

TRANSIT-ORIENTED DEVELOPMENT

Project investment criteria



K Station



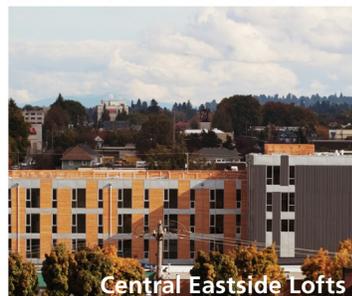
Broadway Vantage



OCOM



The Rocket



Central Eastside Lofts



Hollywood Apartments

The Transit-Oriented Development Program has a unique and critical role in implementing the region's 2040 Growth Concept of vibrant, urban centers and station areas linked by transit. TOD program activities help to optimize the existing transit system by bringing more people to live, work and shop in areas with a functional pedestrian connection to transit. The core program activity is providing development project funding to stimulate construction of higher-density and mixed-use projects near transit. Related program activities include opportunity site acquisition, investment in urban living infrastructure, and technical assistance.

The TOD project investment criteria have been adopted by the Metro Council as part of the TOD work plan. These excerpts are provided as a resource for real estate professionals and local officials interested in partnering with Metro's TOD Program to implement transit-oriented development in areas where the real estate market is not yet able to support those higher cost development forms.

The core mission of the TOD program is to stimulate private sector investment to create the vibrant communities envisioned in the region's 2040 Growth Concept.

MAKING A
GREAT
PLACE



THRESHOLD REQUIREMENTS

TOD project investments must meet the following threshold requirements to be eligible for funding consideration:

Site control

Must meet **all** of the following

- The applicant must be a public entity or a willing and capable developer with site control or the ability to establish site control.
- The TOD development must be privately owned and operated.

Connection to transit

Must meet **one** of the following

- **Station communities** Properties must have a functional pedestrian connection between the site and existing or planned rail stations, generally less than 1/2 mile.
- **Frequent bus and streetcar** Properties must have a functional pedestrian connection between the site and the transit corridor, generally less than 1/4 mile.
- **Urban centers** Properties must be within the boundary of an urban center, have a functional pedestrian connection to the main street or commercial core, and be within an eligible TOD typology place type.

Eligible TOD typology areas

Must meet **one** of the following

- **Catalytic project** investments and site improvements are eligible in Catalyze and Connect areas and may be considered conditionally in Plan and Partner areas.
- **Catalytic Plus project** investments are eligible in Infill and Enhance and Catalyze and Connect areas and may be considered conditionally in Plan and Partner areas.
- **Housing Choice project** investments may be considered conditionally in Infill and Enhance, Catalyze and Connect and Plan and Partner areas.

Transportation and environmental benefits

Must meet **all** of the following

- The project development program will generate additional transit trips as a result of more intensive use of the site compared to what

would occur without public participation in the proposed project.

- The project development program is expected to reduce regional Vehicle Miles Traveled compared to what would occur without public participation in the proposed project.
- The site plan and building design enhance the pedestrian and bicyclist experience, and makes the pedestrian realm more visually attractive, active, vibrant and safe.
- The development has the lowest reasonable parking ratio.

Land use efficiency

Must meet **all** of the following

- The development has the highest reasonable floor area ratio.
- The development has the highest reasonable site coverage ratio.

Financial need

Must meet **all** of the following

- The project has cost premiums related to higher density, urban infill, or vertically integrated mixed use development.
- There are not adequate local, state, or federal resources or incentives available to close the financing gap without Metro participation.
- Metro funding shall not exceed the minimum amount necessary for the project to move forward and be constructed.

Cost effectiveness

Must meet **all** of the following

- Metro funding will leverage significant private investment.
- Cost per induced transit rider is reasonable relative to other development project investments.
- Metro's program, legal and other administrative costs are reasonably proportionate to the TOD Program development investment in the project.
- Upon stabilization, the project is expected to be financially feasible and successful in the market.



