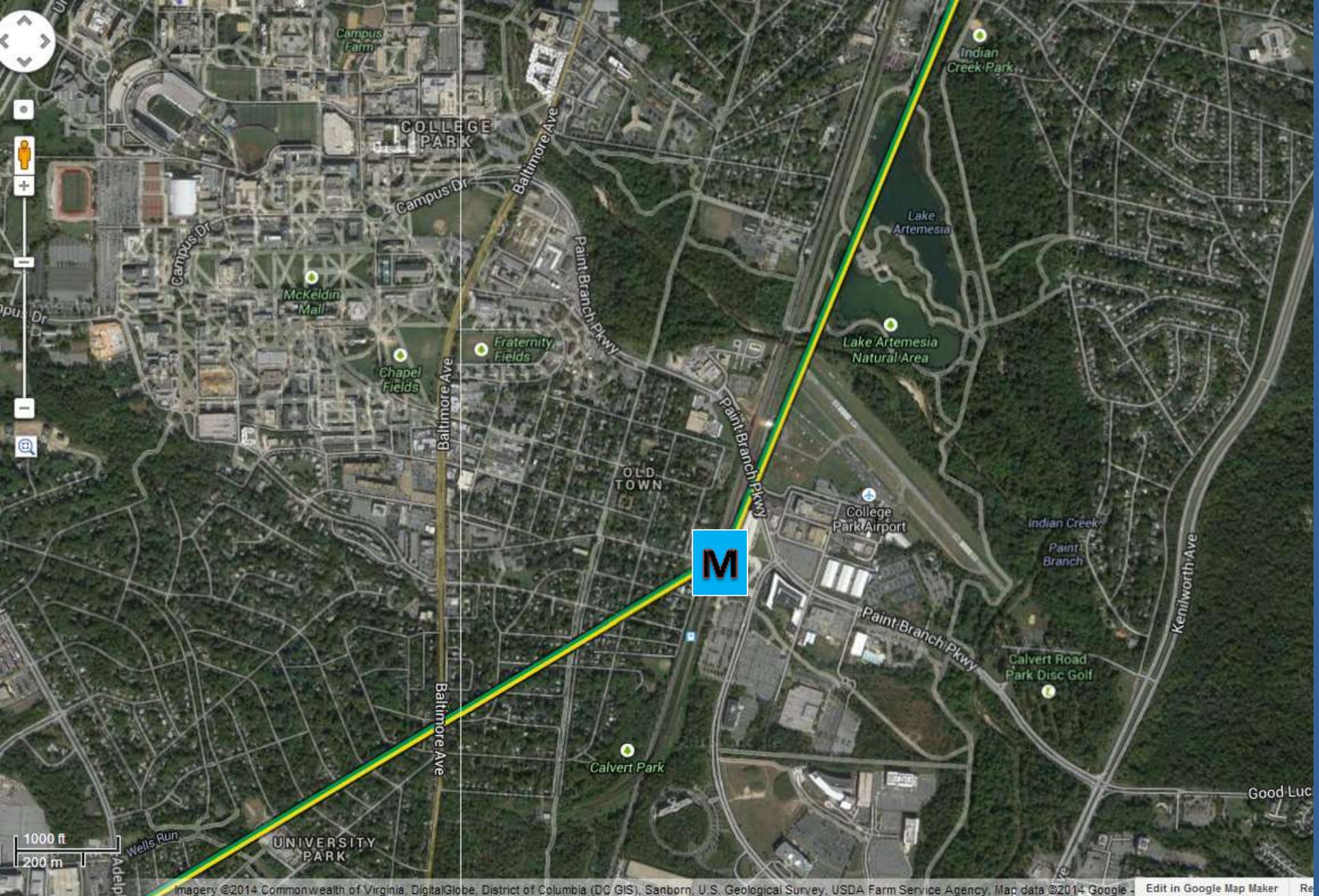


**Ballston-Va. Square**

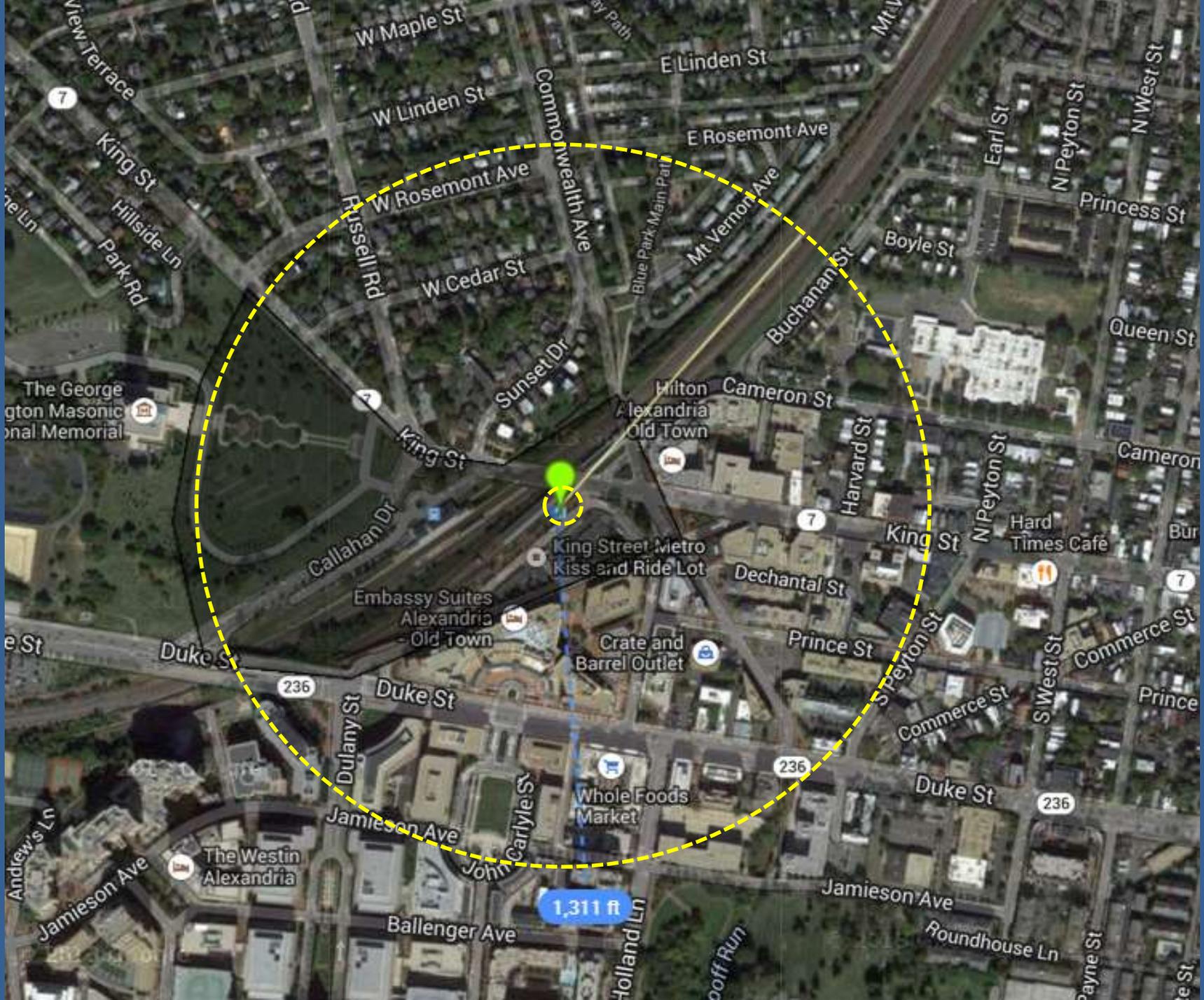
# Comparing Orange & Silver at ¼ mile radii from stations



