Top Four Requirements of a Successful Transit Oriented Development

Atlanta's Lindbergh Station – A Case in Point –

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Introduction

In order for a Transit Oriented Development (TOD) to become a thriving part of a community, many things must occur. This report will detail the top four requirements necessary for the creation of a successful of TODs. After those points have been discussed, developments near MARTA's Lindbergh Station in Atlanta will then be compared in contrast to the previously discussed four requirements.

The primary requirements needed in order for a TOD project to come to fruition. While there are many specific areas that warrant reports of their own, most of these items do fit into four basic categories. These categories are: 1. Regional Vision, 2. Location Efficiency, 3. Financing, and 4. Market.

Regional Vision

Regional vision requires that all the potential participants in the TOD have an understanding of the desired outcome of a proposed TOD. Once this understanding has been obtained, participants should be aware of what their roles and responsibilities are in the TOD process.

Participants commonly mentioned in various readings include government and quasi-government officials from varying levels and jurisdictions as well as developers and lending institutions. One important participant that was not mentioned in those readings is that of the general public. Members of the general public are the actual users of the finalized TOD project and in many cases are either directly or indirectly the financiers of

significant portions of the project. The value of a well-educated public can only add value to a TOD.

Collaboration is especially important because few of the participants are likely to be experts on TODs and thus a collaborative effort is needed to overcome that lack of expertise and make the TOD successful. Also, because TOD does not have a set of standard expectations like other development types, it is important that the vision establish the goals and objectives of any potential projects.

A community that has achieved a regional vision should have a plan that addresses the transportation on a regional level, expectations of transit, the generally desired physical nature of TOD developments, and also identifies key potential participants and their roles. Ideally, this plan should be adopted by any relevant governing bodies within the region.

Location Efficiency

Location efficiency alters the bid rent curve of a TOD development and allows residents to spend more on non-transportation items (i.e. housing). In effect, location efficiency allows the TOD to be more competitive with non-TODs. In a well thought out TOD, location efficiency will allow driving to become an option, rather than a requirement.

In order to obtain location efficiency, the physical environment of the TOD must be conducive to non-automotive means of travel. Location efficient TODs require, "…high quality transit, a mix of uses, and pedestrian friendly design. Other critical factors include

net residential density, transit frequency and quality, access to community amenities, and a good quality pedestrian environment."[1]

Location efficiency manifests itself physically in the balancing act of the node and place. Node relates to the concepts of the TOD acting as a place that draws in people from outside the TOD whose primary desire is usage of the transit line. Place relates to making the TOD a location that satisfies the residents residing in and around the TOD. An example of a nodal use could be a commuter parking structure, while a place example might be a park.

Because of a limited amount of space and funds, an understanding of the function and aesthetics of both concepts needs to be first addressed in the regional vision. Achieving location efficiency can move a development from being transit adjacent to transit oriented.

In order to achieve location efficiency the local government may need to enact regulations aimed specifically at balancing place and node. Typical regulations on the node aspect include parking lot location and size. As for the place side, density requirements, maximum setbacks and fenestration requirements are common. Such regulations may be applicable only to areas that are on the grounds of the development or within a five to ten minute walk of the transit station. Any new regulations should be in place by the time the station is completed.

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[1] Belzer, Dena and Autler, Gerald

Financing

In order for any TOD to be built it must obtain financing. However, before a TOD can be built the "T", or transit, must also be built and financed. In terms of financing transit the Transportation Equity Act (TEA) and the TEA-21 have helped agencies to fund their projects. The Federal Transit Administration (FTA) has played a major part in financing prior to and since the inception of the TEA's.

If a transit agency also owns the land around the station, the sale of this land once it has appreciated in value (due to the new transit station) is another way that funds have been obtained to pay for transit lines. Recently, the FTA established a new policy encouraging agencies to offer their properties for transit-oriented development through ground leases rather than through outright sale. These funds would be used to offset anticipated future reductions in federal funding. Local funding also typically includes the issuance of bonds and individual user fees.

