

A ULI ADVISORY SERVICES WORKSHOP REPORT

# Barriers and Incentives to Transit-Oriented Development

Prince George's County, Prince William County,  
and the District of Columbia

JULY 22-24, 2003  
WASHINGTON, D.C.



**Urban Land  
Institute**

# **Barriers and Incentives to Transit-Oriented Development**

**Prince George's County, Prince William County,  
and the District of Columbia**

**Sponsored by the Greater Washington Smart Growth Alliance**

July 22–24, 2003  
Washington, D.C.  
A ULI Advisory Services Workshop Report

ULI—the Urban Land Institute  
1025 Thomas Jefferson Street, N.W.  
Suite 500 West  
Washington, D.C. 20007-5201

# About ULI—the Urban Land Institute

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**U**LI—the Urban Land Institute is a non-profit research and education organization that promotes responsible leadership in the use of land in order to enhance the total environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has more than 18,000 members and associates from nearly 70 countries, representing the entire spectrum of the land use and development disciplines. Profes-

sionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academicians, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services workshop report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan  
*President*

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# About ULI Programs

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## Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land use management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and non-profit organizations have contracted for ULI's Advisory Services.

Each team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the topic and screened to ensure their objectivity. ULI teams are interdisciplinary and typically include several developers, a landscape architect, a planner, a market analyst, a finance expert, and others with the niche expertise needed to address a given project. ULI teams provide a holistic look at development problems. Each team is chaired by a respected ULI member with previous Advisory Services experience.

The agenda for a two-day workshop is intensive. It includes a full day of moderated discussion with key community representatives followed by an evening spent formulating recommendations. On the second day, the panel offers its findings and conclusions to the sponsor. A written summary is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to

each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's workshops are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

## Community Outreach

The Urban Land Institute's Community Outreach Program provides strategic, technical, and policy assistance; identifies, researches, and advances emerging land use policy issues; and shares best policy and practice examples with ULI district councils and other regional and state organizations. The goal of the Community Outreach Program is to create a two-way linkage of information, research, and programs between ULI's policy and practice department and state, local, and regional governments and organizations, particularly the ULI district councils.

The Community Outreach Program is involved in a number of state and regional initiatives to advance ULI's mission of promoting responsible leadership in the use of land in order to enhance the total environment. In each of these collaborative efforts, the Community Outreach Program is working to build a consensus around solutions to challenging land use and development issues by involving a broad range of stakeholder interests, conducting relevant and timely research, and sharing best practices. Advisory Services Workshops are often used as a tool to bring the knowledge and expertise of ULI members to bear on local land use issues and policies. The recommendations developed by workshop panels can then become the basis for ongoing implementation efforts involving both the public and private sectors.

## **ULI Project Staff**

Rachelle L. Levitt  
Senior Vice President, Policy and Practice  
Publisher

Marta V. Goldsmith  
Vice President, Land Use Policy

Mary Beth Corrigan  
Vice President, Advisory Services

Suzanne D. Cartwright  
Director, Community Outreach

Meghan Welsch  
Associate, Advisory Services

Jason Bell  
Coordinator, Advisory Services

Mary Konsoulis  
ULI Consultant  
Alexandria, Virginia

Nancy H. Stewart  
Director, Book Program

Duke Johns  
Manuscript Editor

Betsy Van Buskirk  
Art Director

Martha Loomis  
Desktop Publishing Specialist/Graphics

Diann Stanley-Austin  
Director, Publishing Operations

# About the Smart Growth Alliance

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**T**he Greater Washington Smart Growth Alliance (SGA) is a collaborative partnership of civic, environmental, business, and development organizations committed to the promotion of quality of life and smart growth in the Washington region. The Smart Growth Alliance partners are the Urban Land Institute Washington District Council, the Coalition for Smarter Growth, the Greater Washington Board of Trade, the Chesapeake Bay Foundation, and the Metropolitan Washington Builders' Council. Each of these organizations provides financial support to the SGA.

The SGA mission is guided by four overarching goals:

- enhance regional cooperation;
- encourage mixed-use, pedestrian- and transit-oriented development projects;
- promote housing and transportation choices for a range of incomes throughout the region, particularly as infill; and

- respect and conserve significant environmental, cultural, and recreational resources in a variety of ways.

It pursues these goals through specific activities including educational and outreach programs about smart growth; collecting and disseminating information about the impact of growth and development trends; identifying barriers and incentives; promoting land conservation; developing strategies to encourage regional smart growth policies; and developing and implementing a recognition program for proposed development projects that incorporate smart growth characteristics.

This Advisory Workshop panel report is produced as part of SGA's educational function to advance knowledge about issues and policies that affect smart growth practices in the region.

David Flanagan  
*Chair*  
*Smart Growth Alliance*

# Acknowledgments

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# ULI Panel and Participants

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## Panel Chair

Marilee A. Utter  
Citiventure Associates, LLC  
Denver, Colorado

## Panel Members

### Prince George's County Team

Shelley Poticha  
Reconnecting America  
Center for Transit-Oriented Development  
Oakland, California

Jack Wierzenski  
Dallas Area Rapid Transit  
Dallas, Texas

Ruth A. Wuorenma  
Neighborhood Capital Company  
Chicago, Illinois

### Prince William County Team

Leigh Ferguson  
LMF Holdings, LLC  
Albuquerque, New Mexico

Gary O. A. Molyneaux  
King County International Airport  
Seattle, Washington

Rebecca Zimmerman  
Design Workshop, Inc.  
Denver, Colorado

### District of Columbia Team

Marta Borsanyi  
The Concord Group  
Newport Beach, California

Fernando Costa  
City of Fort Worth  
Fort Worth, Texas

Kenneth H. Hughes  
Kenneth H. Hughes Interests, Inc.  
Dallas, Texas

## Local Jurisdictions

### District of Columbia

Andrew Altman  
Director, Office of Planning

Karina Ricks, AICP  
Neighborhood Planning Coordinator

### Prince George's County

Iris Boswell  
Special Assistant to the County Executive

Steve Gilbert  
Principal Counsel to the County Council

Joe James  
President and CEO  
Economic Development Corporation

Fern V. Piret, PhD  
Planning Director

Michael Petrenko, AICP  
Deputy Planning Director

Al Dobbins, AICP  
Chief, Community Planning Division

Dominic J. Motta  
Chief, Countywide Planning Division

Faroll Hamer  
Chief, Development Review Division

John N. Funk III, AICP  
Planning Supervisor  
Strategic Planning Section, Community Planning  
Division

Thomas D. Tyson, AICP  
Master Planner  
Strategic Planning Section, Community Planning  
Division

Harold E. Foster, AICP, AAG  
Planner Coordinator  
Strategic Planning Section, Community Planning  
Division

Brenda J. Iraola, ASLA  
Planner Coordinator  
Strategic Planning Section, Community Planning  
Division

Craig Rovelstad  
Planner Coordinator, Community Planning Division

Faramarz Mokhtari  
Planner Coordinator, Countywide Planning Division

#### **Prince William County**

Stephen K. Griffith, AICP  
Director of Planning

Nimet R. Alaily  
Deputy Director of Planning

Raymond E. Utz, AICP  
Chief, Long-Range Planning

Pat Thomas, AICP  
Potomac Communities Planner

### **Private, Public, and Nonprofit Sector Participants**

#### **Avalon Bay Communities, Inc.**

John A. Lally, Esq.

#### **Bay Area Economics**

Anita Morrison  
Principal

#### **Board of Trade**

Al Eisenberg  
Vice President for Government Affairs

#### **Coalition for Smarter Growth**

Stewart Schwartz  
Executive Director

#### **Hazel Land Companies, Inc.**

Robert M. Wulff  
Executive Vice President

#### **Holladay Corporation**

Rita Bamberger  
Vice President

#### **KSI Services**

Edward (Eddie) Byrne  
Vice President

#### **Madison Retail Group**

Armond Spikell  
Principal

#### **Mayhood Company**

David Mayhood  
President

#### **Metropolis Development**

Stewart (Chip) Newell  
President

#### **Mid-City Urban**

Vicki Davis  
President

#### **Piedmont Environmental Council**

Chris Miller  
President

#### **Potomac and Rappahannock Transportation Commission**

Tim Roseboom  
Transportation Operations Planner

#### **Virginia Railway Express**

Peter Sklannik, Jr.  
Chief Operating Officer

Dale Zehner  
Assistant Chief Operating Officer

Tamara Ashby  
Project Coordinator

#### **Washington Metropolitan Area Transit Authority Office of Property Development and Management**

Denton U. Kent  
Managing Director

Alvin R. McNeal  
Manager, Property Planning and Development

#### **Washington Regional Network for Livable Communities**

Cheryl Cort  
Executive Director

# Foreword: Workshop Scope and Panel Assignment

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**T**he Greater Washington Smart Growth Alliance (SGA) recognizes that, within targeted growth areas around the country, there exists a range of barriers to smart growth development, including public opposition, site constraints, infrastructure deficits, regulatory hurdles, and financing complications. In an effort to overcome these development barriers, communities are revising regulations and instituting incentives to make smart growth projects easier to develop.