From "Tysons and the Silver Line: Threat or Benefit?"  
(Terry Holzheimer, AED research paper, January 2012)



Imagery ©2014 Commonwealth of Virginia, DigitalGlobe, District of Columbia (DC GIS), Sanborn, U.S. Geological Survey, USDA Farm Service Agency, Imap data ©2014 Google - Edit in Google Map Maker Re



1,311 ft

King Street Metro Kiss and Ride Lot

Hilton Alexandria Old Town

Embassy Suites Alexandria Old Town

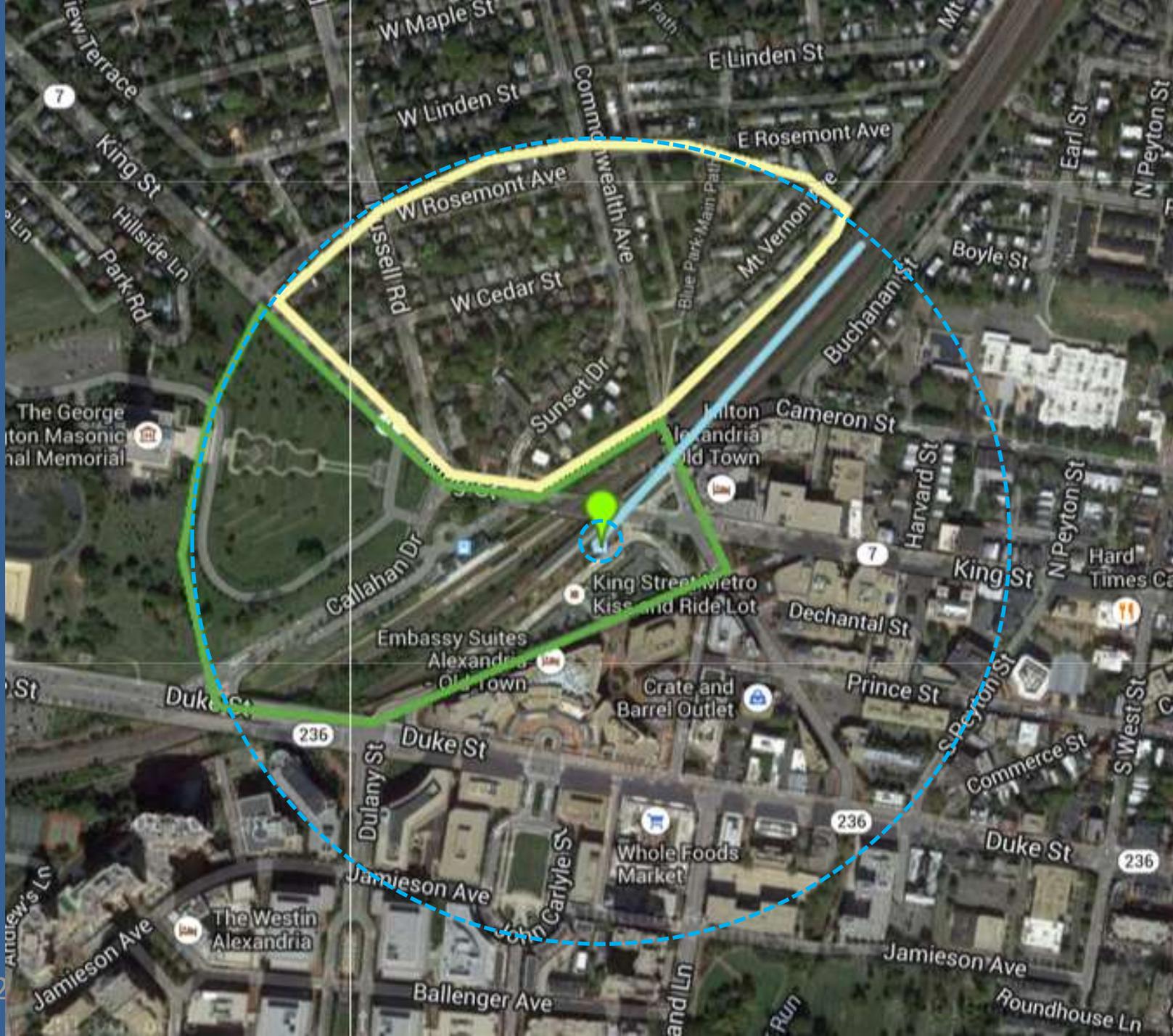
Crate and Barrel Outlet

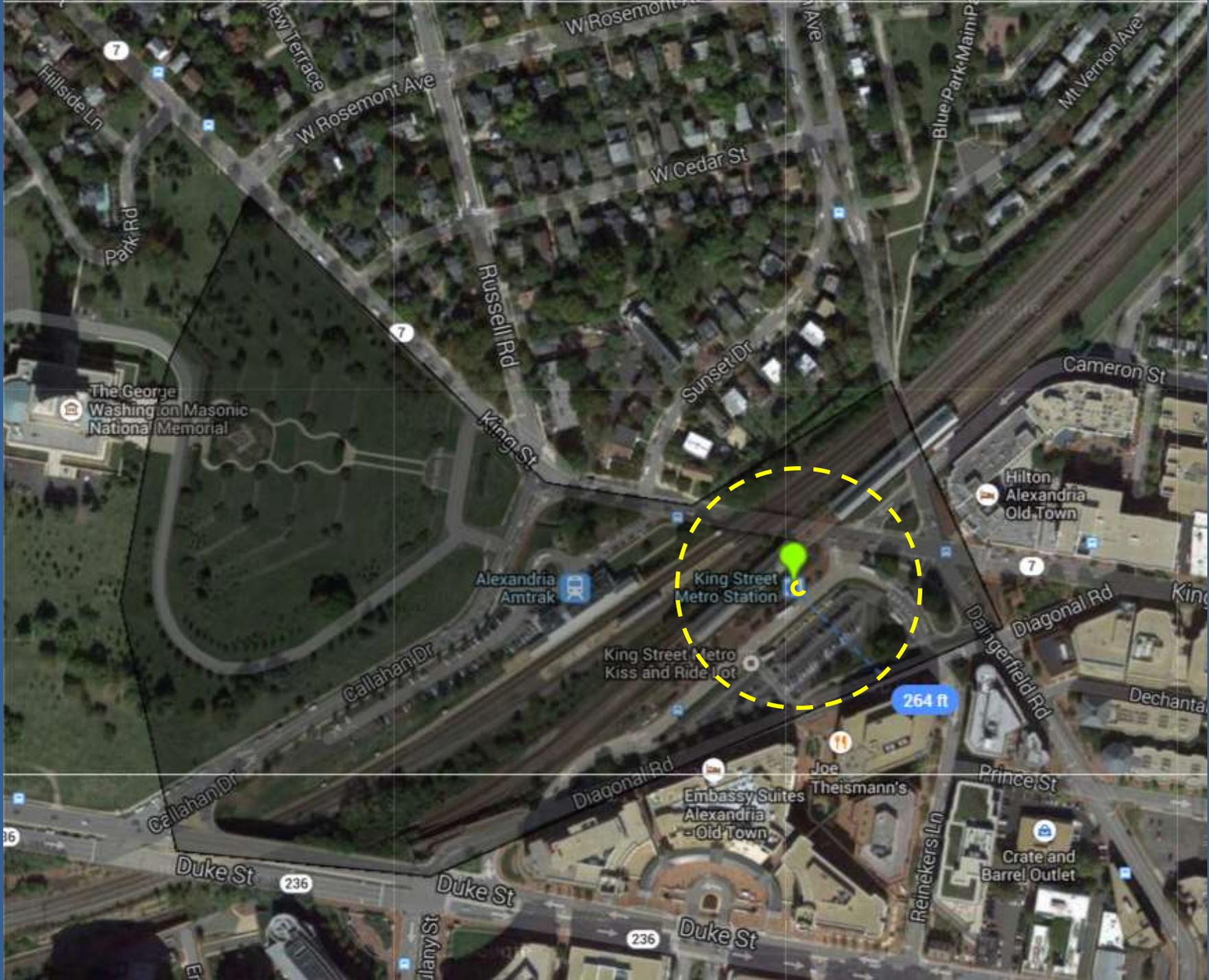
Whole Foods Market

The Westin Alexandria

The George Mason Memorial

Map labels include: View Terrace, King St, Hillside Ln, Park Rd, W Maple St, W Linden St, W Rosemont Ave, W Cedar St, Commonwealth Ave, E Linden St, E Rosemont Ave, Mt Vernon Ave, Buchanan St, Boyle St, Earl St, N Peyton St, N West St, Princess St, Queen St, Cameron St, Harvard St, King St, N Peyton St, Hard Times Cafe, Dechantal St, Prince St, S Peyton St, Commerce St, Duke St, Dulany St, John Carlyle St, Whole Foods Market, Jamieson Ave, The Westin Alexandria, Ballenger Ave, Holland Ln, Poff Run, Roundhouse Ln, and Payne St.