COMPETITIVE INVESTMENT CRITERIA

In addition to the threshold requirements, proposed projects are evaluated according to a set of competitive investment criteria. Competitive investment criteria allow a project to distinguish itself among other qualified projects. These criteria are considered by TOD staff in determining whether and what level of TOD project funding to recommend for approval, and what conditions to apply. Not all of these criteria apply to every investment opportunity. The relative importance of these criteria varies depending on the characteristics of the project and the area in which it is located.

Increase transit ridership

- Increased transit ridership is induced from more intense development.
- Features are incorporated that improve access to the transit system, transit information services, way-finding signage, lighting, sidewalk improvements, additional bike parking/storage, or new access routes.
- Transportation demand management strategies are integrated such as limited or no parking, charging for parking, car sharing, bike storage, or transportation alternatives programming efforts.
- Significant transit ridership is generated by the creation of new employment, institutional, or entertainment destinations near transit.

Creates new market comparables

- New market comparables are created as a result of demonstrating market acceptance of new product types, faster absorption, or higher achievable pricing.

Builds community acceptance of urban style buildings

- Higher quality of design and/or materials are used than is typical in the area.
- Innovative green building elements or development practices are demonstrated that serve to improve the environmental impact of the development and enhance both the human and natural environment.

Improves availability of urban living infrastructure retail services and amenities

- Economic base to support retail services and amenities is strengthened.

- Urban living infrastructure amenities or retail services are integrated into the new development.

Expands base of developers with TOD expertise

- New development partners are engaged for the TOD program.
- Developers are inspired to innovate in compact and mixed-use development forms.

Contributes to placemaking and local identity

- Elements are incorporated that help create a sense of place.
- Elements are incorporated that reflect and/or build unique local identity.
- A large scale initiative is advanced that will improve the TOD readiness of the area.
- Downtown revitalization is supported.
- Affordable housing is provided in areas where it increases housing choices and does not exacerbate concentrations of poverty.

Removes barriers to compact and mixed-use development

- Changes to local plans or development regulations are necessitated.
- Product types, building materials, or building systems are introduced that are relatively new to the area.

Attracts investment, create jobs and strengthen local tax bases

- Direct investment in the development is attracted.
- Jobs are created.
- Contributions are leveraged from other public and non-profit entities such as: local government (tax abatement, tax increment financing, reduced SDCs, or support for entitlement changes); state/federal government (low income housing tax credits, public bond financing, grants); or private foundations.
- Additional property tax revenues are generated.





Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together, we're making a great place, now and for generations to come.

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TYOLOGY DEFINITIONS

Infill and Enhance transit communities are the most “TOD ready” areas in the region outside of downtown Portland. Given the relative strength of these areas, TOD program project investments should leverage significantly higher residential and/or employment densities, prototypical projects, urban living amenities (e.g. restaurants, shops), and/or workforce housing.

Catalyze and Connect areas offer some physical market foundation for supporting transit-oriented development. Projects that help catalyze future private development, and increase activity levels through density and/or urban amenities are appropriate. There is also an opportunity to work with local jurisdictions to identify placemaking and infrastructure needs to enhance the pedestrian orientation of the street network and provide better connectivity for all modes.

Plan and Partner transit communities are not currently ripe for direct TOD program investments, since they generally lack the built form and market environment that would attract private investment. Given their transit accessibility, however, these areas are ideally suited for station area planning and development implementation technical assistance. The TOD program will work with local and regional partners as strategic opportunities arise to develop partnerships for future projects.

INVESTMENT TYPE DEFINITIONS

Catalytic projects have relatively modest public financial participation, generally of less than 20 percent total development costs, and are expected to improve the financial feasibility of future private sector projects within the real estate submarket.

Catalytic plus projects qualify as catalytic project investments and significantly contribute to placemaking or serve as a new prototype for development in the submarket.

Housing choice projects have higher levels of public financial participation, such as low income housing tax credits, and are expected to expand the income diversity of households in a particular area by producing additional affordable or workforce housing units.

Site improvement projects or site preparation projects are separated in time, responsibility, or financing structure from the TOD project development.

For more information, visit www.oregonmetro.gov/tod