A number of communities in the Washington region also are contemplating or have begun similar efforts. The SGA has undertaken to examine these efforts in order to gain a broader understanding of the incentives that stimulate smart growth, the barriers that impede smart growth, and the opportunities to encourage better practices both in these communities and elsewhere in the region.

The purpose of this Advisory Services workshop was to explore the barriers and incentives to a particular principle of smart growth—transit-oriented development (TOD)—in three jurisdictions in the Washington region: Prince George’s County, Maryland; Prince William County, Virginia; and the District of Columbia. The first phase of work was the creation of a briefing book, which summarized existing barriers and incentives in the selected jurisdictions and included specific TOD questions submitted by the jurisdictions for the panel members. The contents of the briefing book were derived from document review and interviews with planning staff in the participating jurisdictions; developers; the Washington Metropolitan Area Transit Authority (WMATA); the Potomac and Rappahannock Transportation Commission (PRTC); the Virginia Railway Express (VRE); and the Washington Regional Network for Livable Communities, a nonprofit organization.

For the second phase, the SGA sponsored a two-day ULI Advisory Services workshop involving a

panel of national experts in real estate, land use planning, and transit-oriented development. These experts addressed issues raised through the background research and questions posed by the selected jurisdictions regarding their efforts to encourage TOD. After touring TOD projects in each jurisdiction, meeting with community representatives, and deliberating among themselves to reach consensus, the panelists presented their recommendations to the jurisdictions, the SGA, and other stakeholders at the conclusion of the workshop. This report presents the panel’s findings in written form.

In order to guide discussions effectively, the panel reviewed TOD on a regional basis and then considered specific questions posed by each jurisdiction. These questions reflect the different transit profiles, planning frameworks, and market conditions for TOD in each of the jurisdictions.

The panel first addressed the following general question, and then addressed specific issues of concern to each jurisdiction.

Given the different market positions, transit profiles, and regulatory environments in each of the three model jurisdictions, what are the most important barriers to transit-oriented development in each, and how can these barriers be addressed using incentives and other tools to effectively encourage the implementation of TOD projects?

## Prince George’s County

### Countywide Questions

How should the county finance land assembly and parking districts, especially given the county’s TRIM amendment, a statute that limits property tax increases?

Given the understanding that the county should make the process more predictable and certain, what are the three most critical measures that

the county has to take in order to make TOD an attractive investment?

### **Environmental Concerns**

Several Metrorail stations in the county are in or near a floodplain. Is it realistic to assume development in a floodplain? Are there examples elsewhere of successful TOD in a floodplain?

## **Prince William County**

### **TOD at Virginia Railway Express (VRE) Stations**

Is TOD really suitable at existing VRE stations? If it is, what would be an appropriate TOD model for these locations in terms of density and mix of uses that would optimize land use potential?

Would TOD provide an adequate incentive to encourage people to use commuter rail instead of adding to the county's traffic problems?

If TOD is not currently appropriate at existing VRE station areas but may be in the future, how can the county best reserve land for that future use?

If TOD is not appropriate given the existing level of transit service, what transit or transportation enhancements (e.g., expanded VRE service, bus rapid transit, improved commuter bus links, more or less parking) should be implemented to make TOD work?

## **District of Columbia**

### **“East of the River” Development**

What are the major obstacles preventing development at Metrorail stations located east of the Anacostia River, an area of the District that has long suffered from underinvestment?

Are there significant opportunities that could attract private investment to this area?

How can the public sector support the private sector in bringing the first strong TOD project into the area to catalyze additional development?

### **Infill Zoning**

What zoning or development strategy would permit higher-density multifamily housing (moderate-sized apartment houses or condominiums) on lots that are available for redevelopment within transit areas without creating the unintended consequences of encouraging land speculation or demolition of existing viable housing stock?

### **Attracting Regional Retail**

How can the city create effective TOD projects with retail that will take optimum advantage of the site?

Is regional retail the highest and best use for transit areas?

# Background Information

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**T**he briefing book prepared for the panelists provided extensive background information on each jurisdiction's objectives for TOD, existing development conditions, and tools available to encourage TOD. On-site interviews between SGA staff and representatives from the jurisdictions' planning and related agencies added depth to this information. The staff also met with development, marketing, and environmental experts familiar with the jurisdictions. This background report provided important insights for the panelists. During the workshop, the panelists divided into three teams to conduct follow-up on-site interviews with planning, transportation, and economic development staff in each jurisdiction, and they participated in roundtable discussions with developers, market experts, and citizen activists on TOD challenges and opportunities in each jurisdiction.

The following summary profiles the current TOD situation in each jurisdiction. It includes information about the Washington Metropolitan Area Transit Authority (WMATA), a major landowner at Metrorail stations, and outlines concerns expressed by developers working in the jurisdictions.

## Prince George's County

Prince George's County is located along the Baltimore-Washington corridor—on the northeast border of the District of Columbia and approximately 35 miles south of Baltimore. Until recent decades, the 500-square-mile county was largely rural, known for both tobacco and horse farms. In the late 19th and early 20th centuries, suburban towns grew along the county's border with the District, providing homes for many government workers. Over the course of the 20th century, federal employers such as NASA's Goddard Space Flight Center and the Internal Revenue Service moved to the county. Today, the county continues to suburbanize, primarily through residential development. It has a

diverse population and has attracted a substantial number of middle- and upper-income African American households.

Thirteen Metrorail stations serve Prince George's County. All are located inside the Capital Beltway. Two additional stations are expected to open in 2004. One of these new stations, located at Largo Town Center, is just outside the Beltway. Two Maryland Rail Commuter Service (MARC) stations are located at the Green Line's Greenbelt and College Park Metro stations.

The county also is served by Metrobus, the regional bus system, which maintains 36 routes in the county, serving approximately 64,000 passengers per year. The Maryland Mass Transit Administration provides MARC rail service and commuter bus service, along with most of the long-distance rail feeder and commuter bus service to the Greenbelt, Branch Avenue, and New Carrollton Metro stations. The Prince George's County Department of Public Works and Transportation runs a local and short-distance rail feeder bus service, known as "The Bus," with 14 routes serving about 11,000 passengers a year.

Prince George's County has acknowledged the importance of transit to the county's future growth in its General Plan, which was adopted in 2002. This plan focuses on growth and redevelopment in designated centers and corridors, which largely coincide with areas served by transit. Using this designation, the county strives to encourage a mix of uses at medium to high density in these areas, promote pedestrian and transit-oriented design, and foster "transit-supportive" development, all while ensuring compatibility with existing neighborhoods.

The county's zoning code supports the General Plan and TOD through transit district overlay zones (TDOZ). In use since 1988, these overlays are designed to encourage certain types of intense

development near Metro stations. A TDOZ implements a transit district development plan (TDDP) created for a station area, setting specific requirements for both the development parcels and the district. As part of the TDOZ process, the developer must submit a detailed site plan conforming to the requirements of the TDDP. The Planning Board retains the power of final approval over the site plan. So far, transit districts have been defined and TDOZ applied at four stations: Hyattsville, College Park, New Carrollton, and Prince George's Plaza.

Statewide legislation has affected the county's TOD activities. A negative example is the TRIM amendment, a state statute passed in June 1984 that limits increases in local property taxes. This revenue constraint limits the county's ability to assemble land and to package it as a development incentive. A positive statewide effort is Maryland's Neighborhood Conservation and Smart Growth Initiative, passed in 1997. A component of this legislation—Priority Funding Areas—requires that state funding for new projects in designated areas in existing communities, industrial areas, or planned growth areas receive priority over projects in undeveloped areas. Prince George's County and its General Plan comply with this state legislation through a Priority Funding Areas Program. The program gives the highest funding priority to projects in the county's "Developed Tier" area inside the Beltway.

The federal government is trying to locate major facilities near public transit to encourage more nonautomobile commuting by its employees. Prince George's County has two federal office buildings located near Metro stations: the Food and Drug Administration's building near the College Park station and the Internal Revenue Service's building near the New Carrollton station. However, even with these catalysts, the county has not been able to generate significant developer interest in mixed-use or residential development near these sites. Essentially, they remain office parks adjacent to transit.

Certain intangible factors may also be affecting TOD in the county, according to a perception voiced by Prince George's County planning staff. The planners believe that developers generally

perceive the county as a low-end market, despite the presence of higher-income households. This is attributed, in part, to racial and class bias and to developers' lack of experience with higher-end minority households.

A more tangible barrier is the issue of economic development goals often overriding the county's stated TOD vision. The county's leadership actively solicits commercial development, and the TDOZ process is often "watered down" to attract such development.

## Prince William County

Prince William County is located 35 miles southwest of Washington, D.C. Once largely rural, the county has experienced rapid suburbanization over the last 25 years, with its population growing by 90 percent since 1980. Many of its residents work for the federal government either as civil servants or as military personnel. The 348-square-mile jurisdiction also is home to Quantico Marine Base and the Potomac Mills regional retail center. Private investment is concentrated in residential development; currently, there is little to no market for large-scale office development.

Prince William is served by six Virginia Railway Express (VRE) commuter rail stations, regional bus service (OmniRide), and intracounty bus service (OmniLink). Metrorail does not extend into the county. Metro's long-term plans, however, note the potential to extend service from the Franconia-Springfield station along the I-95 corridor into the county's southern portion. Service could also extend from Vienna into the northern part of the county along I-66.

The VRE stations in Prince William County are commuter rail stations with a limited number of trains running toward Washington in the morning and returning from the city in the evening. The stations are located primarily in residential areas. There is little to no activity at these stations in off-peak hours.

At the urging of the county's board of supervisors, TOD concepts have been included in the latest version of the Comprehensive Plan update, which was approved by the board on June 24,

2003. The Comprehensive Plan update contains a new classification called the Mass Transit Node for the Long-Range Land Use Plan Map. As a result of this effort, TOD definitions, policies, and processes are in the earliest stages of development in Prince William County. TOD density needs to be defined, as well as located and implemented through zoning and incentives. Tempering the process is the fact that there is no track record of higher-density development in the county and a concern that adding density at commuter rail stations would not encourage rail use, but rather add to the county's growing traffic problems. At the same time, there is growing development pressure to increase densities near VRE stations, especially at those stations located near the Potomac River, where high-rise development would have views of the water.

A significant impediment to local control of development—and one unique to Virginia among the three jurisdictions examined for this report—is the Commonwealth of Virginia's adherence to a 19th-century legal precedent known as Dillon's Rule, which constrains the power of local jurisdictions. Unless a power has been explicitly granted by the state legislature, the Virginia Supreme Court usually does not allow a local jurisdiction to use that power. This restriction can affect seemingly mundane activities like leasing municipal land—for example, a parking lot—to a developer. It also affects a jurisdiction's ability to raise revenue or create improvement districts.

## **District of Columbia**

The District of Columbia is the urbanized center of a growing region. Historically, the city developed along its transit routes, and its residents have traditionally made extensive use of public transportation. This tradition continues today. The District also is a city of economic contrasts, with most of its wealth and development concentrated in its western half.

The District of Columbia has a mayor and city council form of government. However, because of its unique status as the nation's capital, the District is subject to oversight from the federal government. Its citizens do not have voting represen-

tation in Congress, yet the city's budget and many significant legislative decisions must receive Congressional approval.

There are 39 Metrorail stations in the District of Columbia, with an additional station under construction on the Red Line at New York Avenue, N.E. Approximately three-fourths of these stations are underground. The city is well served by bus lines and includes stops for the VRE and MARC commuter trains, which terminate at Union Station.

Transit and zoning are seen by the city as playing a role in achieving the mayor's goal of increasing the city's population. Residential areas in Washington, D.C., are largely zoned for low- to moderate-density development (generally single-family housing in detached, duplex, or rowhouse developments). The city would like to increase housing choices and residential density, particularly in focused nodes around transit (within 1,000 to 2,500 feet).

The city also hopes to use TOD to encourage re-investment in neighborhoods, and will seek strong pedestrian connections, bicycle access, and good design as part of a TOD package. City planners recognize that a successful TOD strategy will require density to maximize land use potential, increase transit ridership, reduce air pollution, and recoup investment made in the transit system.

The city does not have a separate TOD entitlement process. It has chosen to use existing regulatory tools such as neighborhood overlay districts and zoning changes to encourage TOD. Such zoning changes could include restricting auto-oriented uses, including drive-through banks and fast-food establishments, in TOD areas. The city also hopes to define design overlay districts with minimum densities, similar to those used in Portland, Oregon. First, however, it must determine whether it has the statutory authority to use this type of tool, and it must consider how the tool might affect the market. The city also can use the planned unit development (PUD) process and special exceptions to provide design review of projects in station areas.

The District's Comprehensive Plan acknowledges TOD planning concepts in its section on land use. The plan encourages new residential development and, in particular, "supports incentives" for housing and commercial development east of the Anacostia River. It sees Metro station areas as critical locations for new growth and outlines policies and development objectives for this development.

However, the city's economic development goals and TOD goals often conflict. Suburban-style development is accepted into transit areas, even if that development undermines the city's TOD goals for the area. One example reflects the District's goal to attract more regional ("big box") retail: the city was recently able to attract a Home Depot store to the Rhode Island Avenue Metro station area, but in retrospect, the city planning office does not believe that the finished project makes optimum use of the site's development potential.

### **Washington Metropolitan Area Transit Authority (WMATA)**

On December 9, 1969, ground was broken for the Washington region's long-awaited Metrorail system, a project that would eventually bring rail transit service to Washington and its Maryland and Virginia suburbs. Metro's first 4.5-mile segment opened downtown in 1976. The full 103-mile system was completed in January 2001.

The Washington Metropolitan Area Transit Authority (WMATA), which operates both the Metrorail and Metrobus systems serving the Washington metropolitan region, is governed by a 12-member board of directors with members from each of the participating jurisdictions—the District of Columbia; Prince George's and Montgomery counties in Maryland; and Arlington and Fairfax counties and the city of Alexandria in Virginia. Each jurisdiction invested in the construction of the system and continues to provide financial support.

In 1976, in an effort to generate revenue for the system and provide a return on investment for the jurisdictions, WMATA instituted a joint development program for its property. Since its inception, the joint development program has resulted

in 56 approved projects across the system. Forty-one percent of these projects have occurred since 1999, owing in large part to increased market demand. WMATA has also placed greater emphasis recently on its joint development program, revising policies and guidelines to take advantage of developer interest in station area development and the economic and ridership incentives afforded by TOD. In 2002, WMATA changed its joint development policy to add TOD to its existing goals of increasing ridership, using joint development to generate revenue for the system, and helping jurisdictions recapture some of their investment in the transit system. About 10 percent of WMATA's ridership is attributable to joint development projects.

In a joint development relationship, WMATA will consider proposals for lease, sale, or a lease/sale combination. However, WMATA prefers to retain control of its property and will often make a site available to the developer on a long-term lease basis. This arrangement allows WMATA to benefit from the land's appreciation in value and gives it flexibility as a fee owner to negotiate parking. WMATA will occasionally sell its property if there are political reasons to do so or if the developer makes a very strong case—for example, the desire to build residential condominiums in jurisdictions (such as Virginia) that do not allow this type of development on leased land.

WMATA has used its physical assets—which include parking spaces near stations—to obtain bonds from the Federal Transit Administration (FTA). WMATA has interpreted these bond agreements to mean that joint development projects must replace these spaces on a one-to-one basis with no interruption of service. This interpretation has meant that developers could not reduce the number of parking spaces provided at a site and would have to replace surface lots with structured parking. Developers also had to pay for temporary station parking during construction. WMATA believed this policy was necessary to meet its bond requirements with the FTA. Over the years, however, it became clear that these restrictions were a barrier to development at the stations. In 2002, WMATA's board of directors revised the policy. Replace-

ment parking is still required on a one-to-one basis, but there is now some room for discretion on the part of the Board.

### **Developers' Concerns**

Interviews were conducted with a number of developers with experience working in the various jurisdictions. Their observations provided insight into some of the more significant hurdles they face. Many of their concerns centered on a lack of consistent actions and clear goals from the jurisdictions to guide developers. The developers also saw a need for more incentives in the form of density considerations. WMATA's approach to joint development also was singled out as a barrier. Through these interviews, the following barriers were identified.

- The lack of regional coordination and consistency regarding TOD makes the process difficult for developers and reduces the potential for TOD across the region. Transit crosses political boundaries; jurisdictions need to appreciate the development implications of this fact and work cooperatively to maximize TOD opportunities.
- Individual jurisdictions are inconsistent in what they expect from TOD and tend to look at TOD on a project-by-project basis. Political support for TOD tends to fall away in the presence of community opposition.
- Jurisdictions need to develop clear policies and incentives for TOD. They need to encourage a reasonable mix of uses that are appropriate to the station area, streamline the development process, and reduce barriers to more traditional neighborhood design.
- Zoning near transit stations should allow higher-density development.
- WMATA's approach to land development often creates unreasonable burdens for developers. While the agency needs to maximize return on its property, it also needs to work with developers as true partners and encourage the creation of well-planned, transit-oriented communities on its property.

# Panel Recommendations

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**W**hile each jurisdiction is unique in the particular challenges and opportunities it faces to achieve TOD, the panel observed that certain common issues were shared by all the jurisdictions. Based on these common issues, the panel members were able to reach some general observations and make some general recommendations about TOD that are applicable to the region as a whole. Responding to these shared issues in positive ways can hold the key to successful regional development and TOD.

## General Recommendations

### **Do Not Count on Transit to Create a Market for Development**

TOD is an important component in a community's tool kit to achieve regional growth management goals and objectives. However, it is not a "silver bullet" for economic and other problems faced by jurisdictions. TOD operates in and is supported by a multimodal transit and land use environment, but TOD and transit do not by themselves create a successful market. The reverse is true: the market creates opportunities for TOD.

### **Use TOD to Help Achieve Regional Growth Goals**

TOD can be used to help address the regional jobs/housing balance and to encourage economic and community development. It can function as a key component of regional transportation and traffic management programs and can be a basic element of a regional mobility program by helping to move people to jobs, schools, and recreation. TOD also permits a balance of development types supporting local and regional goals. These development goals are far-ranging: from affordable and high-end housing to offering access both to upscale commercial retail and to basic services such as daycare and the post office. Studies have shown that regardless of economic status, people use

comfortable, convenient, and reliable transit to get where they need to go.

### **Improve Communication and Collaboration for Successful TOD**

Without these two elements, regional development and TOD do not work. In the Washington metropolitan region, a number of organizations such as the Smart Growth Alliance, the Washington Board of Trade, and the Council of Governments play a role in furthering regional communication. Critical to the communication process, however, are the local jurisdictions and their relationship to their neighborhoods, businesses, chambers of commerce, and community groups. Making TOD possible requires developing a community consensus around TOD growth and development goals and objectives, and then moving forward in an efficient and effective process to realize them.

Through its discussions with members of the community in all three jurisdictions, the panel came to believe that communication at all levels in the Washington region needs to be improved. At the regional level, jurisdictions do not have an effective way to consider common problems affecting their ability to undertake TOD or to share ideas about solutions. Information gathering is ad hoc: jurisdictions will visit projects in neighboring jurisdictions for insights and inspiration, but no regionwide vision for TOD exists.

Communication also needs to be improved within each jurisdiction. Agencies tasked with economic development and planning often do not share the same goals about TOD, resulting in projects that do not achieve the full potential offered by TOD. Poor communication also hampers jurisdictions' relationships with developers, who want clarity regarding the goals and implementation process for TOD.

Poor communication with communities also impairs jurisdictions' ability to achieve TOD. Often, a community does not understand what TOD can offer or the range of ways it can be achieved. More must be done to create a grass-roots constituency for TOD and to include the community in the planning process. The District of Columbia offers one example of a way to work toward this goal. It has created a booklet, *Trans-Formation: Recreating Transit-Oriented Neighborhood Centers in Washington, D.C.: A Design Handbook for Neighborhood Residents*, which teaches local citizens about the basics of TOD and good design. It is used in conjunction with community outreach programs such as workshops.

#### **Political Leaders Need to Support TOD**

Cities and counties govern the critical path for development. Jurisdictions create and adopt the vision and the resulting land use pattern. Good planning and good development, however, need a champion for the vision. A champion has to be found in both the public and private sectors. Without a champion, the TOD vision will languish and die or become merely another mixed-use development. Champions can be an entire planning department, a county executive, a councilperson, or members of the private sector.

All the jurisdictions believed that more needed to be done to assure political support for TOD. While many politicians recognize the value of TOD in theory, their support may ebb in the face of constituent opposition or competing priorities. This is reflected in the tendency to allow TOD standards to be disregarded in the pursuit of economic development goals. Local leaders need to stand behind established TOD policies and encourage agencies to cooperate in order to achieve TOD goals. They also should encourage programs to educate the community about TOD.

#### **Jurisdictions Should Focus Less on Developing Parcels and More on Creating "Good Places"**

The key to creating successful TOD projects is station area planning, rather than planning by parcel or project. Planning for an entire district surrounding a transit site will optimize the development benefits offered by transit, provide developers with a level of predictability, and help stable areas cope with development pressure. It also

allows an opportunity to involve the public in development of the plans.

The design of TOD projects needs to receive as much consideration as density. Clustered development and neotraditional architecture near transit is not necessarily TOD: there needs to be connectivity within the development, with the surrounding community, and most important, with the transit service. The mix of uses and how they will function also must be considered.

Jurisdictions need to be more concerned about creating "good places." Inviting and attractive pedestrianways need to be part of the development. Office and commercial uses near transit should respond to that proximity in their site plans rather than rely on suburban development models. The mix of uses also is an important consideration. Too often, a project's housing component is built but the planned commercial uses fail to materialize. Office uses also must be carefully chosen to encourage participation in the community. Government offices, for example, often do not serve as catalysts for other development; they tend to function as isolated units, with a workforce whose daily needs are met within the building. Several examples of this phenomenon are already built in the region, such as the Internal Revenue Service building at the New Carrollton station in Prince George's County.

One project still in the design phase is the District's new employment services building at the Minnesota Avenue station. While providing a pedestrian link to the station, the site plan as designed offers little opportunity for mixed uses or other economic catalysts for the neighborhood. The panel encourages the District government to consider revising the design to one that would better meet the city's TOD goals for place making and for integrating transit and the adjacent office development into the surrounding community.

#### **Make a Commitment to the TOD Vision, Set Priorities, Carry Them Through to Completion**

After a TOD proposal makes its way through the planning process, it bumps up against the entitlement process. Often, it is at this point that projects are compromised as they go through zoning and permitting—sidewalks are negotiated away,

pedestrian links are reduced, parking standards are changed—and the resulting product is far different from the vision.

All three jurisdictions are eager to pursue TOD. To be most successful, each needs to focus its time, energy, and resources on one or more key stations and set priorities based on their TOD goals, the tools available to encourage TOD, and an assessment of market reality. A priority station can then be selected for focused planning and support that will effectively encourage development. Success at these priority stations can then serve as a model for how subsequent station areas could be successfully developed.

For those jurisdictions served by Metrorail, the panel found that there tends to be an overreliance on WMATA's initiative to drive TOD implementation efforts. WMATA does not control enough land to shape an entire transit area. These jurisdictions need to plan for WMATA land as part of a larger transit area and work with all landowners, including WMATA, to achieve a TOD district.

## Recommendations for Each Jurisdiction

### Prince George's County

The Prince George's County panel team met with staff from the National Capital Park and Planning Commission for a tour of the West Hyattsville, Prince George's Plaza, and College Park stations. The tour was followed by a question-and-answer session with planning, transportation, and economic development staff.

From the background information provided and on-site observation, the panel members concluded that Prince George's County is a special place with a number of core assets:

- The county has two critical assets that many jurisdictions across the country would envy: Metro access and developable land.
- The county is willing to undertake activities that express a new sense of direction related to TOD. An example is the Prince George's County General Plan, which reflects forward-looking, long-range thinking. Another is the

West Hyattsville Station Study, which shows an interest on the part of the county in working collaboratively with local jurisdictions to develop a TOD plan. The study also recognizes the importance of district-oriented development—approaching the area around a transit station as a district that can have a life of its own, as opposed to project-oriented planning.

Prince George's County is moving forward aggressively with its TOD efforts at a perfect time: TOD is more widely understood and acceptable today than it was even five years ago. Now, a nationwide track record of projects exists that can provide examples of successful place making around transit stations. (Once such example is Mockingbird Station on the light-rail line in Dallas; this project brought a new, more urban level of development through its mix of housing, entertainment, and commercial uses.) These examples can be used to help build confidence among the county's constituencies and stakeholders that TOD projects are achievable. They also give the county access to best-practices models and tools. Prince George's County has the opportunity to become a national leader in the development of TOD practices because of the amount of land and capacity for growth at its Metro stations.

The panel found that the county's administration recognizes the potential for TOD to generate economic development and to improve the quality of life for its citizens. The panel examined how the county could realize this potential. The overarching idea was "focus"—the county needs to focus on the basics to create workable incentives that can attract the attention of the development community. Specific recommendations include the following:

### Build on Core Assets to Create a TOD Strategy

The county should continue with its forward-looking activities and long-range thinking to take advantage of the current positive climate for TOD. The West Hyattsville Station Study showed that the county could establish collaborative working relationships with local jurisdictions and focus on district-oriented planning. The county should use this model at other stations it determines are appropriate for this level of investment.

### **Use Floodplains and Wetlands as Open-Space Assets**

Floodplains and wetlands near Metro stations should be considered assets rather than liabilities. They can be used to incorporate attractive open space, natural beauty, and recreation into districts that also satisfy the demand for mixed-use, higher-density transit villages. A natural environment that encourages access to passive and active recreation can complement the higher densities of TOD, which may be a concern for some community residents. The county should consider creating a design standard for all Prince George's stations to shape a naturalist framework that could be highly attractive to a broad range of residents, developers, and stakeholders.

### **Promote Land Assembly**

With the exception of zoning, land assembly is probably the most potent tool that a jurisdiction can use to promote transit-oriented development. Preassembled land is much more attractive to developers because it can reduce predevelopment costs and facilitate projects of a larger scale. Greater scale and reduced costs are important to a developer for a number of reasons. For example, structured parking is costly to build, and if it is provided by the developer, the TOD project must be of sufficient scale to carry the parking facility expense. Mixed-use TOD projects are also more expensive to build than conventional development, and the additional risk that banks have attached to this type of development means that financing costs are higher. Scale is also fundamentally important to the creation of a sense of place; a building alone is not enough to create a village or a district.

Land assembly frequently is a difficult and time-consuming task. This does not mean, however, that a jurisdiction's only option is outright purchase of property. Often, the most important step that a local jurisdiction can take is to convene the stakeholders, including the transit operator and the property owners, and to facilitate the development of a common vision for the station area. If property owners understand the economic benefits of developing their properties under a unified plan, they are much more likely to work with the county on land assembly. It may be necessary to

hire consultants to facilitate a "visioning" exercise or to provide detailed economic analysis on a parcel level basis. All property owners need to understand their role and their stake in the overall plan. The work that Prince George's County has done with the state and outside consultants at West Hyattsville provides an excellent model of predevelopment work that could result in public ownership of important parcels or in a joint planning district as described below. The panel understands that this can be an expensive process, and thus stresses that focusing on one or two station areas is necessary.

### **Explore the Creation of a Joint Planning District with WMATA and Other Station Area Landowners**

The jurisdiction can achieve the benefits of a unified station planning area process without public purchase of land by creating a formal joint planning district. The county should explore the possibility of creating such a district at one or two station areas, such as West Hyattsville, where the initial work of identifying market-ready development scenarios has already been done. With the agreement of property owners, land in this district can be planned and zoned concurrently to reflect a cohesive TOD vision. The panel recommends that the county be flexible on the boundaries of the joint planning area to include those property owners who are willing to cooperate—this group may change as the benefits of joint planning become more apparent. Once entitlements are in place, each landowner would then be ready to pursue expeditiously development that matches the community's goals as market conditions allow.

This planning strategy requires patience and flexibility on the part of landowners and would need to be negotiated, perhaps including a commitment of public investment in amenities such as streetscapes and parking areas to enhance property values. At this point, the county may be in a position to consider using its eminent domain powers to deal with recalcitrant landowners if necessary.

### **Consolidate Parking**

WMATA's one-to-one parking replacement policy has long proved to be a disincentive to develop-

ment. This policy requires the replacement of all Metro parking spaces displaced by development, which means that developers must assume the added financial burden of creating structured parking for both their project and Metro. The panel suggests that WMATA and the county consider a method used by Dallas Area Rapid Transit (DART): examine parking needs at the stations and determine whether parking can be reduced or removed from certain stations and relocated to others. The net number of parking spaces would remain the same in the system while freeing up land for development at appropriate stations.

#### **Broaden the Range of Available Financing Tools**

Use tax increment financing districts and tax abatements to attract development. The county also should pursue federal transportation funds, such as those available through the Congestion Mitigation and Air Quality (CMAQ) Improvement Program and the Transportation Enhancement Program, particularly for pedestrian and access improvements. This process does require a long lead time but can be worthwhile, providing funding for needed public improvements in station areas and demonstrating to developers a strong regional commitment to these areas.

#### **Maximize the Leverage of the County's Capital Improvements Program**

The county should view its capital improvements program as a strategic tool for TOD. It should focus these funds on one priority TOD station area—particularly for street and pedestrian improvements, open-space acquisition, or the creation of schools, parks, or libraries. Such public investments can be significant incentives for developers.

#### **Cut through Red Tape: Revamp the Development Process and Create a TOD "Czar"**

TOD projects are, by their nature, complicated to market, finance, and regulate. The county needs to find ways of expediting the part of the process in which it plays a critical role: the regulatory process. One important step would be to appoint a development executive for TOD in Prince George's County. This TOD "czar" would function as the

point person, the one-stop-shopping person, who would answer any questions developers and the community might have about TOD. This person would have a deep working knowledge of land planning, finance, real estate, the development process, and rail station design and operation, as well as be politically knowledgeable. He or she would have the responsibility to focus all departments of county government on development around station areas, would market the station areas to the private sector, and would educate the community about TOD. This high-level county official also would make sure that any plans for development integrated the station into the community and created a true sense of place. Montgomery County, Maryland, has used this strategy effectively in Silver Spring and is now employing it in Wheaton.

#### **Focus Energies and Resources on One or Two Stations**

To achieve successful development, the TOD czar and the county need to focus investment—funding for public infrastructure ranging from roads to schools—at one or two select stations. This focused attention can produce the first TOD success that will be the catalyst for others.

### **Prince William County**

Leigh Ferguson, Gary Molyneaux, and Rebecca Zimmerman composed the Prince William team. They met with representatives of the county's planning and transportation departments at the development office for the Belmont Bay community, then toured the Woodbridge/Belmont Bay and Rippon VRE stations. The tour was preceded by a general overview of the transportation and growth issues in the county, delivered by the planning staff, and concluded with a discussion of planning efforts, especially along the Route 1 corridor.

Unlike the other jurisdictions, Prince William County is served by commuter rail but not Metro. The limited but well-used service provided by VRE is hampered by the fact that private freight lines own the tracks, which are used heavily by both them and Amtrak. This situation creates

unusual challenges for the county's efforts to plan for and promote TOD.

Based on information provided in the background report and through on-site observation and interviews, the panel found some tremendous strengths in Prince William County that can provide the basis for building development opportunities:

- The county is clearly forward-looking. It is still in a position to control and guide growth and has taken the initiative by starting to plan for long-term growth in county transit nodes.
- VRE and the bus systems are working in Prince William County; they are getting people out of cars, an important criterion for successful TOD. The county has the opportunity to be precedent-setting in defining what TOD means for commuter rail-based locations.
- The county is willing to create a vision for the future. There is an opportunity to focus on ten- and 20-year horizons as the time frame for the TOD vision, as well as a long-term 50-year horizon. (Another local jurisdiction that has embraced this approach with success is Arlington County, Virginia. When Metro was still in the early stages of development, the county developed a plan that would take advantage of the economic and development opportunities provided by the system. It guided the location of stations in its jurisdiction, developed planning and zoning to support denser development, and stood by its transit-related planning choices over the ensuing decades.)
- Because each station location is so different, the county has an outstanding opportunity to create regional and station area plans that respond to the particular conditions at each station.
- The planning staff is well versed in TOD. The staff should begin now to educate the general community about TOD—as it pertains to Prince William County—before TOD proposals start to come before the public.

The panel's specific recommendations for the county are:

### **Take Advantage of Unique Features for TOD in Prince William County—Focus on Residential**

Prince William County has commuter rail and bus, but not Metrorail. Coupled with this condition is the county's proven market for diverse types of residential development, which already appears attracted to the VRE transit areas. However, the county does not have the market for the high-density office and commercial uses normally found around a TOD site. The panel suggests that the county focus on locating a diverse and relatively dense residential base at the stations. In the long term, this residential density will likely attract future office and commercial development to the station areas. This long-term use should be recognized in plans for the TOD sites.

### **Plan for TOD Today: Provide Leadership, Set Priorities, Solicit Community Input**

The county needs to define a TOD vision that works for the specific conditions found in Prince William County. It should determine the realistic opportunities for the station areas and proceed with planning efforts focused on one or two select areas to create successful TOD examples. These can then serve as catalysts for change at other locations. The planning process should be in depth and include identifying parcels and uses. Zoning categories should be created that allow for densities appropriate to the county's TOD vision for each station and for the corridors as a whole.

At the same time, the county needs to create an educated constituency that understands the issues, benefits, and limits of TOD. The community can then be engaged as active contributors to a realistic visioning and planning process. This education and planning process will not be achieved overnight, however, and should be initiated soon, before proposed development projects start to make their way to the public. The county can begin this process by developing materials that explain TOD in accessible language and graphics. It can organize workshops in the communities most likely to experience TOD proposals in the near term, and develop press kits for distribution to the local media and community groups.

The county should not merely apply standards and plans that may have been successful in other jurisdictions. The TOD solution in Prince William County can be informed by these best practices and models, but must be tailored to the county's special needs and conditions.

### **Plan for TOD Long Term**

As part of its planning process to identify the most appropriate stations for near-term TOD development, the county also will identify station area locations where it is not yet time for TOD. The county can prepare for the time when TOD is suitable at these locations by reserving land for future transit-related mixed-use development. As with current TOD locations, these long-term locations should undergo an in-depth, community-based planning process. The process would identify parcels appropriate for high-density residential uses as well as for future commercial and office uses. These sites could be proffered by a developer for long-term development or be placed into a land bank arrangement, which would be less costly to the developer. The county or a separate nondevelopment entity could hold the land. (Signs on the property should make irrefutably clear to the public that this is land reserved for future development and not a permanent park area or open space.)

### **Focus on the "T" in TOD**

If the transit is not right, TOD does not exist. TOD works in a multimodal environment—commuter rail, bus transit, surface roads, and highways. The county should not overlook the assets that other modes besides rail may bring to a site. It is also important that land use decisions work to promote ridership.

Transit-oriented development at commuter rail stations in Prince William County must recognize the operational characteristics of commuter transit service. VRE's commuter rail shares tracks with 100 or more freight trains and Amtrak passenger trains per day. Residential development located near this type of transportation is likely to require certain kinds of setbacks and special design considerations to mitigate for noise and vibration.

The type and amount of transit service must be matched to fit the market. Doing so assures that commuter rail and bus systems will not be over-capitalized but rather phased in a way that will stay one step ahead of market demand. It is also important to identify and anticipate future transit corridors and stations, thus allowing the county flexibility in the choice of transportation technologies to employ in the future, whether heavy or light rail or some type of bus rapid transit.

### **Understand That Every Transit Trip Begins and Ends with a Pedestrian Trip**

A key element in successful TOD is the pedestrian infrastructure. Prince William County should consider creating design standards and guidelines that require legitimate pedestrian access from developments within a defined distance from a station. The county should also be mindful of the importance of pedestrian-friendly infrastructure throughout the county and especially in the vicinity of transit service.

### **Do Not Limit the TOD Vision to the Immediate Station Area**

If TOD opportunities are limited in the immediate vicinity of a VRE station, the county should expand the scope of the vision. The Woodbridge station presents a good example. Topography, tracks, and existing development constrain the immediate site. Across from the tracks, however, lies an aging shopping mall. That site is anchored not only by the VRE station but also by Route 1, a major thoroughfare. Interstate 95 and a park-and-ride station for bus and a commuter "slug line" are located near the mall site. These existing dynamics create legitimate opportunities for redevelopment of the site. The panel believes this mall site would be a good candidate for a station area planning process; it holds strong potential in today's market for redevelopment as a mixed-use urban village with strong linkages to both highways and transit.

### **Reevaluate the Proffer System**

The proffer system in Virginia—which is used to create density opportunities for developers—actually serves to create an imbalance of uses in a mixed-use project. Typically, an economic impact analysis is done during the rezoning process. The analysis rewards the developer for creating more

office and commercial opportunities but penalizes it for creating housing because residential development has a higher cost/impact ratio for the community. Developers frequently propose significantly more office space than the market will accommodate in order to build enough housing to meet market demand. A reality gap thus occurs: the housing gets built first, and the office space may be built in later phases or not at all. The panel suggests that, particularly in the case of TOD, this methodology should be revisited and brought more into line with the economic reality that applies to the residential and office markets in Prince William County.

## **District of Columbia**

Members of the District of Columbia team toured the Anacostia, Rhode Island Avenue, Minnesota Avenue, Union Station, and Potomac Avenue Metro stations and then met with staff from the city's planning and economic development agencies in the planning department's offices.

Panel members drew upon the background information provided to them and their on-site visits to develop their observations and recommendations. These recommendations touch on more general issues of timing and an expanded vision for areawide planning, and focus on the more specific issues and the questions posed by the city. The "east-of-the-river" response required a more in-depth review of challenges and opportunities at these stations. Following are the panel's recommendations:

### **Build on Momentum**

The mayor and city council are to be commended for articulating a compelling and practical vision for TOD. Now is the time for the city to implement that vision by acting on the current economic boom in the Washington metropolitan area. Planning, economic, and development objectives should support the city's TOD concept and vice versa. The panel believes there needs to be a comprehensive TOD strategy for the city and for the Metro system as a whole.

### **Establish Station Area Planning**

There has been much discussion about TOD in the city, but the panel was unable to discern a clear

definition of station area or any coordinated station area planning. "Station area" should include land owned by WMATA and private owners as well as the city. The city needs to initiate a detailed joint planning effort that involves all the parties—WMATA, the city, and private owners—to achieve its TOD goals.

### **Develop a Strategy to Achieve a Shared TOD Vision and Station Area Plans**

A TOD strategy can be developed that meets both the city's goal of more housing choices and residential density around stations and WMATA's need for greater ridership. The strategy should encourage neighborhoods' investment in the process, increase pedestrian access to stations, and create zoning that will produce desired densities within a one-quarter-mile walk of the station.

The panel proposes a strategy that embraces a yearlong planning program at each station, starting with a visioning process. Visioning would involve all stakeholders, including local residents, and, in addition to the city's residential goals and WMATA's ridership goals, would articulate the goal of putting land back on the tax rolls through transit-oriented development.

Development of a station area planning program would follow the visioning process. It should be conducted by nationally recognized planning and development experts under contract with the planning department in order to stimulate fresh viewpoints and to draw upon knowledge of best practices and working examples from across the nation. The results should be station area plans that are community driven and with overlay zoning districts specific to each station based upon these plans. A single "one-size-fits-all" planning and zoning overlay will not meet the individual requirements of such a broad range of stations and conditions.

### **Discourage Speculative Demolition during the Planning Process**

Few landlords are developers, and they tend to make decisions about the sale and disposition of their property based on narrow economic criteria. Building moratoriums are one unpopular regulatory tool that cities sometimes use to prevent

landowners from making self-serving or short-sighted decisions while area planning efforts are underway. An alternative incentive-based approach to discourage speculative demolition of otherwise viable properties would be to reduce ad valorem taxes to land value only at targeted, privately held improved sites until the final land use is determined. Because this tax benefit would not be transferable, it could deter premature demolition and inappropriate development. However, this step should be taken selectively, based on the historic or other value of a targeted property to the overall community.

### **Create a Zoning Structure for TOD**

There is no substitute for having the proper zoning structure in place. Many communities have found that mixed-use zoning is not a strong enough tool to achieve pedestrian-friendly, transit-oriented places. The panel recommends that the city implement a station area zoning structure that explicitly supports TOD. The use of density minimums as well as maximums should be considered. Performance zoning is another approach that has merit. By placing less emphasis on specifying uses and more emphasis on how a station area looks and functions, performance zoning, combined with design guidelines, has the flexibility to accommodate changing market conditions over time.

### **Use Market Analysis to Develop a Retail Strategy**

Retail is an appropriate goal for station areas. However, determining the mix of retail should be based on an understanding of demand. The panel strongly suggests that, as part of the visioning process at each station site, a retail “gap” analysis be conducted to identify the retail categories most likely to succeed or fail because of the existing depth of demand and competition. With this information in hand, the tenant mix can be identified and targeted efforts made to attract tenants with a strong chance to be successful.

Attracting retail to a site does not mean that the distinctive nature and opportunities of a station site should be lost to the “need/want” sensibilities of the targeted retailers. The Rhode Island Avenue station offers a good example. While the Home

Depot and Giant Food stores were desirable additions to the station area, their suburban site plans do not add density or facilitate the necessary pedestrian environment next to the stations. The design of these store sites reflects a missed opportunity to create retail that would respond to its proximity to transit.

### **Overcoming Challenges and Optimizing Opportunities “East of the River”**

Station areas east of the Anacostia River have particular socioeconomic and physical characteristics that offer challenges, but they also present significant opportunities for TOD.

The challenges include the following:

- *Market.* These typically are low-income markets that do not naturally attract developer interest. The lack of density, critical mass, and activity centers do not make the neighborhoods attractive to developers and reduce the stations’ development potential.
- *Safety perception.* The lack of neighborhood cleanup and self-policing makes Washington’s Southeast neighborhoods appear to be unsafe and not inviting for walking after dark. Street lighting, signage, bicycle patrols, neighborhood watches, and vandal-proof police boxes do not exist.
- *Physical barriers to the river.* For all the stations examined, the riverfront, which would normally be a significant asset, is inaccessible to adjacent development because of highways or the Metro itself.
- *Incompatible land uses.* Current nearby uses do not generate ridership. Where one would expect to see residential density, there are instead strip commercial centers and derelict, automobile-oriented neighborhood uses. There is no critical mass of activity that could be generated by cohesive and compact retail.
- *Poor pedestrian environment.* The Anacostia station area in particular is compromised by the design of the street system and the predominance of vehicular traffic. The street system was laid out without respect to station

needs or opportunities and should be revised; the station's location prevents adequate pedestrian circulation.

The area also presents several significant opportunities:

- There is considerable buying power in the neighborhoods that is currently going elsewhere, especially across the borders into Maryland and Virginia. This consumer demand could be captured by neighborhood-responsive retail and services at the stations.
- Undeveloped and underdeveloped land, particularly around the Minnesota Avenue and Anacostia stations, provides the site potential for new development, particularly of housing and neighborhood services, and, to a secondary degree, of office space.
- There is a potentially receptive market for improved housing stock and a pedestrian-friendly environment.
- The addition of senior/independent-living housing would appeal to older, neighborhood-oriented residents who would more readily use safe and attractive public space and could create a natural "neighborhood watch."
- There are observable revitalization and private reinvestment efforts currently taking place in some areas of the neighborhoods.

The panel's recommendations to meet these challenges and take advantage of these opportunities are as follows:

#### **Public Investment Is Essential**

To achieve successful TOD, each of the stations east of the Anacostia will require substantial investment and incentives by the public sector as well as proactive improvements by the city, WMATA, and the federal government. Among these would be cleaning up the station area development sites, providing public landscape improvements, installing environmental lighting, increasing security, and creating tax increment financing (TIF) districts. The city could also institute sales tax abatement in designated areas to bring the District's tax burden in line with that of adjacent

jurisdictions. This would create an incentive to buy locally. The Minnesota Avenue station would be a good first candidate for use of these tools.

#### **Don't Rely on Government Office Buildings**

While well intentioned, locating government office buildings to these east-of-the-river station areas is not likely to provide a sufficient catalyst for other development. Studies have shown that regional government office workers do not make extensive use of neighborhood services. Most of their needs are met within their building. A government office building becomes an island, whose commuters move between Metro or the parking garage and their office building without venturing into the neighborhood during their free time. Design also plays a role, and the city's planned Department of Employment Services building at the Minnesota Avenue station offers an example of a site plan that does not optimize its location near Metro. While a pedestrian link is provided to the station, the placement of the office buildings as shown on the site plan will prevent a cohesive mixed-use vision for station-adjacent land. The location and design of this building should be revisited so that scarce public resources are not squandered on a building that will not become the expected economic catalyst to the neighborhood's economy.

#### **Recommendations for the Smart Growth Alliance**

The issues facing Prince George's County, Prince William County, and the District of Columbia clearly illustrate the potential for TOD to enhance the region's economic growth and quality of life. The Smart Growth Alliance—as a collaborative partnership among leading development and conservation interests—can and should play an important role in realizing that potential.

In particular, the panel recommends that the SGA focus its attention on three critical functions:

*The SGA should educate the community, local officials, and developers about the characteristics and benefits of transit-oriented development. As has been learned in the Washington metropolitan region and in communities across the nation, TOD*

tends to be most successful where all interested parties are well informed and able to work together on the basis of common understanding. ULI's research and outreach activities can serve as a valuable resource to the SGA in this regard.

*The SGA should host a regular dialogue among the region's local governments and transit agencies to foster communication, coordination, and collaboration in order to reach a regional vision of transit-oriented development.* The panel believes that the SGA and its member organizations have the ability and the credibility to facilitate this dia-

logue, and there does not appear to be another organization in the region with the capacity and credibility to do so.

*The SGA should continue its program of recognizing development proposals that exemplify the principles of smart growth.* As more people come to appreciate the value of TOD, the SGA's thoughtful endorsement will give local officials and citizens the assurance that the recognized projects are generally well conceived.

# Conclusion

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**T**he Advisory Services panel addressed three very different jurisdictions, each trying to use TOD to maximize the economic and transportation opportunities afforded by rail-based transit. A general question across the jurisdictions was how to use TOD effectively and appropriately for their needs.

The panel determined that, while each jurisdiction had unique challenges, they also shared some basic needs that should be addressed while working to achieve their TOD goals. These included the need for:

- better communication at all levels within and across jurisdictions, and with the public;
- stronger leadership supporting TOD;
- a commitment to place making and uses that support TOD;

- better public education about the benefits and limits of TOD; and
- a clear, focused vision for TOD.

The issue that seemed most problematic was the creation of incentives for TOD. The panel emphasized that TOD cannot create a market; hence the need for jurisdictions to rigorously examine their transit stations and to determine which were most likely to be successful in terms of the TOD goals set by the jurisdiction. Once these priority stations are selected, a community-based station area planning process can be initiated. With that plan firmly in place, a jurisdiction can then choose from a range of regulatory, financial, and infrastructure incentives to attract developers.

# About the Panel

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## **Marilee A. Utter**

*Panel Chair  
Denver, Colorado*

Marilee A. Utter is president of Citiventure Associates, LLC, a Denver-based real estate development and consulting firm specializing in transit-oriented development, urban infill, and public/private transactions. Areas of particular expertise include mixed-use projects, bus- and rail-anchored developments, large-scale master planning, reuse of historic buildings, and recapture of environmentally impacted sites.

Utter's extensive background in both public and private real estate has led to nationally published articles and numerous engagements focused on innovative approaches to community redevelopment and urban issues. Projects of note include leading the Development around Transit efforts on the T-Rex project and over 25 other sites in the Denver region; redeveloping a failed regional mall, Cinderella City, into a 1 million-square-foot, mixed-use, transit-oriented town center; redeveloping a 350,000-square-foot historic downtown department store, the Denver Dry Goods Building, into housing, retail, and office space; and master planning and zoning for 65 acres in Denver's Central Platte Valley, transforming an urban railyard into the region's premier commercial, residential, and recreational district.

Previously, Utter was transit-oriented development specialist for the Regional Transportation District (Denver); regional vice president for Trilium Corporation, a real estate development company; director of asset management for the city and county of Denver; and vice president of Wells Fargo Bank.

She holds a BA in mathematics and French from Colorado Women's College, an MBA from UCLA's Anderson School, and a certificate in state and lo-

cal public policy from Harvard's Kennedy School. Her professional affiliations include the Counselor of Real Estate designation and membership in the Urban Land Institute, CU Real Estate Center, and the Congress for New Urbanism. She serves on the boards of several community organizations, including the Metropolitan State College of Denver Foundation and the Center for the Visual Arts.

## **Marta Borsanyi**

*Newport Beach, California*

Marta Borsanyi is a principal of the Concord Group, a real estate advisory firm with offices in northern and southern California and Las Vegas, Nevada. The Concord Group provides vital strategic advice for land use issues and development.

Borsanyi has expertise in market, economic, and financial analyses associated with existing properties as well as development opportunities. She holds a graduate degree in economics from the University of Budapest and a master's degree in business administration from the University of California, Irvine.

Borsanyi has extensive experience in the evaluation of both residential and nonresidential properties. She has participated in numerous projects in which the objective has been to identify the highest and best mix of uses from extremely large to quite small properties. Her approach to value maximization has had broad appeal to her developer clients, as well as to public entities interested in identifying specific development scenarios.

A consultant for 19 years, Borsanyi was head of marketing services at the Mission Viejo Company, where her responsibilities included strategic planning, feasibility and acquisition studies, economic and financial analyses, consumer and advertising research, new product development, and merchandising of ongoing and new program offerings.

Before that, she was a member of the faculty at the Graduate School of Management of the University of California, Irvine, specializing in strategic planning and scenario analysis, and teaching in the areas of consultative processes and administrative problem solving and decision making.

She is an active member of the Urban Land Institute and a charter member of the advisory board to the Center for Economic Research and Quarterly Economic Forecast at Chapman University. A frequent speaker and panel member at industry functions, Borsanyi also is a frequently quoted expert on all kinds of land use issues.

## **Fernando Costa**

*Fort Worth, Texas*

Fernando Costa serves as planning director for the city of Fort Worth. Before moving to Texas in 1998, he served for 11 years as planning director for the city of Atlanta. He also served for 11 years with the Middle Georgia Area Planning and Development Commission. He has extensive experience in transportation and land use planning, including the formulation of public policy to promote transit-oriented development.

Costa currently chairs the American Planning Association's City Planning and Management Division. He also chairs the Development Excellence Steering Committee for the North Central Texas Council of Governments, which promotes smart growth in the Dallas/Fort Worth metropolitan area. He is a past vice chair of the Planning Accreditation Board, for which he continues to serve as a site visitor. He is the recipient of awards from various organizations, including the Greater Fort Worth Builders Association, the Fort Worth chapter of the American Institute of Architects, and Historic Fort Worth, Inc.

He received degrees in civil engineering and city planning from Georgia Institute of Technology and served as an officer in the U.S. Army Corps of Engineers. He has previously served on ULI panels for Kansas City, Missouri; Trenton, New Jersey; and Phoenix, Arizona.

## **Leigh Ferguson**

*Chattanooga, Tennessee*

Leigh Ferguson has been president of LMF Holdings, LLC, since August 2002. His real estate development and management company focuses on residential, commercial, and mixed-use community development projects as a continuing part of revitalizing Chattanooga's inner city. From 1999 to 2002, Ferguson was president of the Chattanooga-based Corker Group, Inc., where he managed an approximately 2 million-square-foot portfolio of office, commercial, and industrial properties; supervised all leasing, administrative, maintenance, and financial operations; and prepared monthly and annual business plans, budgets, and reports to owners.

He was president of Chattanooga Neighborhood Enterprise, Inc., from 1991 to 1999, managing lending, development, financial, and property management functions for this nationally recognized nonprofit housing company that functions as a FNMA and Freddie Mac seller-servicer, THDA lender, and low-income housing tax credit and conventionally financed rental property developer and manager, handling \$30 million in transactions annually.

Ferguson was previously president and chairman of John Laing Homes, Virginia, Inc., in Fairfax, Virginia, from 1988 to 1991 and vice president of development at Van Metre Company in Burke, Virginia, from 1986 to 1988. Prior to that he served as the vice president, development, at Winkler Companies in Alexandria, Virginia.

Ferguson received his BS from the Baylor School in Chattanooga. He also completed undergraduate studies at the University of North Carolina at Chapel Hill and graduate-level studies at George Washington University in Washington, D.C.

## **Kenneth H. Hughes**

*Dallas, Texas*

Since founding Kenneth H. Hughes Interests, Inc., in 1983 and UC URBAN in 1996, Hughes has built developments encompassing more than 1 million square feet of office and shopping center

space, both for his own investment portfolio as well as for third-party investors. The developments reflect his companies' focus since their inception: developing, leasing, and managing special projects in prime locations, particularly specialty retail and urban mixed use.

Hughes has been involved in shopping center and mixed-use developments in Mexico City and Guadalajara. He is the developing partner in Mockingbird Station, a large mixed-use project in Dallas. The project is the first in Texas to be located directly atop a light-rail station. Other large mixed-use projects underway include SO7 ("South of Seventh") in Fort Worth, Texas. This will be a five-year, 25-acre downtown project with rowhousing, retail and office space, and the city's first high-rise condominium, all at the proposed Seventh Street light-rail station to be completed by 2005.

Hughes attended the University of Texas at Austin School of Architecture and Southern Methodist University Cox School of Business. He is a member of the Urban Land Institute and is a member of the Policy and Practice Committee. In the past, Hughes has served ULI as a trustee and as chairman of the ULI/ICSC Steering Committee for the *Dollars & Cents of Shopping Centers* series. He has served as an adviser to Fabrikasa in Caracas, Venezuela; Moliere 333 in Mexico City; and Lensworth in Melbourne, Australia. In Houston, he served on the Costume Council of the Houston Museum of Fine Arts. He also has been a member of the board of directors of the Real Estate Council in Dallas and of the advisory boards of the Cox School of Business and the Meadows School of the Arts, Southern Methodist University. He currently serves on the board of the University of Texas at Austin School of Architecture and is the sole benefactor of the Kenneth H. Hughes Teaching Excellence program at the school.

## **Gary O. A. Molyneaux**

*Seattle, Washington*

Gary O. A. Molyneaux has more than 25 years of transportation and high-capacity transit experience. He is the manager of planning and program

development at the King County International Airport/Boeing Field. He currently serves on the King County, Washington, Transit-Oriented Development Oversight Committee and on the county's Strategic Planning Group, which guides transportation investments supporting the county's Smart Growth Initiative.

He has served as director of Metrorail projects for Fairfax County, Virginia. In that role he was responsible for planning transit-oriented development projects at the county's six suburban stations. As a consultant, he has been the project manager for the Eastside Portland, Oregon, MAX station area design and development program and has managed the Westside MAX corridor project. In metropolitan Seattle, Molyneaux was a principal author of Washington State's High Capacity Transportation Act and the Regional Transit Authority Act. He has led station area design and development programs for Snohomish County, the city of Everett, and the city of SeaTac. Molyneaux has also served as the prime consultant for the city of Spokane's light-rail system plan and land use program. He served as a member of the national review panel selected to evaluate the Honolulu Rapid Transit Development Project.

Molyneaux has also served as a member of Governor Gardner's Task Force on the Financial Future of Washington State, Transportation Committee, as well as on the Transportation Revenue Work Group established by Governor Lowry. He is a full member of the ULI and has participated in the Community Development Council, as well as the Advisory Services Panel on the Revitalization of the University District Neighborhoods, Ohio State University.

Molyneaux is the immediate past president of the Pratt Fine Arts Center and continues to chair its \$25 million New Facilities Program. He recently completed terms as a trustee for Cornish College of the Arts, Friends of the National Zoo, and United Negro College Fund-Northwest Advisory Committee. Molyneaux is a frequent lecturer at universities and community and professional organizations. He received his MA from Southern Illinois University at Edwardsville and his PhD from the University of Illinois at Urbana-Champaign.

## **Shelley Poticha**

*Oakland, California*

Shelley Poticha is head of Reconnecting America's Center for Transit-Oriented Development. In this role she oversees the new center's efforts to help bring TOD to scale as a nationally recognized real estate product. She was previously the executive director of the Congress for the New Urbanism, where she guided its growth into a nationwide coalition with a prominent voice in national debates on urban revitalization, growth policy, and sprawl, and forged alliances with major land development interests, environmental and community organizations, and federal agencies. Poticha has also worked as a senior associate with Calthorpe Associates and represented the Surface Transportation Policy Project in the San Francisco Bay Area.

She lectures widely and has coauthored several significant HUD publications, CNU's *Charter of the New Urbanism*, and *The Next American Metropolis: Ecology, Community, and the American Dream*, with Peter Calthorpe. She serves on the board of Smart Growth America. Poticha holds a master's degree in city planning from the University of California at Berkeley and a bachelor of arts from the University of California at Santa Cruz.

## **Jack Wierzenski**

*Dallas, Texas*

Jack Wierzenski is the assistant vice president for economic development and planning for Dallas Area Rapid Transit (DART). He is responsible for developing and maintaining long-range strategies to take advantage of economic development opportunities around DART transit facilities. He represents the agency in initial contacts with the development community and facilitates appropriate transit-supportive development at light-rail stations. Wierzenski provides communication, education, and information on transit-oriented development, economic development, and quality of life issues and acts as a liaison between developers, member cities, and various DART departments

and staff to implement TOD and maximize the interface between transit and mixed land use.

He serves on the Rail-Volution Conference Steering Committee and is a member of the American Institute of Certified Planners and the Institute of Transportation Engineers. He received a bachelor of arts degree from the University of Minnesota and a master's degree in urban and regional planning from Texas A&M University.

## **Ruth A. Wuorenma**

*Chicago, Illinois*

Ruth A. Wuorenma is founder and principal of Neighborhood Capital Company (NCC) and the Neighborhood Capital Institute (NCI), both of which specialize in the application of market and smart-growth strategies to urban neighborhoods in decline, but with NCI focusing on research and advocacy. Currently, she is serving as development adviser to the city of Waukegan, Illinois, as it prepares a redevelopment master plan and financial implementation strategy for its 1,400-acre post-industrial lakefront on Lake Michigan and 400-acre century-old downtown. Key parts of that master plan include an intermodal regional commuter rail and bus station; a restored ecopark and moorlands system; and a regional commercial marina district.

Previously, Wuorenma was a managing director for Mesirow Stein Real Estate, where she was hired to oversee that firm's work on a variety of mixed-use, high-density, often transit-oriented urban developments, including both market-rate projects and a public housing transformation contract. Prior to that, in working for Joseph Freed Homes, she developed a variety of new construction and loft conversion market-rate products. She began her career in Chicago as a real estate attorney, specializing in land use and zoning. She continued her career as a developer for the Marriott Corporation in both the United States and Europe, working with all of Marriott's hotel products, from full-service convention and resort hotels to limited-service chains.

Wuorenma is a member of the Urban Land Institute, serving on its Affordable Housing Council

and the Chicago Local District Council Policy Committee; Lambda Alpha International honorary society for land economics; and the National Housing Conference. Her board memberships include the University of Chicago Women's Board and the Chicago College of Performing Arts of Roosevelt University. She was named as one of "100 Women Making a Difference" in *Today's Chicago Woman*, July 2001. She received her BS with honors from the University of Illinois at Urbana-Champaign, and her JD from its College of Law. She is a licensed real estate broker in the state of Illinois and a member of the Illinois Bar.

## **Rebecca Zimmerman**

*Denver, Colorado*

Becky Zimmermann is an owner of Design Workshop and has extensive experience in community, tourism, economic, and marketing-related consulting and planning for major projects. She is currently serving as the principal-in-charge of Design Workshop's role in the planning and rezoning of the Cherokee Denver, LLC, redevelopment of the Gates Rubber Factory, a 50-acre transit-oriented development in Denver. Recently, she has been

involved with railyard redevelopment projects in Santa Fe, New Mexico; Las Vegas, Nevada; and Denver, Colorado.

She recently participated in the creation of a Comprehensive Sustainability Plan for the resort municipality of Whistler, British Columbia. She is a frequent keynote speaker for a variety of conferences, including the 2002 Union of British Columbia Municipalities Conference on Sustainability, the French Quarter (New Orleans) Business Association annual meeting, and the Brown Fields-Gray Water Symposium hosted by the Harvard Graduate School of Design.

Zimmerman's work has been published in *Metropolis* magazine, *Landscape Architecture* magazine, *Urban Land, Planning*, and a variety of local periodicals. She holds an MBA from the University of Colorado and bachelor's degrees in communication and business administration from Trinity University, San Antonio, Texas. She is a member of ULI, serving on the Recreation Development Council, Program Committee, and Colorado District Council Executive Committee, and is an instructor for the ULI Real Estate School.