The George Washington Masonic National Memorial

Alexandria Amtrak

King Street Metro Station

King Street Metro Kiss and Ride Lot

264 ft

Hilton Alexandria Old Town

Embassy Suites Alexandria Old Town

Joe Theismann's

Crate and Barrel Outlet

Hillside Ln

New Terrace

W Rosemont Ave

W Rosemont Ave

W Cedar St

Russell Rd

Sunset Dr

Blue Park Main Pk

Mt Vernon Ave

King St

Cameron St

Callahan Dr

Dalingerfield Rd

Diagonal Rd

Callahan Dr

Diagonal Rd

Prince St

Duke St

Duke St

Duke St

Reinikers Ln

St

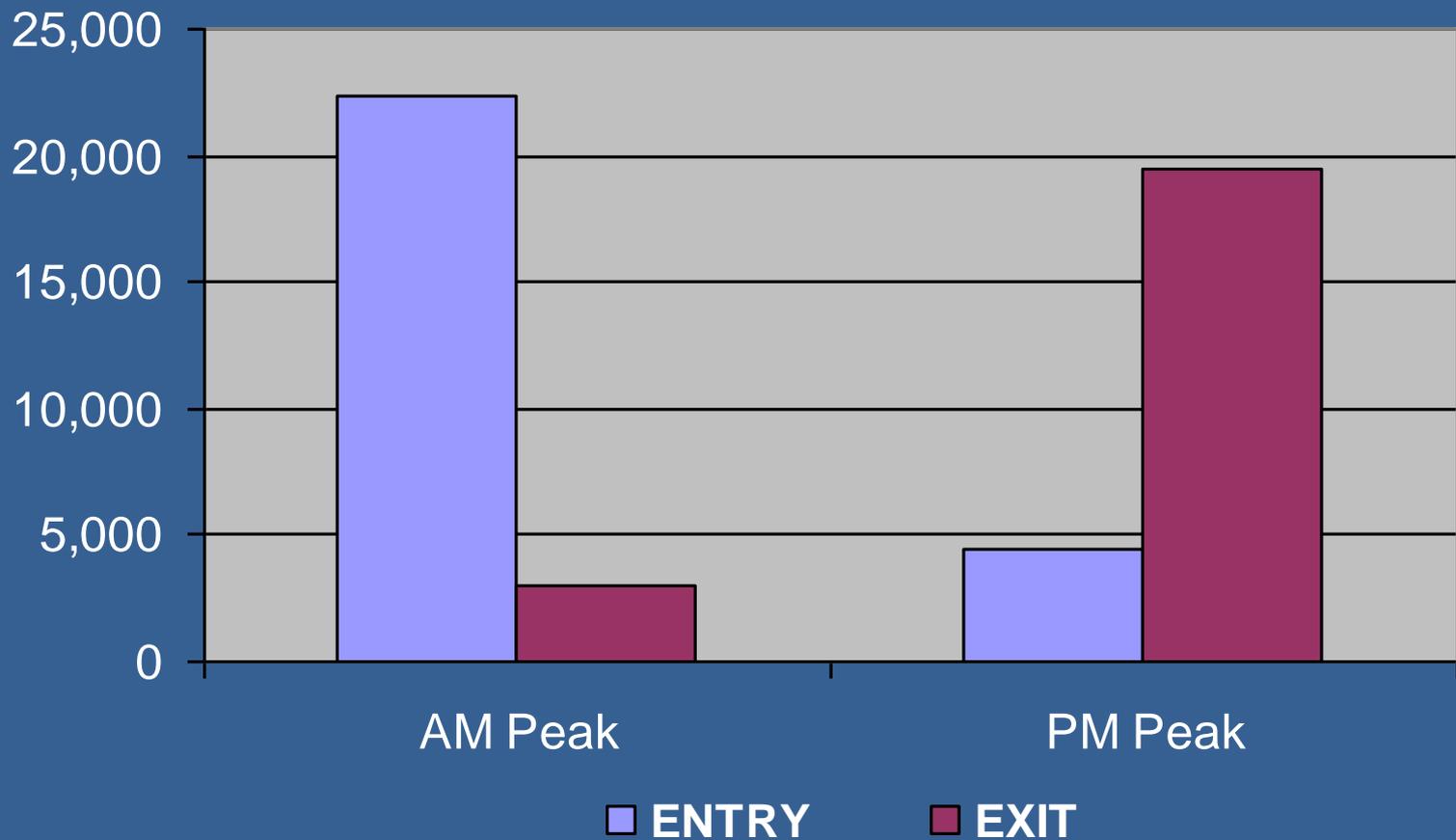
Ilany St

B) Without good use mix, the station will not be efficiently utilized.

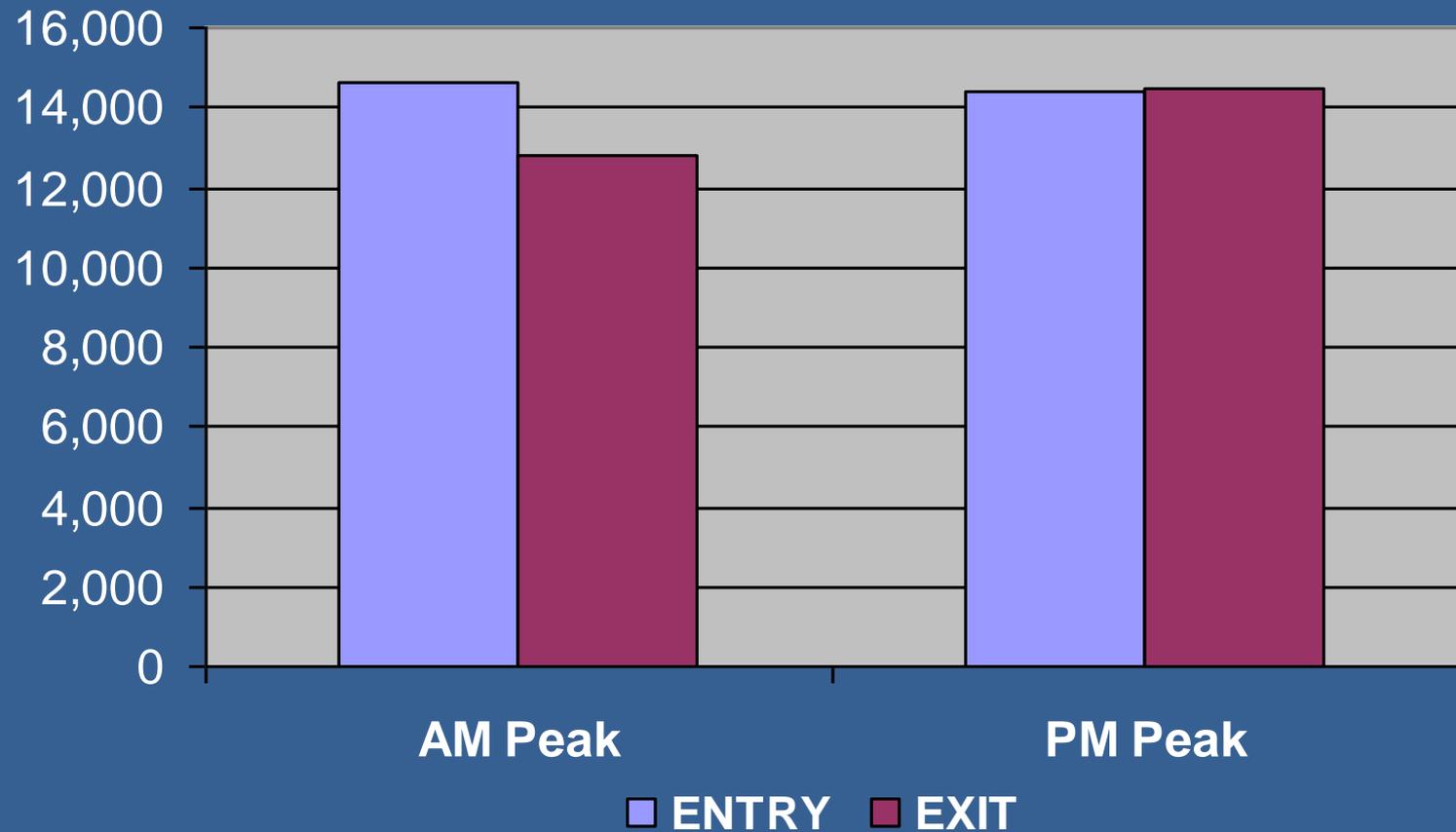


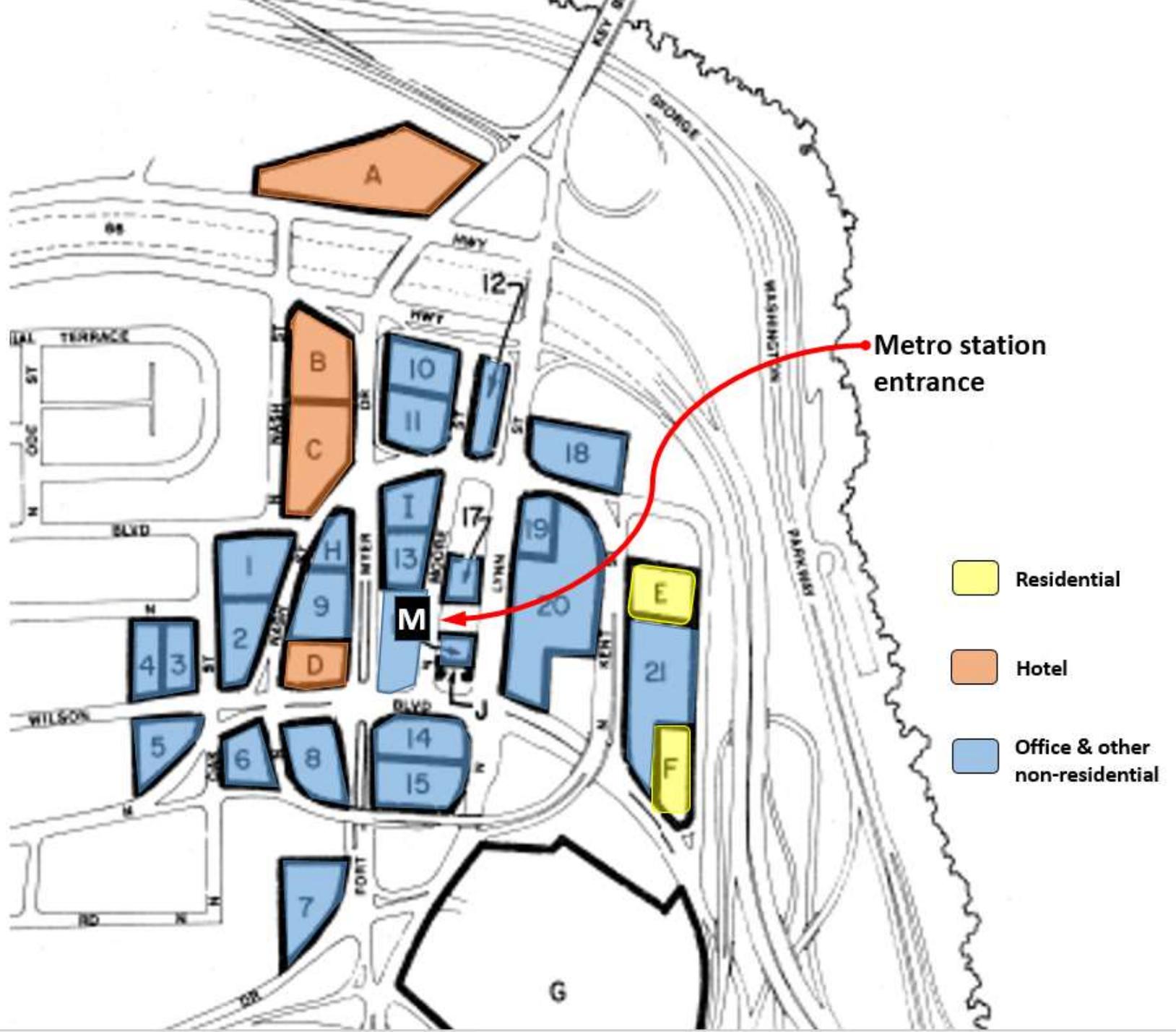
Mixed-use design

# Outer Orange Line Stations: Ridership by Time Period



# R-B Corridor Stations: Ridership by Time Period





# The importance of mix

To foster non-car dependent life style:

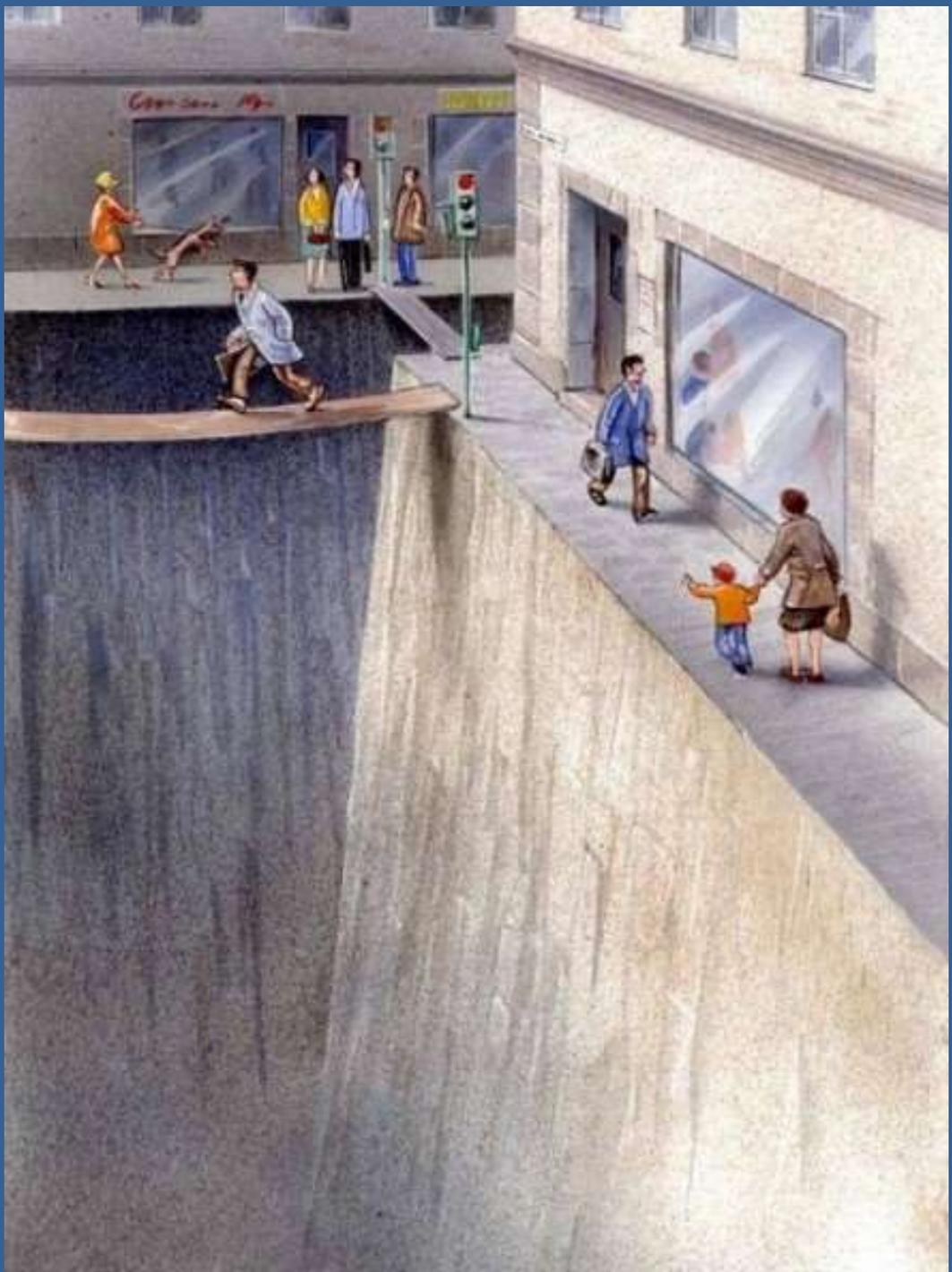
- Destination variety, within walkable distances
- This implies a rich mix of uses in the station area
- Also highlights importance of housing affordability

C) None of this matters if it isn't walkable.



# Transit-oriented versus Transit-adjacent

Walkable design is the key  
difference.



“milieu humaine”?







WELCHOVA

No Parking



Disregarding the ground plane

COLUMBIA SQUARE

**Blank walls**



# Disregarding the ground plane



# What does TOD really mean?

First and foremost,  
transit-oriented  
means  
pedestrian-oriented.

# A transit strategy . . . a walking strategy

- TOD is POD.
- It's really all about walkability.
- Transit adds value to real estate principally by enabling the creation of high density, walkable environments.

There is a price/value premium for walkable places

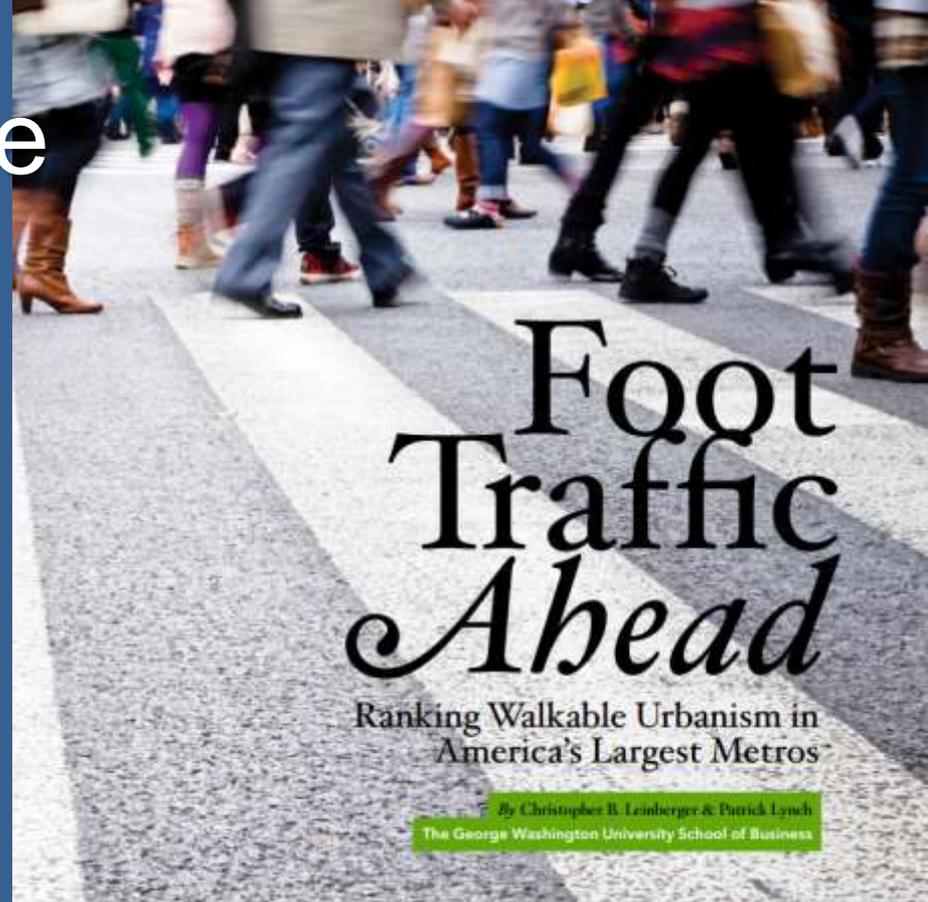


# There is a price/value premium for walkable places

2014 study ranked the top 30 US metropolitan areas in walkability

Major findings:

- The top ranking metros have an average of 38% higher GDP per capita as compared to the low ranking metros.
- Office rent in urban WalkUPs rent at a 74% higher premium per square foot over drivable sub-urban areas.



**Line 1**

RCA & Walk Score CPPI

Suburban - Highly Walkable

**Line 2**

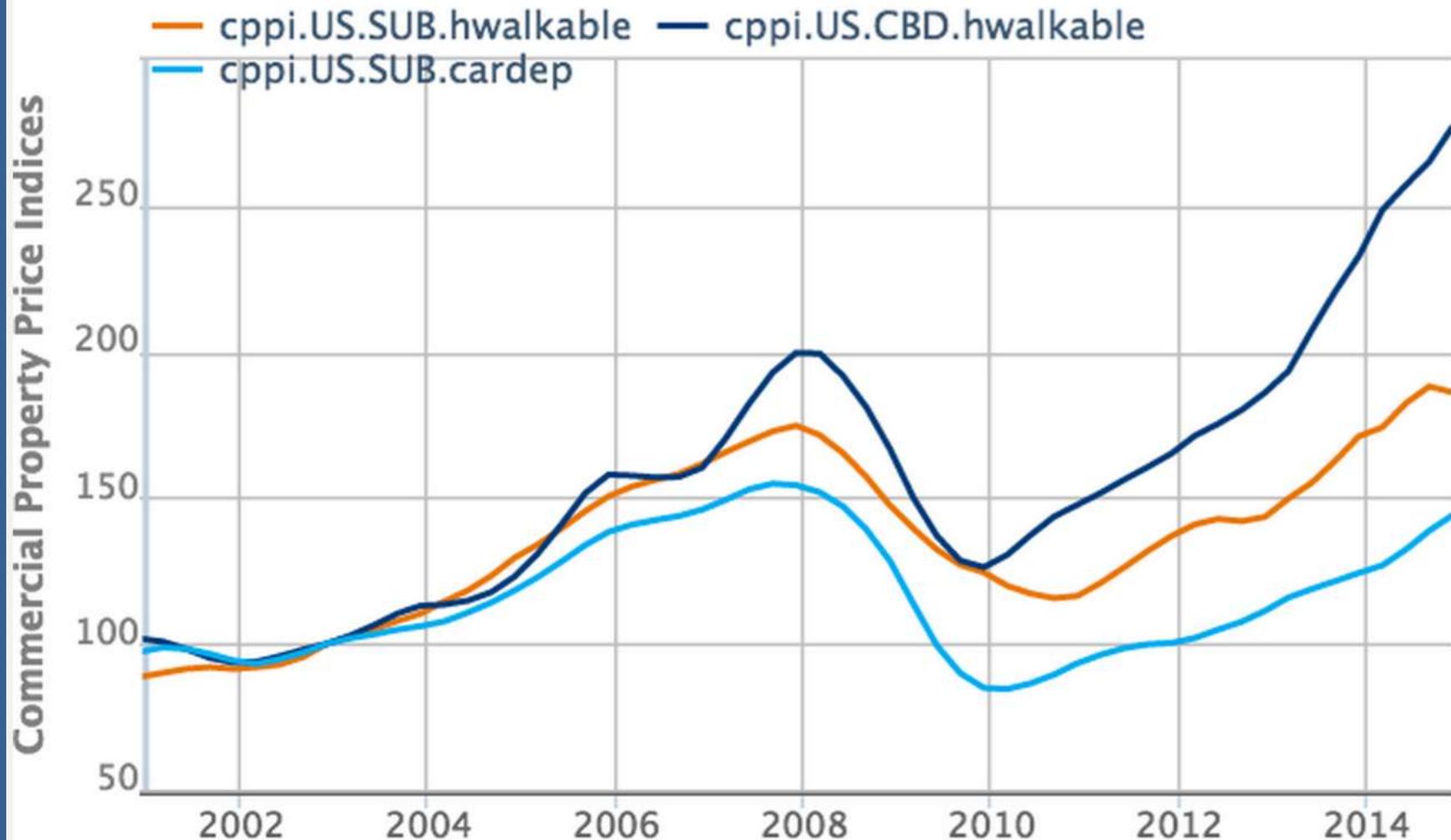
RCA & Walk Score CPPI

CBD - Highly Walkable

**Line 3**

RCA & Walk Score CPPI

Suburban - Car Dependent





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# Today's Office Tenants Prefer Live, Work, Play Locations

Office tenants today prefer to be located in amenity-rich, mixed-use suburban vibrant centers (also known as “live, work, play” locations) rather than single-use suburban office locations by a margin of 83 percent to 17 percent, according to a recent NAIOP Research Foundation report. The report, [“Preferred Office Locations: Comparing Location Preferences and Performance of Office Space in CBDs, Suburban Vibrant Centers and Suburban Areas,”](#) combines expert opinion and accurate property-level data to explain what tenants seek in their office location – and how different office locations perform on key metrics.

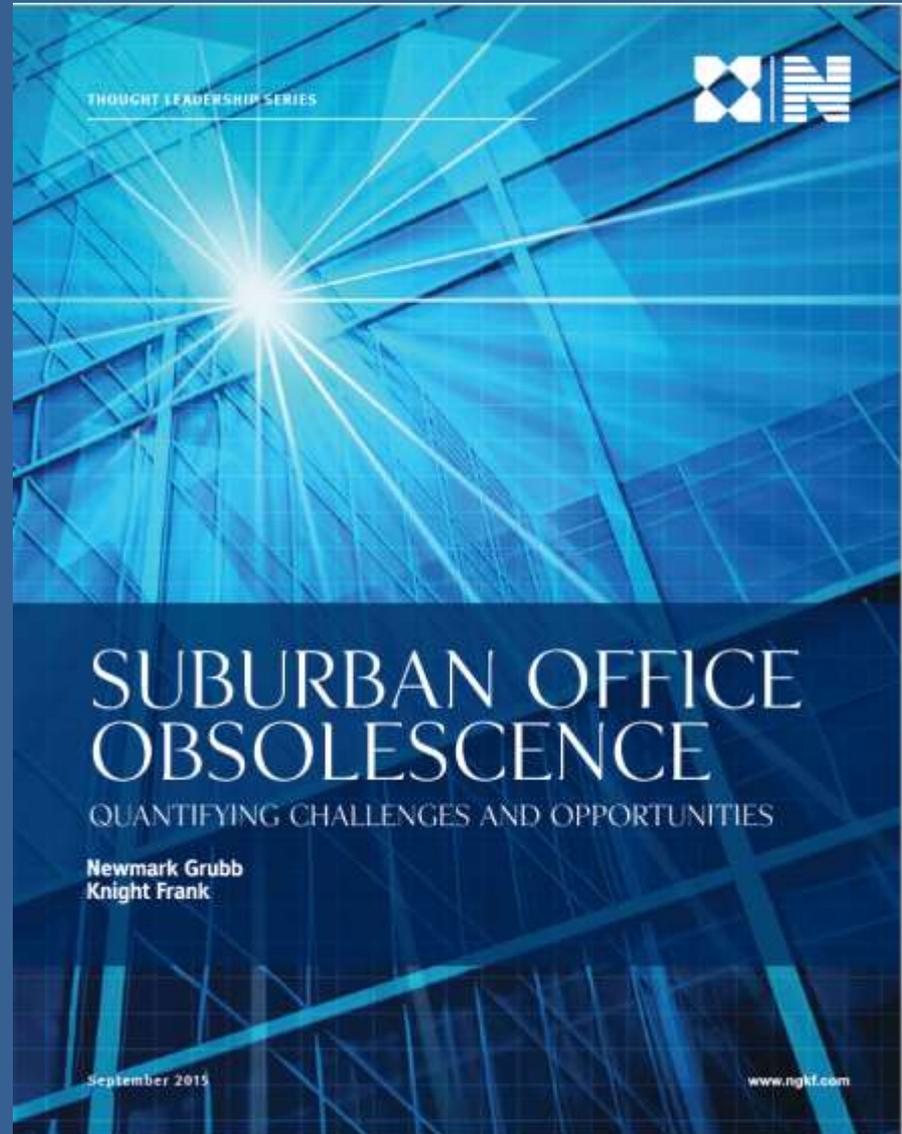


Photo: By TheRTP

“Walkability and activated environments are at the top of many tenants’ list of must haves”

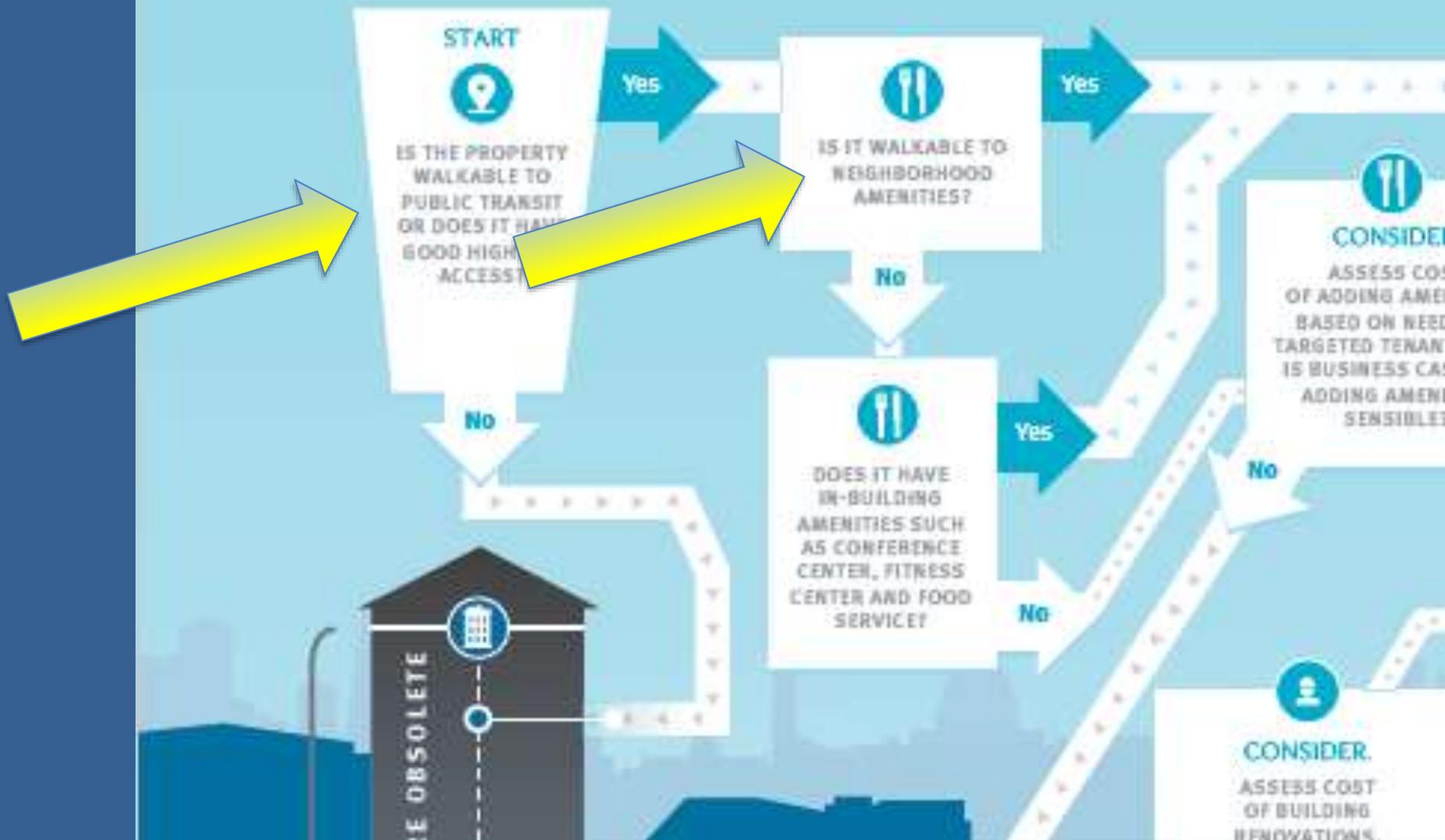
“ . . . the old model of the isolated suburban office park is going the way of the fax machine.”

-- Angie Schmitt,  
StreetsblogUSA





# DECISION-MAKING FLOW CHART: IS MY OFFICE BUILDING OBSOLETE?



# A final word

Getting the outcomes you want depends on:

- a) the market\*
- b) regulatory power (what you have, and your willingness to use it)\*\*

\* Transit won't create a market if there is no underlying economic strength.

\*\* There are lots of techniques, but they only work if you're willing to stick with a plan.



# Smart Growth America

Making Neighborhoods Great Together

For more information, or if we can help you,  
please contact me:

Christopher Zimmerman

Vice-president for Economic Development

[czimmerman@smartgrowthamerica.org](mailto:czimmerman@smartgrowthamerica.org)

(202) 971-3939

**Thank you**