When it comes to financing TODs several different sources are available. TOD developers have access to various lending institutions and local governmental funds. The difficult part for a developer is obtaining financing would most likely be from the financial institutions. Such institutions may not be familiar or comfortable with such developments in that they are significantly different from standard suburban developments. For instance, if their set parameters for development (i.e. parking standards) are inappropriate for and will not be met by the TOD, then they may be more reluctant to finance the project.

Market

Like financing, the market must also be in place in order for a TOD to be successful. The population of the region where the TOD is to be built must be able and willing to support such a development. Some basic market characteristics that have been influencing the development of TODs are the maturation of suburbs and demographic changes including immigration and aging baby boomers.

Lending institutions and governments actions also have an effect on the market. For instance, in 1999 Fannie Mae initiated the Location-Efficient Mortgage Program or (Smart Commute Initiative). This program takes into consideration the household's budget calculation and the reduced transportation costs resulting from close access to transit and can increase home-buying power by $10,000 or more.

Also, some insurance agencies that offer better packages to those who live in locations where they drive less. Driving less reduces the chances of both vehicular damage and personal injury, thus decreasing costs that would be associated with either event. Programs like these offer real financial benefits to individuals and can have an effect on the market for TODs.

Another issue affecting the market is the "free good" concept in relation to parking. This concept suggests that parking and driving are heavily subsidized activities. "The cost of these subsidies…is passed directly on to the American citizen in the from of increased prices for products or, more often, as income, property and sales tax. This means that the

hidden costs of driving are paid by everyone: not just those who drive a car…" [2] Considering that it has been estimated that between one third to one half of urban land is dedicated to automobile uses, subsidies such as these can be a significant factor working against creating a market for TOD's.

MARTA and TOD

Now having discussed the major factors in the creation of a successful TOD, the following portion of this report will concentrate on MARTA and the Lindbergh City Center TOD. The Metropolitan Atlanta Rapid Transit Authority (MARTA) was created by the Georgia State legislature in 1965. The initial impetus for the creation of MARTA was a 1962 study that indicated that rapid rail was feasible for the Atlanta region. Thus it was MARTA's purpose to pursue this creation.

Two referendums were held in order to determine whether the public would support the creation of a rail system. The first such referendum failed in 1968, and the second one passed in 1971. However, the referendum passed in only two (Fulton and Dekalb) of the five counties that had the opportunity to participate. In 1972, MARTA acquired the rights to run the public buses, and in 1979 the first rail lines opened for service.

The first line in operation was the east/west line with 13 stations in 1979. This was followed by the north/south line opening 17 stations between 1981 and 1988. Currently

[2] Duany, Andres, Plater-Zyberk, Elizabeth & Speck, Jeff

there are 38 lines in operation with major transfer stations being Five Points and Lindberg Center.

During the initial planning of the MARTA train lines, stations were placed into five distinct categories that describe the type of development and activities that were expected to occur at the stations. The five station types are: High Intensity Urban Node, Mixed Use Regional Node, Commuter Station, Community Center Station, Neighborhood Station.[3] The High Intensity and Mixed Use stations were anticipated to have the greatest effect on future land uses. High Intensity stations were generally those in the downtown and Midtown areas. Mixed Use stations included those such as Decatur, Lenox and Ashby. Commuter Center Stations included stations like Doraville and Chamblee. Kensington, East Point and Brookhaven are examples of Community Center stations, and Neighborhood Stations included West Lake, Bank Head and Inman Park/Reynoldstown.

Initially, most of the significant development directly tied to MARTA stations included government buildings such as those located near the Five Points Station. The Lindbergh City Center station development represents the first station that has a valid chance of becoming a full-fledged TOD. This station was initially designated as a Mixed Use station type and public officials felt that it was well situated to attract a TOD development in that vein. The city of Atlanta rezoned the land for high density mixed use development and MARTA published a request-for-proposals to attract a developer interested in a TOD development. Surprisingly only two developers responded with

[3] Bollinger, Christopher R.

