
Internal Memorandum

DATE: April 11, 2012
TO: Community Development Committee
FROM: Allison Bell, 651-602-1363
SUBJECT: Transit-Oriented Development (TOD) Strategic Action Plan

This information item describes the Metropolitan Council's upcoming Transit-Oriented Development (TOD) Strategic Action Plan. This plan will build upon the Council's existing programs and functions that promote TOD, recommending ways to strategically align and better coordinate them. Additionally, it will likely recommend new roles for the Council to support TOD throughout the region.

To facilitate the action planning process, the Council is currently accepting proposals from consultants via a Request for Proposals (RFP). The deadline for proposals is April 19th. The attached scope of work outlines the work that the consultant, the Council, and partners will undertake in this plan.

Scope of Work

Metropolitan Council Transit-Oriented Development Strategic Action Plan

Objective

Recently, the Metropolitan Council (Council) identified the promotion of economic development, affordable housing, and a vibrant 21st-century transit system as top goals. To assist in reaching these goals, the Council seeks a consultant to facilitate and develop a strategic action plan (plan) for the Council to support transit-oriented development (TOD) in the region. The plan will build upon the Council's existing programs and functions that promote TOD, recommending ways to strategically align and better coordinate them. Additionally, it will likely recommend new roles for the Council to support TOD throughout the region.

Rationale for Action

The Metropolitan Council has engaged in TOD in a variety of ways for decades. From the on-going facilitation of joint development by Metro Transit staff, to the creation of the Guide for TOD in 2006, to the \$62 million invested in TOD to date through the Livable Communities Act (LCA)ⁱ, TOD has been and continues to be an important part of the Council's business.

Today, the Council has made it clear that the promotion of TOD is a key priority. The Council has demonstrated its interest in an enhanced Metropolitan Council role in TOD through the addition of two positions in the FY2012 budget. Moreover, the Council has expressed its desire to develop a proactive and strategic plan for supporting TOD for the following reasons:

- 1. To achieve its mission of orderly and economical development.** In 1967, the Minnesota Legislature created the Metropolitan Council to “plan for the orderly and economical development of the seven-county metro area.” The Council fosters the efficient use of limited resources by encouraging growth in areas with existing and planned infrastructure. By concentrating housing and jobs in compact development near transit service, communities and the region as a whole achieve cost efficiencies, thereby helping to fulfill the Council's mission.
- 2. To increase transit ridership.** As the transit operator, the Council seeks to serve an ever-greater base of customers on bus, light rail, bus rapid transit and commuter rail. TOD is an effective method of increasing ridership because it creates origins and destinations along the routes through housing, businesses, and other compact development. Transit becomes more useful so more people use it.
- 3. To provide housing and transportation options for a region with changing demographics.** As the regional planning agency and transit operator, the Council is charged with helping to ensure the region affords residents with housing and transportation options.

- a. **Generation Y.** