ST. LOUIS REGIONAL

TRANSIT-ORIENTED DEVELOPMENT (TOD)

BEST PRACTICES GUIDE
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WHY TOD? WHY THIS GUIDE?

In April 2010, Metro announced approval of the St. Louis region’s first long-range transit plan, *Moving Transit Forward*. The plan is the product of close consultation and cooperation between Metro, East-West Gateway Council of Governments, community stakeholders and the general public, and establishes a shared vision for expanding and improving the regional transit system over the next thirty years.

One of the central conclusions that emerged from the long-range planning process was the need to realize more sustainable development throughout the region. With every passing year it becomes more apparent that continued outward expansion and dependence on the personal automobile is inhibiting the region’s economic growth; inflating the average household’s daily cost of living; stretching public infrastructure to the breaking point; and continuing the depopulation and disinvestment of inner-ring communities in the region’s core. Residents and community leaders across the region are realizing St. Louis needs a more balanced, measured approach to development: one that slows but does not stop suburban expansion, while redirecting growth to more urbanized areas that have the capacity and existing infrastructure to support it.

This type of policy approach will require leveraging the region’s assets to foster more livable, sustainable communities. Federal housing and transportation policies have been reworked to support such efforts, directing funds to projects that expand options for transportation and housing choice, promote affordable housing, enhance the region’s economic competitiveness, and better support existing communities. Transit is one of our regional assets that can be used to stimulate economic growth and smarter development; unfortunately, to date the St. Louis region has not capitalized on the opportunities transit offers. The most effective tool for using the regional transit system to encourage sustainable growth is “true” transit-oriented development (TOD). TOD will be explained in greater detail below, but in very general terms it is a neighborhood development concept that combines land use policies, zoning regulations, and design guidelines to encourage compact, higher-density growth around transit stations. To remain economically competitive and culturally significant, the St. Louis region must develop effective, practical TOD guidelines.

However, there are significant barriers to making transit-oriented development a reality in St. Louis. The region’s land values have been comparatively low for decades, which encourages suburban “greenfield” development while inhibiting smart growth, urban infill, and higher-density developments. The majority of municipal land use policies and zoning codes are focused on car-centered, traditional suburban development. The fragmented nature of policy-making in a region with 850 local government entities inhibits a cooperative approach to land use planning, and means that making local zoning codes more TOD-friendly must be done on an ad-hoc, city-by-city basis. Furthermore, both the public sector and the private sector in St. Louis have limited experience in planning, financing, and building TOD.
Fortunately, the region boasts several advantages that may overcome these barriers to TOD. The federal Partnership for Sustainable Communities’ grant programs have already sparked dialogue on how the region needs to change in order to retain a competitive edge. Several agencies and organizations – including FOCUS St. Louis, Citizens for Modern Transit, Trailnet, and Beyond Housing – are expressing grassroots support for TOD and workforce housing. There is also growing public demand for more walkable, livable communities and urban housing options, particularly among young professionals and retired residents. This demand has sparked interest in higher-density development and TOD among private-sector real estate and financial firms. The City of Clayton, in St. Louis County, produced the region’s first TOD zoning overlay district, which will serve as a strong example to other municipalities seeking to capitalize on transit investments. Also, the future of the Metro Transit System is much more stable after the recent approval of a half-cent transit sales tax in St. Louis County, and a corresponding quarter-cent increase in St. Louis City. This stability will allow Metro to improve and expand the regional transit system, which is vital for supporting any meaningful shift in land use policy. Finally, there remains a large amount of developable land within walking distance of most MetroLink stations and MetroBus transit centers.

These are all signs that the time is right for TOD in St. Louis. Metro and East-West Gateway Council of Governments (EWGCOG) are in the preliminary stages of working on a regional Transit-Oriented Development Plan. This regional planning process will be shaped by a broad and diverse array of stakeholders, including Metro, EWGCOG, St. Louis County, St. Louis City, St. Clair County, Madison County, municipal planning departments, elected officials, economic development agencies, community non-profit organizations, regional business groups, developers, the financial industry, neighborhood associations, and the general public. All of these stakeholders will work together to craft a broad policy framework of goals and general design guidelines for development around transit stations. The regional plan’s recommendations, which will be somewhat general and flexible, would then be implemented at the local level through Station Area Plans that include specific zoning changes, design guidelines, parking requirements, and financial incentives.

This *TOD Best Practices Guide* lays out findings and examples from successful TOD plans across the nation, and is intended to serve as a toolkit as the St. Louis region moves forward with “true” TOD.

**WHAT IS TRANSIT-ORIENTED DEVELOPMENT?**

Transit-Oriented Development (TOD) is a community design concept that rethinks how we plan, fund, and build our communities. TOD is the product of regional and local land use policies, infrastructure investment decisions, public-private development partnerships, and private-sector market choices. TOD neighborhoods are scaled to the pedestrian, and designed to provide a unique sense of “place” to the community. The overall goal of TOD is to surround transit facilities with vibrant, carefully designed neighborhoods where people can live, work, shop, and play within a safe and pleasant walk to trains and buses. It is also meant to encourage land uses that better support and augment the regional transit system, such as higher-density residential neighborhoods that provide more riders; grocery stores, day care facilities, and other retail options that meet the day-to-day needs of transit riders; and offices and light industrial uses that provide jobs. TOD better connects the community, making it easier to move
around using a range of transportation options, including transit, cars, bicycles, and walking. This enhanced connectivity and mobility provides a higher quality of life than communities designed solely for automobiles. Successful, well-planned TOD strengthens both the transit system and the community.

**Key Components of TOD**

Transit-oriented development is not a one-size-fits-all set of land use laws and zoning controls that can be uniformly applied across the region. TOD is a highly flexible term that can describe many different types of neighborhood character, street plans, and building types. TOD in higher-density, more developed areas, such as Downtown St. Louis and the Central West End, may mean taller apartment and condo buildings with retail or office space on the lower floors. In more suburban areas, TOD may be rowhouses or single-family homes on smaller lots, located closer together and clustered around the transit station and a small retail/office hub or community center. Whatever the community’s desired building scale and development densities, all types of TOD share a few basic, universal traits:

**Centered Around Transit**

The transit station should be at the heart of the community, not in its back yard. Development should be centered around the transit station, with the most active uses and highest densities closest to the station, stepping down in density away from the station.

**Sustainable, Transit-Supportive Land Uses**

TOD is the most powerful tool available for encouraging sustainable growth and economic vitality, but its success depends almost entirely on finding the right mix of land uses. The areas immediately surrounding transit stations should offer medium- to high-density development and a wide range of uses, such as residential, retail, office, perhaps even light industrial. This mix of uses many be located in the same buildings or in separate buildings, so long as the overall development pattern is compact, walkable, centered around transit, and offers a range of uses to support the community’s daily needs. Some land uses that are specifically designed for the car – such as drive-through restaurants, automotive sales, gas stations, and surface parking lots – actively work against transit-oriented development and should either be discouraged or redesigned with a pedestrian focus in TOD areas.

**Density**

Residential densities and commercial floor area in TOD areas should take advantage of the close proximity of transit infrastructure. In most cases TOD encourages somewhat taller buildings and more housing units per acre, but not to such a degree that it would threaten or overwhelm the built environment in surrounding neighborhoods. Target density levels should also be flexible within the TOD neighborhood, with the tallest buildings and densest development focused immediately around the transit station and stepping down towards the edges of the station area. Ideally, TOD plans should focus on long-term growth, establishing a framework that allows flexibility to meet changing community and market demands over time.
Compact Development Patterns

One of the central tenets of TOD is creating compact, walkable neighborhoods. Residents and visitors should be able to comfortably walk anywhere within a quarter-mile or half-mile of the transit station, enjoying pleasant surroundings and interesting, engaging streetscapes. This type of dynamic neighborhood comes from an interconnected street grid; short blocks; buildings that are located on or near the streetline; “active” storefronts or building façade treatments; and locating parking within or behind buildings. The pedestrian must be the prime focus of all development and design decisions, and transit stations should offer short, direct, and easy connections to the surrounding neighborhood.