RFPs, one of whom was chosen. (The picture below shows the current construction of Lindbergh City Center.)

Prior to any construction of the proposed TOD, the land use of the 47-acre station property was a 2000 space “kiss and ride” parking lot. Prior to that, the land had been an industrial area. The dominant land uses along Piedmont are currently automobile oriented strip malls and restaurants. There is a significant amount of single family housing to the west of the station and multifamily housing to the east of the commercial businesses along Piedmont.

The first phase of the Lindbergh City Center development contains 1 million square feet of office space occupied by Bellsouth in two office towers and a parking structure containing a parking structure. When the project has been completed, a total of 2.4 million square feet of office space, 380,000 square feet of retail, 566 rental apartments,

380 condominiums, an hotel and more than 10,000 parking spaces will be located on the property. It is worth noting that originally 19,000 parking spaces were planned but that number was reduced due to legal opposition from the adjacent neighborhood.

The presence of the proposed Lindbergh Center Station TOD has spurred at least one offsite development proposal that intends on capitalizing on the TOD's presence. Immediately across the street at the Lindbergh Plaza, developer Sembler Company, has plans to tear down the 380,00 square foot shopping center and replace it with a mixed use development. This development is expected to contain 800,000 square feet of retail space and 250 residential units in multi story buildings. (The following is the proposed site plan as found on Sembler's website.)

Critiquing plans against top four requirements

Prior to Lindbergh City Center's construction, more than 20 years had passed since the opening of MARTA's first rail lines. During this time period various governmental and quasi-governmental bodies had adopted plans that included TOD as a preferred growth option. Such agencies included, the Atlanta Regional Commission (ARC), Georgia Regional Transportation Authority (GRTA) as well as the City of Atlanta.

Acting on such plans, in the early 1980's Atlanta began the to create Special Public Interest (SPI) zones around transit stations. Scaled down from an original citywide rezoning, these SPIs were designed specifically to address desired design and function criteria of future developments around transit stations.

The SPI eventually created for the Lindbergh Transit District (Sec. 16-180.001 of the Atlanta Zoning Ordinance) includes many such regulations. The uses allowed in the district generally include the single through multi family residential, restaurants, service uses, and retail. Offices and institutional uses are also permitted. These uses have minimum and maximum height requirements, landscaping requirements and open space requirements. Various floor to area ratio minimums/maximums are also established in a way such as to encourage certain development patterns.

The open space requirements are set up in a fashion that is supposed to encourage a pedestrian friendly atmosphere. For example a public street can be used to satisfy this requirement so long as it is not a cul-de-sac. Other standards aimed at creating a

pedestrian friendly atmosphere include a limit on the size of blocks, fenestration standards, sidewalk requirements and parking lot and curb cut restrictions. Residential uses have cap on the amount of spaces that can be provided. Parking can be shared between uses in the SPI.

Provisions are made for bicyclist in the form of bike racks and also as showering facilities in certain uses that exceed a certain size. Also, in order to "force" the acknowledgement of the nearby transit station by large office uses, a Transportation Management Plan (TMP) is required. It must also be mentioned that within this SPI several different sub-districts are established that have varying standards.

The presence of this ordinance and related plans indicates at least a certain degree of vision is present. However, judging from the fact that only two RFP's were submitted, this vision may not have been as strong in the development community. One critique that has arisen from the Lindbergh City Development includes the fact that there is no set aside "affordable housing". Another critique comes from Hank Dittmar, President of Reconnecting America. He stated that Lindbergh City Center is "…overstuffed with office space and parking structures, then isolated housing between a rail line and a freeway. It is essentially a suburban office park…"[4]

At this point it can be established that the proposed development plan contains factors that are required in order to obtain location efficiency. The plan does include mixed uses and attempt to balance node and place with the creation of the proposed Main Street.

[4] Ritter, John

Despite these qualities, Dittmar's comment suggests that the development is putting the puzzle pieces in the incorrect location. However, because the project is far from complete, it cannot be judged to be an overall failure or success as a TOD at this point. One thing that can be safely said is that Lindbergh City Station is transit oriented and not just transit adjacent. (The following image is the site plan of the completed Lindbergh City Development as found on Carter's website.)

One success that the project has achieved is in financing. This is easily evidenced in the fact that the station and initial phase of the development have been built. The inclusion of Bellsouth as an anchor office tenant seems to be a primary reason for the financial ability of the first phase of development.

The desire of Bellsouth to locate at MARTA stations in order to improve their employee's quality of life is a signal that the office market is ready for such developments. Furthermore, after years of stagnant or declining population, the *City* of Atlanta is experiencing considerable residential growth. A sizable portion of this growth

is locating in housing developments that are of similar designs or density to what could be located in a TOD, but are not within close proximity to a transit station. The market for TOD housing and other adjacent developments (such as Post Lindbergh) although currently very limited, will likely be a success in the future. This is especially true as Atlanta's suburbs continue to age and more people move into the region.

The first significant difference between Lindbergh City and Plaza is that whereas for Lindbergh City RFP's were submitted and therefore the private developer had a subordinate amount of control, Lindbergh Plaza is located on and will be developed entirely by private entities. Therefore, although this property has SPI considerations in its proposed plan, the public representatives have less control over what will happen.

One City employee was quoted as saying that the Lindbergh SPI was "written to be a mixed use, urban scale development, to encourage live, work, to encourage grocery stores and neighborhood restaurants and your neighborhood watering hole. And then what happens is, it (the development plan) goes downtown and turns out to be something a whole lot less than we citizens of this city would like to see."[5] This person's comments were aimed at least in part at the presence of "big box" stores on the proposed plan.

Such a public comment from a city employee indicates a break in achieving a common vision. Also, the presence of the "big box" stores and the large surface parking lot is an obvious break from the balancing of place and node. While the requirement for place may not immediately seem as relevant as for the Lindbergh City development, it must be

[5] Wall, Michael

remembered that this property is directly across the street from that development and should build on its presence. The current layout of the site plan is primarily to serve those outside the development that will be arriving by automobile. This development definitely weighs more on the side of node than place.

While this project is still only proposed, it does have a major developer behind it that is capable of attracting national chain retailers to the development. Financially, it is assumed that the developer has pursued this project in that it is financially feasible and that the market is able to support it. Despite its potential shortcomings, Lindbergh Plaza will still benefit from the same market trends as its aforementioned neighbor.

Conclusions and Recommendations

Prior to the development of Lindbergh City Center a report published by Research Atlanta determined the prior to 1990, MARTA had little effect on the location of development of in the Atlanta Region. This study determined that when other influences such as highway access, quality of schools, and economic make-up and general growth pattern were accounted for, that MARTA's had not been a significant factor in shaping the region's development pattern.[6] In fact the study found that overall, some station areas had lost population and that suburban areas not adjacent to transit had experienced the most growth.

[6] Bollinger, Christopher R.

The following recommendations are meant to continue to reverse that past trend and help to establish more TOD developments in the Atlanta Region.

The recommendations are as follows:

1. Be sure districts similar to SPIs are at all MARTA stations in all jurisdictions.

2. Market TOD developments and its associated transit to the general public and developers, and make them aware of the consequences of their living and building choices.

3. Host "learning sessions" with lending institutions to help them understand the function and benefits (both practically and financially) of TODs.

Now that MARTA is an established system, and urbanity is increasing in terms of market popularity, it is possible that MARTA's train stations are poised for further expansion of TOD style developments. As the metro area moves into the future, TODs have the distinct potential to provide unique, viable and improved way of life that will benefit all of the metro's citizens.

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"A single subway line can deliver 60,000 to 80,000 people per hour per track...

By contrast, a superhighway can only deliver 2,400 cars per hour per lane."

-Alex Marshall, Architectural Record, December, 2000.-