People-Focused Urban Design

A prioritized focus on the pedestrian is strengthened through intelligent, sensitive design of streets and buildings. Streets should be scaled to the pedestrian and include substantial public amenities, particularly sidewalks, landscaping, lighting and seating. Architecture should be innovative and varied, providing a sense of dynamism and visual engagement. Buildings should also be sensitive to the pedestrian scale, especially on residential side streets, which may require setbacks after four or six stories. The ground level should always engage the pedestrian’s mind and eyes, and foster a sense of lively activity through transparent, activated storefronts and interesting building facades. Developers should also try to incorporate design elements for weather protection in all seasons.

Innovative, Context-Sensitive Parking

The surface parking lots that are so common throughout the St. Louis region actively work against compact, livable, sustainable design. The car is a fact of American life, and TOD plans cannot ignore or disallow them, but they can be managed in a much more sensible way. TOD plans and zoning controls often establish parking maximums rather than minimums. The neighborhood’s direct connection to a strong transit system allows developers to assume some portion of residents will depend on transit, and to replace expensive parking with more profitable floor area. As mentioned above, parking in TOD areas should always be located within or behind buildings; structured parking is ideal, but not required.

“Placemaking”

The end goal of true TOD should be establishing a unique sense of “place” for each neighborhood. TOD shouldn’t be a cookie-cutter pattern that looks the same throughout the region; it should foster unique, lively neighborhoods that have their own sense of identity. “Placemaking” is more of an art than a science, and depends on all the elements above: innovative architecture, quality public spaces, a prioritized focus on the pedestrian realm, and intelligent urban design. Perhaps the most important element in “placemaking” is often the most difficult: striking the right mix of uses. Some TOD neighborhoods may function more as an employment center, providing substantial office space and light industrial employment. Others may focus more on residential units and locally-oriented retail. If possible, TOD policy and funding mechanisms should promote entrepreneurship and local businesses. In any case, the streets, buildings, businesses, and transit station architecture should all work together to establish a neighborhood “brand.”
WHY PLAN FOR TRANSIT-ORIENTED DEVELOPMENT?

TOD offers the community many economic and social benefits, including neighborhood revitalization, decreased car travel and traffic congestion, enhanced connections between people and jobs, and the provision of affordable housing. If carefully planned and effectively implemented, TOD offers great positive impact on the lifestyles of residents, riders, neighbors, and customers.

URBAN REVITALIZATION

Central Business Districts and older, inner-ring suburbs that maintained access to transit often are more attractive to businesses and workers due to a wider range of travel options, enhanced access to numerous destinations and activities, and a full range of urban amenities. TOD improves the physical surroundings and residential quality of life by growing businesses that meet the day-to-day needs of residents, transit riders and employees; creating active, ground-level uses that attract pedestrian traffic; and providing public spaces that enhance the actual – or even perceived – level of public safety. TOD is a powerful tool for revitalizing communities that have experienced abandonment, neglect and disinvestment over the last few decades.

REGIONAL ECONOMIC DEVELOPMENT

Transit-oriented development, if carefully planned and implemented, offers significant economic spillover throughout a region. TOD can attract new residents and generate new businesses – especially when part of a dynamic, comprehensive economic development strategy – in turn producing jobs, tax revenue, and positive secondary economic impacts. Building a range of new housing options and businesses around transit stations will improve connections and commute times between people and jobs. That enhanced connectivity provides a wider array of employment options for people who cannot travel to areas of new job growth in car-centered suburbs, particularly the urban poor. It may also attract ‘choice’ riders from cars to transit, reducing congestion on the region’s highways and saving businesses time and money on freight and truck transportation.

AFFORDABLE HOUSING

Moderate- and low-income families across the country are moving ever farther away from jobs in order to find housing they can afford; however, the increased cost of commuting often amounts to more than the amount saved. The Federal Partnership for Sustainable Communities promotes greater coordination of housing and transit policy, and encourages affordable housing to be built with direct access to transit. This initiative promotes infill development and employment opportunities in the inner city and inner-ring suburbs. Homes may be smaller and sometimes more costly, but residents in these homes save money due to the decreased costs of owning and operating an automobile. Figure 1 illustrates how households in better-connected communities spend less on annual transportation costs. According to a report from the Center for Transit-Oriented Development (CTOD), living in a walkable neighborhood with a good mix of uses and direct access to public transportation can provide a 16 percent savings over living in a car-oriented environment.
JOBS/HOUSING BALANCE
By bringing jobs, housing, and services closer together and linking them with transit, TOD can help shorten travel times and improve connections between people and jobs. For the last few decades, business development and job growth has been expanding ever-outward in suburbs and exurbs, leaving the working poor in inner cities and older suburbs either unable to access those jobs, or spending a large portion of their income just to get to work. Redirecting the majority of growth to areas served by transit will help alleviate this spatial disconnect between the location of jobs and the homes of the labor force.

URBAN AND ENVIRONMENTAL SUSTAINABILITY
Compared to car-oriented development, compact, mixed-use, transit-oriented development offers a broad range of environmentally-sustainable benefits, including more efficient use of public infrastructure, land use, and transit; fewer vehicles miles traveled; and reduction in traffic congestion. TOD and infill development generally use existing infrastructure, and would maximize the public sector’s return on investment for any new or expanded infrastructure.

LAND CONSERVATION
TOD, whether infill or not, consumes less land than low-density, car-oriented growth. TOD reduces the need to convert farmland and open spaces into new development.

INCREASED PROPERTY VALUES
Proximity to transit, well-designed public spaces, and substantial public amenities are proven to increase surrounding property values. Pedestrian-oriented development and easy transit access are distinct, easily-recognizable, and marketable attributes of a neighborhood that will generate higher tax revenues.

RETURN ON INVESTMENT FOR DEVELOPERS
TOD can be more profitable for developers and investors than traditional, suburban development. Land acquisition and construction costs may be higher, especially for urban infill, but higher-density projects produce more residential units for sale or rent as well as greater retail square footage. Developments
centered around transit infrastructure can assume a percentage of residents and retail customers will use transit, allowing developers to replace some parking spaces with more profitable floor area.

**Entrepreneurship**
Traditional suburban developments often focus on big-box and formula business retail tenants. Local entrepreneurs, who thrive on foot-traffic, can take advantage of the business opportunities afforded by TOD’s focus on compact development, smaller building footprints, and pedestrian traffic. This effect would be considerably stronger if TOD is part of a larger, comprehensive economic development strategy geared towards growing small business and supporting local entrepreneurs.

**Intelligent Framework for Smarter Growth**
TOD offers an opportunity for policy-makers to direct growth and economic activity over time, which allows for targeted, strategic investments that help planners and decision-makers implement other regional sustainability goals.

**How Can St. Louis Pursue TOD?**
Transit-oriented development is **not** a one-size-fits-all set of land use laws and zoning controls that can be uniformly applied across the region. It is a big-picture, overarching concept of community design that requires understanding and sensitivity to the existing built environment, political structures, and local real estate market dynamics. A handful of TOD specialists alone in a room would be able to craft a technically valid land use plan, but such a plan would be useless without substantial input from experts in transit, real estate, finance, marketing, and community engagement. As is common with most large-scale endeavors, TOD is best pursued in two stages: planning and implementation. The planning stage formulates careful, intelligent guidelines for future development, both across the entire region and at specific station areas. Those guidelines are then implemented at the local level through zoning changes, funding mechanisms, and development partnerships.

**Planning TOD**
The first step in pursuing TOD is formulating a plan. There may be significant pressure to jump directly into zoning changes or individual development projects, but TOD will be most successful if it’s carefully thought-out in terms of appropriate scale, anticipated travel patterns and housing market demands, and its fit with the region’s “bigger picture” of economic development. TOD may be most powerful as a shared regional plan for growing the transit system and targeting specific areas for development and economic activity. This kind of planning would require cooperation and collaboration among a broad array of actors, both public and private. The regional TOD plan would then be implemented at the local level through changes to municipal zoning codes and Station Area Plans.
**STAKEHOLDERS**

Perhaps the most critical first step in TOD planning is identifying a diverse set of stakeholders that need to be involved. The success of TOD rests as much on analyzing, directing, and meeting market demand as it does on sound land use and transportation planning. An effective TOD plan will depend on the active involvement and input of an array of public agencies, private-sector developers and financial firms, non-profits, community organizations, and the general public. Figure 2 provides a general overview of the types of stakeholders that might be involved in TOD planning and implementation.

**FIGURE 2**

**TRANSIT AGENCIES**

Transit agencies lead the planning, funding, construction, operation, and maintenance of the transit system, and often own land that is well positioned for joint development around transit stations. Transit agencies should coordinate with many different stakeholders throughout the planning and construction process. Transit agencies must also strive to build public support for TOD in their regions. Ideally, TOD planning efforts would also enhance the potential for federal funding to expand and improve transit systems by demonstrating that development patterns in the region support it.

**REGIONAL AND LOCAL PLANNING ENTITIES**

Regional and local planning entities (i.e. Metropolitan Planning Organizations, city/county governments), economic development agencies, and housing and transportation staff are critical stakeholders in the TOD planning process. Local agency staff and elected officials often lead the creation and adoption of transit-supportive land use policies, zoning regulations, and economic development programs. MPOs and other regional planning entities are identified as “Metro Government” in Figure 2.
PRIVATE DEVELOPERS
Although regional entities, municipal governments, and transit agencies set the policy framework for transit-oriented development, the private sector plays the larger role in implementing TOD, usually through public-private partnerships. These professionals, including real-estate experts and investors, not only pursue new construction, but may also participate in the broader revitalization of existing neighborhoods and restoration of historic structures.

GENERAL PUBLIC, ADVOCATES, AND COMMUNITY GROUPS
Transit-oriented development is an important community investment; therefore, the general public – residents, workers, employers and community activists – are also critical stakeholders in the TOD planning and implementation process. In the long run, TOD planning will have the greatest impact on these stakeholders, as they are the groups and individuals who will reside, work, and interact within the TOD environment on a daily basis.

LAND-USE REGULATION
Land-use policies are used to encourage higher densities and focus design standards on pedestrians, bicyclists, and transit riders. These regulations enhance walkability by limiting ground floor space to uses that generate pedestrian traffic; positioning buildings with little or no setback from the street or sidewalk; and/or ensuring that new developments use more traditional block sizes, rather than removing streets and creating unwalkable superblocks. These regulations may also include developer incentives for TOD-supportive features such as public space, improved streetscapes, enhanced station access, affordable housing, and connectivity to existing neighborhoods. The most common form of regulation is the municipal zoning ordinance, which typically includes controls on land use, bulk, building height, residential density, and parking.

TYPOLOGIES
TOD plans often establish land-use typologies, general guidelines for the ideal mix of uses, densities, and urban form in a particular TOD district. Typologies are built on existing and future travel patterns and housing demand; they also need to be sensitive to the existing built environment. In short, typologies are “bigger-picture” place-making tools that establish a general framework for development in each station’s immediate vicinity. They often also include plans and maps for public-sector improvements to streetscapes, amenities, and pedestrian connections in and around transit stations. They commonly include broad-based controls such as minimum residential density levels, ideal building heights, and required mixed uses in order to ensure enough transit ridership and pedestrian traffic to support investment in transit infrastructure. Typologies typically concentrate increased residential densities and commercial square footage in the immediate vicinity of the transit station, then gradually decrease densities and building heights toward the periphery of the TOD district. Typologies set the general vision and desired outcomes for nodes of residential development and economic activity, but they do not
address lot-by-lot development or zoning controls. That kind of fine-grained planning and regulation is implemented through local zoning regulations and Station Area Plans. Example typologies include:

- **Regional Centers**: These are the primary centers of economic and cultural activity, such as regional downtowns and business centers. They are characterized by a dense mix of housing and employment types, retail, and entertainment uses that cater to the regional market. Downtown St. Louis and Clayton are regional centers.

- **Urban Centers**: Most regions have one regional center and several urban centers. These secondary centers also contain a wide mix of uses, though usually at slightly lower densities and intensities. The Central West End and University City are two local examples.

- **Suburban Centers**: These tertiary centers serve as the residential and retail hubs for broad suburban areas. They often contain retail and suburban office uses, but a true TOD typology would integrate residential development and cultural amenities. Chesterfield is an example.

- **Urban Neighborhoods**: These are primarily residential areas that are well-connected to regional centers and urban centers. Densities are moderate to high, and housing is usually mixed with local-serving retail. Commercial uses are limited to small businesses and light industry. Grand South Grand and Soulard are well-known local examples.

Figure 3 provides an example of general typologies:
Station Area Plans establish specific controls on zoning, design, public spaces, pedestrian access, and transit infrastructure at the local station level. Station area plans may implement typologies from a larger regional TOD plan, or they may actually be the region’s strategy for TOD, absent a larger vision; national best practice is split. They typically cover a radius of a quarter-mile to a half-mile around the station area, and include all the zoning controls and design requirements necessary to shape the community’s vision for development in their neighborhoods. Station Area Plans are often paired with incentive programs and funding mechanisms to spur development. Figure 4 provides a nice example of a map from a Station Area Plan.
ZONING POLICIES

TOD plans and typologies are implemented through zoning tools, often in the form of Station Area Plans and “transit overlay districts” that cover at least a quarter-mile radius around transit stations. These zoning overlays act as special zoning districts with their own unique controls over land uses, densities, building heights, parking and street design. TOD zoning generally seeks to generate greater residential densities, business activity, and active streetscapes, but in a way that’s sensitive to the built environment in surrounding neighborhoods. Allowable building envelopes and the levels of regulation established by TOD zoning tend to fall on a continuum, with larger buildings, higher densities, tighter regulations, and site-specific design review for lots nearest the transit station, large lots, corner lots, and buildings that would encompass the transit station. Densities, building heights, and the level of design control tend to decrease for smaller lots further away from a station. Table 1 shows a sample of typical TOD zoning controls from a range of markets.
### TABLE 1

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>POLICY</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density</td>
<td>Base maximum and/or minimum density of development on distance from transit station with density highest at the station and dropping off.</td>
<td>Hillsboro, OR and Arlington, VA</td>
</tr>
<tr>
<td>Density</td>
<td>Zoning requires 20 units per acre in suburbs and 45 units per acre in urban areas within 2000 feet of transit station.</td>
<td>San Jose, Ca</td>
</tr>
<tr>
<td>Density</td>
<td>In certain locations buildings must be &quot;X&quot; stories tall.</td>
<td>Denver, CO</td>
</tr>
<tr>
<td>Density</td>
<td>An average density for a transit district rather than for individual parcels. This results in a mix of buildings with density greatest nearest stations.</td>
<td>City of Mountain View, CA</td>
</tr>
<tr>
<td>Developer Incentive</td>
<td>Mixed use zoning districts allow by right developments that are at least 50% residential, decreasing approval time from 5 years to 6 months.</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Developer Incentive</td>
<td>20% additional Floor Area Ratio (FAR) bonus when developers incorporate affordable housing.</td>
<td>Atlanta, GA</td>
</tr>
</tbody>
</table>

**Form-Based Codes**

In contrast to conventional zoning codes that separate land uses and impose sometimes convoluted building bulk controls, form-based codes emphasize a mix of uses and housing types, as well as a set of visual design guidelines. Form-based codes focus more on the creation of a sense of “place” than on regulating uses on individual parcels. This emphasis on design encompasses relatively strict yet simplified regulations on building form (dimensions and facades), streetscapes, parking location, and the public realm. Form-based codes are especially useful in districts and neighborhoods where traditional zoning fails to recognize unique features such as historical value or transit stations. Because form-based codes are more visual and design-focused, it is easier for all stakeholders, especially the public and elected officials, to understand the end results of implementing a planning document. This potentially reduces conflict due to misunderstandings of very technical plans and zoning ordinances. Form-based codes can be an effective tool for producing “true” TOD, but utilizing it in the St. Louis region would require substantial education and a conceptual re-think among municipal planning departments and elected officials, as nearly all of the existing municipal codes are based on more traditional zoning principles. Figure 5 illustrates door and window architectural design standards from a form-based code:
TRANSPORTATION: TRANSIT
A robust and extensive transit system – the “T” in TOD – is absolutely essential to successful TOD. TOD planning efforts should be pursued both around existing transit stations, and in areas of anticipated transit system development. National best practices are split; established, slow-growing regions tend to focus TOD planning efforts around existing infrastructure, while regions with rapidly expanding transit systems, such as Dallas and Denver, establish TOD-supportive policies in areas targeted for rail service. Establishing a TOD-supportive policy framework prior to transit system expansion is a strategic choice; the resulting development starts to deliver the general benefits of TOD, while higher densities bolster the community’s case for extending the transit system to serve that area. It also strengthens the case for federal support.

The St. Louis region is well-positioned to integrate land use policy and transit planning in support of TOD. The region’s two light rail alignments and assorted transit centers already offer substantial
development opportunities. With the approval of *Moving Transit Forward* the region has an official plan for expanding and improving the transit system over the next 30 years. The communities that may eventually be served by a MetroLink line have an opportunity to establish sustainable policies before connecting to the light rail system, rather than having to retrofit zoning ordinances to accommodate TOD. Such preemptive planning can also make the rail expansion more likely, as the federal government considers development densities and TOD-supportive land use policies when making funding decisions.

The transit system also needs to be considered at the user level. A regional plan may establish general policies and design guidelines that require future infrastructure projects to prioritize pedestrian and bicycle access, and to offer easy, direct connections to the surrounding neighborhood. Those general guidelines could then be worked out at the individual project level, considering local environmental conditions, through Station Area Plans.

**Transportation: Walkability**

Walkable, pedestrian-friendly environments are a central element of successful TOD. Direct pedestrian access to transit should always be at the heart of TOD planning. Many different factors contribute to a walkable, pedestrian-friendly environment, including building design, building placement, land use mix, streetscape standards, strong pedestrian connections to surrounding neighborhoods, and small block sizes. “Active” public spaces attract people and encourage them to spend time and money at adjacent businesses. Minimizing building setbacks from streets and moving parking to the rear of the lot or inside buildings will also enhance the pedestrian environment. For example, placing buildings to one side of a parcel, instead of in the center of a parcel, sets aside land for future development that would otherwise remain vacant (see Figure 6 below). Moreover, incorporating design principles from *Crime Prevention through Design* (CPTED), a multidisciplinary approach to crime prevention, helps keep eyes on the street and creates a safer environment.

**FIGURE 6**

Transportation: Parking

For the most part, TOD zoning will impose parking maximums rather than minimums in order to encourage a decrease in automobile use in and around TODs. Providing the appropriate level of parking is crucial, as too little parking will fail to support the activities within the TOD, while too much parking works against the focus on pedestrianization, transit use, and streetlife that are fundamental to TOD principles. Parking demand varies by time of day and by land use, so shared parking may be an option. Furthermore, making parking a separate purchase by unbundling it from the price of nearby apartments or condos can decrease the cost of housing while preserving a parking option for those who choose to drive. Developers may also choose to pay “in-lieu” fees instead of building parking spaces. Those collected fees could then be used to build shared, stacked parking for the entire district. In any event, TOD design principles always recommend that off-street parking be hidden behind or within buildings.

Implementing TOD

The TOD planning process sets the policy stage for local zoning changes and construction of actual projects. Turning a TOD plan into a successful, vibrant reality requires coordination of policy and funding at all levels of government, as well as cooperative relationships with banks, private developers, and community groups. Considering all the moving pieces that have to align in order to realize development, the collaborative relationships with stakeholders formed during the planning process should be maintained, and at least some preliminary research into possible funding resources should be completed during the planning phase. Once the TOD plan is finalized, public/private partnerships can pursue changes to municipal zoning ordinances, joint developments, and funding options.

Public/Private Partnerships

Functional and empowered public/private partnerships are essential to implementing TOD. Most such partnerships utilize government land use plans and regulatory or financial incentives to encourage private market development. The public sector has many tools for encouraging and guiding TOD, including expediting the development review process; altering zoning codes to allow for increased densities or reduced parking requirements; helping resolve environmental or other regulatory issues; financing development construction loans; employing tax increment financing (TIF) methods; and/or guaranteeing a public-sector tenant.

Joint Development (JD)

Joint Development is the "active cooperation between the public and private sectors in undertaking real estate ventures which either physically connect to or functionally support the transit facility" (Bay Area Rapid Transit). Transit agencies can sell or lease land purchased through federal grant programs, so long as the agency retains control over the project and funds are used to shape communities being served by transit. Many transit agencies and cities enter into joint projects with private development partners on publicly-owned land to ensure it is built with uses that support transit ridership and/or other public goals, such as affordable housing and neighborhood revitalization. Private developers can provide
critical resources to the joint project, including additional property and professional expertise. Typically, the transit agency employs several value-capture mechanisms to share in the financial benefits generated by the development.

There are two general types of joint development: revenue-sharing and cost-sharing arrangements. Examples of revenue sharing include land leases, air rights development, station interface or connection-fee programs, concession leases, and benefit assessment districts. Cost-sharing arrangements often include sharing construction expenses, incentive-based programs that provide benefits (e.g. density bonuses) in return for off-loading construction costs, and joint use of equipment such as HVAC systems. The most common arrangements are ground leases and operations cost-sharing, but many JDs employ elements of both revenue-sharing and cost-sharing to maximize benefits for both parties. The private developer and investors enjoy the advantage of higher rents and/or greater density, while the transit agency benefits through cash payments, increased ridership, and increased tax revenue. Both parties benefit from shared access, utilities, security, and maintenance.

At least four conditions are necessary for financially-successful joint developments. First, the agency with lead responsibility must have an entrepreneurial bent. Second, coordination is essential, especially when projects involve more than one public agency. Third, sponsoring agencies must understand that there are benefits to joint development that go beyond generating revenues. Finally, and most importantly, the local real estate market must be active and healthy. “A body of research and empirical evidence has shown that TOD and JD cannot overcome a flat or anemic local real estate market” (Transportation Research Board).

FTA does not offer funding specifically for JD or TOD; rather, it offers assistance for capital costs under existing programs. Criteria for FTA capital funding eligibility include: demonstration of an economic link through private investment and economic development; a benefit to public transportation through improvements to physical infrastructure, functional efficiency, and/or coordination between public transit and other forms of transportation; transit revenue generation; and cost-sharing by rental payments or other means, if applicable.

**LAND ACQUISITION/ASSEMBLY**

Sometimes the real estate market is slow to respond to policy changes, especially when the product is unfamiliar and may require complex financial arrangements. The development community may decide to wait for a successful example to emerge. In those cases, a transit agency may wish to pursue a joint project in order to catalyze development. If the public sector controls little or no land near a station, the transit agency or partnership may need to use one of the following mechanisms to acquire land.

**LAND BANKING**

Land banking is useful for assembling parcels until the time is right for development. The purchaser takes ownership of parcels and waits until the value of the parcel increases before reselling or transferring the land to interested parties who will actually pursue development. Government agencies
may choose to purchase land, then transfer it to community developers at or below cost to help make TOD more financially feasible. Portland, OR is an example of successful land banking. Generally, land banking protects the assembled land from being developed with a car-centric use until the time is right for TOD.

**Eminent Domain**

Eminent domain is the exercise of state power to seize private property or rights-in-property without the owner’s consent, though it does legally require “just compensation.” The City of Denver’s *Transit-Oriented Development Strategic Plan* explicitly mentions that their transit agency has the authority to exercise eminent domain. However, municipalities and transit agencies would be well-advised to leave eminent domain as a final option, as it often elicits significant legal and community opposition. Furthermore, current Supreme Court law indicates that eminent domain for economic development purposes must be directly linked to a broad-based, comprehensive land use/development plan (*Kelo v. City of New London*, 545 U.S. 469 2005).

**Financing Mechanisms**

TOD faces the same challenges common to urban and infill development, namely infrastructure upgrades, expensive land acquisition, and potential environmental remediation. These higher up-front costs may keep land around transit stations from being developed, or being redeveloped with more typical, low-density suburban developments. These financial barriers to TOD can be lowered through coordination of funding programs at the federal, state, and regional levels.

**Federal Funding**

**Capital Investment Grants**

Capital Investment Grants fund rail and bus system improvements, and explicitly consider transit-supportive land use planning when evaluating applications. Under the Federal Transit Administration (FTA) New Starts program, transit-supportive land uses such as TOD are weighted as 20% of the evaluation criteria for grant approval. For Small Starts, transit-supportive land uses are weighted at 33%. Though these programs do not directly fund TOD, the weighted evaluation criteria do encourage regional and local governments to focus transit capital projects on areas with higher densities of people and jobs. Figure 7 illustrates the weighting of various evaluation criteria under the federal New Starts program:
US Department of Transportation (DOT) Funding

Although the US Department of Transportation (DOT) does not sponsor a grant program specific to transit-oriented development, most FTA funding programs may be used for capital projects that support TOD design features. For example, FTA funding may be used for:

- Real estate acquisition
- Site preparation
- Demolition
- Building foundations
- Utilities
- Walkways
- Open space
- Safety and security
- Equipment and facilities
- Facilities that incorporate community services like healthcare and daycare
- Intermodal transfer facilities
- Transportation-related furniture
- Fixtures
- Parking
- Project development activities
- Professional services
• Pedestrian improvements
• Bicycle improvements

DOT-HUD-EPA PARTNERSHIP FOR SUSTAINABLE COMMUNITIES
In 2009, the U.S. Department of Transportation (DOT), Environmental Protection Agency (EPA), and Department of Housing and Urban Development (HUD) formed the Partnership for Sustainable Communities. The Partnership formulated a list of six Livability Principles to guide funding decisions and better integrate regional land use and transportation planning. The six Livability Principles are:

• Provide more transportation choices
• Promote equitable, affordable housing
• Enhance economic competitiveness
• Support existing communities
• Coordinate policies and leverage investments
• Value communities and neighborhoods

The Partnership emphasizes TOD as a tool to achieve the following goals: improving access to affordable housing; providing more transportation options; and lowering transportation costs while protecting the environment in communities across the US.

HUD SUSTAINABLE COMMUNITIES REGIONAL PLANNING GRANT PROGRAM
HUD’s $100 million Sustainable Communities Regional Planning Grant Program is similar to the Community Challenge Grant Program (described above), but at a regional level. Grant funds were awarded to regional sustainability plans that cross jurisdictional boundaries and maximize public engagement. The St. Louis region was one of 45 successful applicants, winning the fourth-largest award of $4.6 million grant to support regional sustainability planning. It is expected some of these funds will be used to support TOD planning and implementation.

CONGESTION MITIGATION AND AIR QUALITY (CMAQ)
The Federal Highway Administration’s (FHWA) Congestion Mitigation and Air Quality (CMAQ) program helps regions meet Clean Air Act requirements by funding transportation projects that reduce emissions in areas that do not meet national air quality standards. These funds can be used to improve and expand transit systems, which is the single most vital element to the success of TOD.

FEDERAL LOW-INCOME HOUSING TAX CREDIT
The Federal Low-Income Housing Tax Credit is the largest source of funding for affordable housing in the United States. It provides states with the ability to issue tax credits to equity investors in affordable housing acquisition, rehabilitation, and construction. Many TOD developers across the country have used LIHTCs to sponsor a certain percentage of affordable housing in their developments.
TRANSPORTATION, COMMUNITY, AND SYSTEM PRESERVATION PROGRAM (TCSP)

The Federal Highway Administration’s (FHWA) Transportation, Community, and System Preservation (TCSP) Program is a comprehensive program of planning, research and grant funding to investigate the connections between transportation, community, and transit system preservation plans, and to identify private-sector initiatives to improve such relationships. Successful TCSP applicants include:

- New Jersey Transit, awarded $810,000 to assist several municipalities in enhancing connections between transit lines and surrounding communities, and to leverage private capital to redevelop station areas.

- The City of San Francisco’s Planning Department established a TOD office and immediately received a TCSP grant to develop a TOD station area plan.

HUD COMMUNITY CHALLENGE PLANNING GRANT PROGRAM

The US Department of Housing and Urban Development’s $40 million Community Challenge Planning Grant Program seeks to change neighborhood and/or jurisdiction-wide zoning codes and master plans to incorporate inclusionary housing, mixed-use buildings, and the adaptive reuse of older buildings. This grant program also supports the acquisition of land for affordable housing.

STATE FUNDING

States may encourage and formulate TOD-supportive policies in a variety of ways. For example, states may assist private-sector development financing. They may authorize state transportation funds for TOD. They may also purchase sites for TOD or sell state-owned sites to local agencies for development. State Departments of Transportation can be a valuable resource in TOD planning by offering to assist local municipalities in the planning and implementation process. Other funding and credit programs include the following:

TAX ABATEMENTS

Tax abatements allow developers to gain a return on their investment despite design standards or infrastructure improvements that would otherwise make development unprofitable. Those savings can be used to maximize profits or they may be passed on to property buyers and tenants, which can help entice tenants to key locations.

TAX INCREMENT FINANCING (TIF)

Tax Increment Financing (TIF) freezes property taxes (and in some cases sales taxes) at pre-development levels for up to 23 years in Illinois and Missouri. The incremental increase in property values and assessed tax proceeds within the TIF district are then used to pay for the public-sector investments that contributed to development. TIFs are used to redevelop blighted areas; therefore, TIF applications for TOD require overlap between transit station areas and blighted areas. Unfortunately, the pressure to
repay TIF bonds may encourage hurried, poorly planned development that fails to support transit. To date, big-box retail developments have been more successful than local entrepreneurs at paying off their TIF bond obligations, but such uses inhibit transit- and pedestrian-focused development and all too often negatively impact the local economy.

**Affordable Housing Subsidies**

States can design and implement affordable housing subsidy programs that prioritize TOD and infill development that offers affordable housing.

**State of Missouri Department of Economic Development Programs**

The Missouri Department of Economic Development offers a wide variety of tax incentives and guaranteed low-interest loan programs to spur redevelopment and small business growth in urban areas. MoDED does not currently offer project grants or incentives specifically for transit-oriented development, but many of their general economic stimulus programs may prove useful.

- **Brownfield Redevelopment Program:** the State of Missouri will issue tax credits covering up to 100% of the cost for environmental remediation of contaminated sites. This tax credit could be a powerful tool for TOD in the St. Louis region, as many of the parcels surrounding MetroLink alignments host active or abandoned industrial uses. MoDED also manages a revolving loan fund for remediation and redevelopment of brownfield sites.

- **Chapter 353 Tax Abatement:** provides 25-year abatements on real property taxes to for-profit “Urban Redevelopment Corporations” for improvements and development projects in areas designated as “blighted.”

- **Historic Preservation Tax Credit:** incentivizes the retention and adaptive reuse of historic structures, which should be an ancillary goal of any meaningful TOD plan.

- **Neighborhood Assistance Program (NAP):** offers tax refunds to businesses and non-profit organizations pursuing community improvement and revitalization projects in economically distressed areas.

- **Downtown Preservation Program:** allows municipalities to redirect a portion of new state and local sales taxes generated by redevelopment of a “blighted” area to fund public infrastructure improvements for that development project. Applicants must be municipalities with a population of 200,000 or less, and a median household income of $62,000 or less.

- **Land Assemblage Tax Credit:** a collection of tax incentives meant to support private-sector parcel assemblage and large redevelopment projects in “blighted” areas. The eligibility requirements are fairly stringent, but the program may prove useful for large-scale redevelopment at stations surrounded by large parcels and low-density uses.

- **Missouri Downtown Economic Stimulus Act (MODESA):** similar to the Downtown Preservation Program, MODESA allows municipalities to finance public infrastructure improvements for redevelopment by redirecting incremental increases in state and local sales taxes generated by
the new development. Applicants must be municipalities with an annual median household income of $62,000 or less, and projects are limited to “blighted” central business districts.

- **The Downtown Revitalization and Economic Assistance for Missouri (DREAM) Initiative**: provides technical support to small- and mid-sized communities seeking to revitalize their downtown areas. The program does not award direct funding, but does make successful applicants eligible for other tax incentive, loan and state funding programs. The Initiative is focused on historic downtowns outside urban areas, but may offer some benefits to St. Louis’s suburban communities.

- **MoDED’s Division of Business and Community Services** also offers a wide range of industrial and small business assistance loans, grants and tax incentives. These incentive programs would not assist the physical development of station areas, but may be useful in generating or attracting business growth and entrepreneurial tenants.

**LOCAL/REGIONAL FUNDING**
Local and regional actors may choose to financially support TOD in a variety of ways, from a simple change in zoning codes to new tax policies that specifically build TOD into regional funding mechanisms. Local and regional governments may decide to pursue TOD without additional resources, but most state and federal funding programs do require matching funds from the local region. Those matching funds can be raised from several sources:

**TAX REVENUE**
Local governments can establish special TOD taxing districts that utilize sales and/or property tax revenue to help fund the implementation of TOD and investments in public infrastructure.

**COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBGs)**
CDBGs are federal grants from HUD that are annually distributed to “entitlement” communities for a wide range of community development and improvement programs. Local government entities direct those funds to economic revitalization programs, economic development projects, and community facilities and services. CDBG funds can be used for an array of purposes, including supporting TOD, but HUD does require prioritization of projects that benefit low- and moderate-income residents.

**TRANSPORTATION DEVELOPMENT DISTRICTS**
Local and regional governments, working through the State of Missouri, can create special political subdivisions called “Transportation Development Districts” that have the power to raise revenue – through real property taxes, sales taxes, tolls and fees, or a special assessment – to fund transportation infrastructure improvements within the TDD.

**IMPACT FEES**
Impact fees are cash payments or payments-in-kind from developers to municipal or regional governments to help mitigate the impact of new developments on roads, traffic, utilities and
sewerage/stormwater infrastructure. Some municipalities have experimented with using impact fees from new developments to improve transit systems and encourage TOD. Impact fees are uncommon in the St. Louis region, but they are one possible tool for funding TOD.

**Incentive Zoning**

Cities can offer developers favorable zoning variances or increases in allowable floor area in exchange for community benefits such as improved streetscaping, public space, green space, affordable housing, and historic preservation, or simply to make the development financially feasible.

**Transit Overlay Districts**

Transit overlay districts establish TOD-favorable zoning, which can eliminate or greatly reduce the time and effort required to acquire zoning variances as well as the costs of complying with unfavorable TOD zoning, such as automobile-oriented parking requirements.

**Livable Community Funds**

Metropolitan Planning Organizations (MPOs) may create regional “livable community funds” using state and federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) grants (examples include the Bay Area, Washington, DC, Minneapolis-St. Paul, and Atlanta). These funds help municipalities:

- Update local land use plans
- Preserve affordable housing
- Invest in station-area infrastructure improvements
- Offset the cost of higher-density development
- Acquire sites for TOD
- Develop parking management strategies
- Support bicycling and walking activities

**Housing, Infrastructure, Transportation Funding**

MPOs may adopt new criteria to grant more housing, infrastructure, or transportation funding to municipalities that adopt TOD or transit-friendly land use plans (Portland, OR).

**Private Market Equity**

Private developers and investors make long-term equity investments in TOD projects with the expectation of earning a financial return on their initial investment. About 10 to 25 percent of TOD financing generally comes from private equity investments.

**Direct Loans**

After accounting for public-sector funds and incentives and private equity, the remaining funding for TOD projects usually comes from loans. Such loans may be short-term construction loans or long-term
loans that last for five to thirty years after the project is constructed. Many TOD projects also use some form of “gap financing,” such as bridge or mezzanine loans, to cover the period between construction and long-term loans.

**POTENTIAL BARRIERS TO TOD AND OTHER CONSIDERATIONS**

**FINANCING**
The historically low values and prices of land in the region—a by-product of unrestrained “greenfield” development in the suburbs—exert pressure against financing for higher-density development. Also, few of the firms that provide development financing are comfortable with the unconventional concepts and terms associated with TOD financing. This lack of familiarity with TOD makes it more difficult for developers to secure financing.

**DESIGN**
TOD is design-intensive, often requiring assemblage of multiple parcels; compliance with form-based codes and robust design guidelines; substantial landscaping; and plans for supportive infrastructure such as roads or bike trails. These factors often increase startup costs.

**PARKING**
Structured parking can add costs to TOD, while innovative parking design and traffic circulation engineering may delay implementation.

**HOLDINGS**
TOD often requires holding developed property for a longer term than is usually required for single-use development—that is, for seven or ten years, as opposed to five, which makes it more difficult to turn a quick profit.

**LIMITATIONS OF THE TRANSIT NETWORK**
TOD relies not only on the characteristics of the development area, but also on the transit connectivity of that TOD to other desirable locations within the region. If the regional transit network is limited, the attractiveness of a station for TOD is similarly limited.

**ECONOMIC DEVELOPMENT**
Some critics argue that proximity to transit fails to generate new economic activity, arguing instead that TOD simply relocates economic activity that may have occurred elsewhere under market conditions. This criticism makes it difficult for elected officials to maintain the long-term perspective necessary to support investments that may take ten or more years to complete.

**RESISTANCE TO HIGH-DENSITY DEVELOPMENT**
Residents in and around a proposed TOD area will often oppose higher-density development, fearing the potential negative impacts on the existing character of their neighborhood.
OUTDATED ZONING POLICIES
The most common barriers to TOD are outdated zoning codes that sustain car-oriented land use policies. Winning community support for making zoning ordinances more supportive of sustainable growth and transit-oriented development may require significant time, money, and political capital.

GENTRIFICATION AND DISPLACEMENT
Economic growth and neighborhood redevelopment are vital to the long-term health of any community, but they can also encourage gentrification – the influx of middle- and upper-class individuals into previously lower- and working-class areas. Although this may be the end goal of many redevelopment projects, and often is a positive outcome, there can also be negative consequences associated with gentrification. For example, while new development can increase demand for housing, it often results in higher property values and rents. Consequently, the higher cost of living may force long-term but lower-income residents to find housing elsewhere. Their new neighborhood may make it impossible or far more difficult to get to work, may not provide adequate opportunities for local employment, and likely would not offer the same social network and familiar support services. Therefore, instead of effectively combating poverty, impoverished residents may simply be pushed from place to place, creating concentrations of low-income households in new areas. Absent proactive planning, the region’s economically-disadvantaged residents may be locked into a cycle of poverty and displacement.

One method for managing gentrification and displacement is to merge traditional land development with a holistic approach to community development, one that combines affordable housing policies with sustainable workforce development programs. True community development encourages new growth while retaining existing residents through sustainable housing, job opportunities, education, and other services. In order to achieve this, everyone involved in redevelopment and TOD – including developers, community development corporations, municipalities, and the general public – should consider a range of strategies for mitigating the harmful effects of gentrification from the very beginning of the TOD planning process. Such strategies may include legal requirements and incentives for affordable housing as well as alternative financing options, such as:

- **Affordable housing**: Over recent decades in major U.S. cities, affordable housing programs have emerged as an important component of redevelopment efforts. Most of these programs aim at keeping the cost of housing at or below 30% of a household’s income. Varieties of affordable housing types include:
  - **Mixed-income housing** offers housing units that are affordable to a variety of incomes, in an attempt to encourage higher levels of integration and cross-cutting social relations, as well as sustaining strong communities by avoiding concentrations of poverty.
  - **Workforce housing** provides affordable housing options near places of employment. Some programs target “essential workers,” such as police officers, firemen, teachers, and nurses, while others qualify anyone with income levels between 50 and 120 percent of the Area Median Income, regardless of their type of employment.
• **Housing counseling:** In order to help existing low-income residents learn how to handle rising rents and property values, housing counseling educates residents about financing and maintaining their home, and provides counseling to those in risk of losing their home.

• **Mortgage pools:** These allow a group of home buyers to place mortgages with similar interest rates into one pool, which is kept in trust by a bank. The bank then acts as a mediator between the home buyers and the investors who lend to such pools. In this case, investors decrease the risk for banks to provide mortgages to low-income individuals, and the burden is reduced for the homeowners to pay off the mortgage.

• **Community land trusts:** These are neighborhood corporations that acquire and manage land on behalf of community members, in an attempt to maintain affordability and avoid foreclosures. The Sawmill Community Land Trust in New Mexico is one example of this effort, which was designed to protect low-income residents against displacement, to involve them in decision-making processes, and to provide them the opportunity to enjoy the benefits of the area’s redevelopment.

• **Housing cooperatives:** These are residential properties in which tenants are required to consent to a set of unique co-op rules within their occupancy agreement, or lease. Across the country, case studies of housing cooperatives show that many residents come to think of their neighbors as extended family; this is partly because they depend on each other for shared services and responsibilities, such as day care.

• **Shared equity:** This financing option allows people to co-invest in a property together, in order to minimize risk for low income individuals who cannot afford to buy a home independently.

Beyond housing, another vital component of community development is identifying and supporting local businesses. Local entrepreneurs already have a stake in their community’s well-being, and studies have shown that local retailers and service providers often generate more tax revenue and local reinvestment for each dollar of consumer spending than do chain stores. Every neighborhood, and the region as a whole, would be well-served by development plans that place a premium on creating and sustaining local business. Potential strategies for attracting and retaining entrepreneurs include:

• **Micro-financing:** This is the provision of financial services – including loans, credit, and other business services – to marginal businesses, start-ups, and low-income clients who would face trouble accessing traditional financial services. Loans and other credit lines for relatively small amounts can help low-income residents build up savings, start a home business, maintain their property, or keep a small business afloat in times of stress.

• **Gap financing:** This fills the gap in funds needed to complete a project, and can include many forms, such as subsidies, interim loans, donations, and tax abatement. Although the funding opportunities can serve several purposes, they can also help local entrepreneurs finance the start of their business.
• **Business incubators:** These are institutions that offer shared facilities, office space, administrative support, and a range of business services for start-up companies. Most incubators are either non-profits or public-private partnerships between universities, private investors, large businesses, and the public sector. Incubator services are provided for a set period of time or until a company is successful enough to be self-sustaining (“graduation”). Studies by the National Business Incubation Association and several universities have claimed that before the current recession, the average business spent 33 months in the program, 87% of graduates remained in business, and 84% remained in their communities.

Incubators can be a powerful tool for encouraging competition and entrepreneurship by lowering the initial costs of entering the market, allowing new companies to focus resources on product development, marketing, and building a client base. St. Louis has been moderately successful at generating new businesses through life sciences/biotechnology incubators such as Cortex and the Danforth Plant Science Center. However, incubators in other cities provide actionable models for generating new growth in additional industries, including advanced manufacturing, media, arts, alternative energy, and even independent retail.

• **Venture capital and angel investors:** These also play a key role in supporting new businesses. They are high-risk, high-return private investors who target start-ups in emerging industries, or those likely to deliver new products or business services. Angel investors specifically aim at filling the gap between an entrepreneur’s resources and more traditional financial services. In either case, these investment firms loan money to start-ups in return for equity and profit-sharing. Encouraging close working relationships between incubators and venture capital firms would be a powerful strategy for home-grown economic development in St. Louis.

• **Networking opportunities:** These naturally arise with proximity to fellow business people and investors.

Finally, many current efforts to encourage sustainable community development now include **Community Benefit Agreements (CBAs).** CBAs are commitments for various services and development outcomes between a variety of stakeholders such as businesses, private developers, and government officials, and require the approval of the community before the project can move forward. Through CBAs, businesses are given the ability to develop and generate economic growth, which in turn provides workforce mobility and increased human capital for residents in the community. CBAs incentivize businesses and community groups to consider both workforce mobility and economic growth. For example, the Staples Center agreement in Los Angeles encouraged businesses to develop programs such as the Figueroa Community Jobs Program, which trains and prepares community members for jobs created in the neighborhood. Through this collaboration, all stakeholders of CBAs benefit from the agreement, and each has a motivation to see the community succeed. Because a CBA cannot be created without consent and involvement of the community, existing residents are more likely to be a crucial stakeholder in this agreement and redevelopment process.
The right mix of tools for mitigating the negative effects of gentrification and displacement can be determined and managed at the regional level, but successful implementation will require the support and cooperation of municipalities and the development community. In the context of TOD in the St. Louis region, there needs to be a creative combination of top-down and bottom-up approaches to development. More specifically, Metro and East-West Gateway Council of Governments can create a broad framework for successful TOD based on local socioeconomic realities, market demand, meaningful opportunities for sustainable economic growth, and national best practices. Then, when that framework is ready for implementation at the local level through station-area plans and place-making design, it will be crucial to engage community leaders and cultivate excitement among residents. This excitement will motivate the community as a whole to take the lead in forming station area plans that will create an integrated community and avoid displacement.

LESSONS LEARNED FROM NATIONAL BEST PRACTICES & LOCAL EXPERIENCE

- Some TOD efforts establish a comprehensive, regional plan which is then implemented at the local level through Station Area Plans and zoning code changes. Other regional efforts focus specifically on local Station Area Plans; however, those regions tend to have preexisting land use/growth management plans, either at the MPO or State level.

- TOD efforts that focus on local Station Area Plans without a regional, comprehensive growth management plan run the risk of shuffling growth and economic development from one community to another, rather than setting the stage for new growth.

- Resources to formulate comprehensive station area plans are limited, and the process of changing or updating community plans and zoning ordinances is often surprisingly large-scale and long-term.

- It is especially important to keep federal, state and local housing departments informed and engaged in TOD planning efforts.

- The success of TOD planning requires rigorous community outreach and continuous education about planning concepts.

- Excessively high parking requirements near transit stations are one of the most commonly-cited barriers to creating transit-oriented districts.

- Local evidence shows that increased economic activity around transit stations produces increased traffic congestion.

- Although there is evidence that TOD can promote economic development and job growth, many local decision-makers are not yet convinced.
• Coordination between stakeholders must start early, and occur often, throughout the length of the TOD planning process.

• Sustaining new businesses during the tumultuous start-up phase may require offering reduced rents.

• Most developers insist that the level of retail spending required to keep businesses afloat far exceed the levels that can be provided by transit riders alone. Providing housing along a transit corridor helps support additional retail.

NATIONAL EXAMPLES OF SUCCESSFUL TOD

- Fruitvale Station Village - Oakland, CA
- Thornton Place, Northgate - Seattle, WA
- Rosslyn Ballston Corridor - Arlington, VA
- City Center Station - Englewood, CO
- Pearl District - Portland, OR
- Eastside Village - Plano, TX
- Hiawatha/Lake Street Station - Minneapolis, MN
- Pleasant Hill Station (suburban) - CA
- Mockingbird Station - Dallas, TX
- Ohlone Chynoweth Station - Santa Clara County, CA
- Center Station - Baltimore, MD
- Lindbergh Metro Station - Atlanta, GA

PAST AND CURRENT TOD PLANS IN ST. LOUIS

Disparate plans aimed at encouraging TOD in Saint Louis began in 1995, shortly after the first MetroLink alignment opened for business. These plans were motivated, in part, by a proposal from the Clinton administration to build “livable communities” for the 21st century. The proposal later became the Clinton-Gore Livability Agenda, providing citizens and communities with the tools and resources needed to encourage smart growth; ease congestion; preserve green space; foster citizen involvement in local planning; and promote collaboration among neighboring communities. Part of the budget for this initiative included $9.1 billion toward improved community transportation choices, especially those that promoted coordination between transportation and land-use plans. Between 1996 and 1998, the St. Louis region hosted three regional conferences on livable communities, and two stations, Delmar Loop
and Forest Park-DeBaliviere, were evaluated for their TOD potential. The environmental and financial contexts of the stations were studied in depth, and the community was invited to participate in the planning process. Even so, the resulting station area plans were limited in scope, focusing primarily on streetscape improvements to attract private development to a few parcels rather than creating a comprehensive transit district with TOD-favorable zoning policies.

1996 March
Organizers held the Second Annual Saint Louis Rail Transit Conference, partly in response to President Clinton's 1995 proposal for a Livable Communities Initiative to "integrate transit service and economic development through zoning, design, and service improvements." There was at least one presentation that focused on transit-oriented development.

1996 July
A Proposal to the Economic Development Administration requested $21,000 to complete a feasibility study for revitalization of the Delmar Loop station area through public investments and improved pedestrian infrastructure.

1997 March
The Saint Clair County MetroLink Transit Oriented Development Forum discussed TOD potential in Saint Clair County. The accompanying report evaluates the potential of the areas surrounding each of the MetroLink stations in Saint Clair County for rezoning and infill development. The resulting TOD plans are modest by contemporary standards. They evaluated development potential on a parcel-by-parcel basis only under existing zoning regulations.

1997 June
FTA, the American Public Transit Association (APTA), and the Bi-State Development Agency held a Transit Oriented Development Workshop. Binders passed out at the workshop included detailed federal guidelines for joint development funding under then-current federal transportation bill, the Intermodal Surface Transportation Efficiency Act (ISTEA). Those guidelines described the grant application process, a model process for community involvement, and detailed streetscape, density, building siting, and land use plans for TOD. The information presented demonstrated how proposed zoning changes and land use influence transit ridership. Some of the proposed land use and design diagrams may still be applicable today.

1998 May
Delmar MetroLink Station Area TOD and Enhancement Study: This study was undertaken at a time when the Delmar Loop was rebounding from a period of decline. The study concludes that TOD at the Delmar Loop Station should augment the success of the Loop area west of the station by offering stronger physical and psychological connections to the Delmar Loop station and adjacent neighborhoods east of Skinker Boulevard. This report included findings from community involvement workshops and a market analysis, as well as physical design work and proposed project phasing. The report did not suggest zoning policies that would make it comparable to contemporary TOD planning (such as reduced parking
requirements, increased density/density minimums, developer incentives/requirements to include public space, mixed-income housing, etc). Ultimately, this study investigated the returns government could expect from Loop-like development catalyzed by improvements to station areas and streetscapes.

1998 DECEMBER

Forest Park MetroLink Station Area Transit-Oriented Development Study: Similar to the Delmar Loop Station study described above, this study suggested phased infrastructure investments that would first enhance pedestrian friendliness, then work to attract private development. This plan is more specific than the Delmar Loop Station study; it suggested building a new parking garage and at least two new mixed-use buildings that would include commercial and retail spaces. The plan was similarly modest in its zoning and land use recommendations. It suggested that new buildings should be subject to the same height restrictions as existing buildings, and failed to call for any comprehensive zoning adjustments even though DeBaliiviere Avenue is typified by low-density, car-oriented commercial development with large setbacks from the streetline.

2008 JUNE

Sunnen MetroLink Station: One of the oldest and largest privately held companies in the Saint Louis region, machinery manufacturer Sunnen Products Co, seeks development plans for about 600,000 square feet of office space, 340,000 square feet of retail, 1,300 residential units and a 160-room hotel between the Sunnen and Maplewood-Manchester station. These TOD plans are unique because two different MetroLink station bookend the proposed area of TOD.

2010 JUNE

Forsyth and Clayton MetroLink Stations: As part of the City of Clayton’s Comprehensive Plan, transit-oriented development zoning overlays have been established for both the Forsyth and Clayton MetroLink Stations. The vision for development around the Clayton MetroLink Station, dubbed “Central Station,” would amplify the density of office and government activity already located near the Clayton MetroLink. Small-scale park spaces, improved streetscapes, and infill housing are also planned. The area around the Forsyth Station, dubbed “Forsyth Village,” builds on established retail and office developments, and anchors the eastern gateway to the Clayton Central Business District with a new restaurant and retail cluster wrapped around a pedestrian-oriented “Circle.”

TRANSPORTATION-ADJACENT DEVELOPMENTS (TAD) IN SAINT LOUIS

Transit-oriented development varies city by city, station by station. However, there are a few common elements that characterize all TOD, including increased density around stations, improved connections between stations, new development, and revitalization of existing neighborhoods. Also, it is very common for transit agencies or local governments to engage in joint development projects near a station. The Saint Louis region has yet to establish a comprehensive TOD policy framework, supportive zoning, or funding mechanisms. Absent such guidelines and funding mechanisms, development near transit in Saint Louis tends more toward transit-adjacent rather than transit-oriented development.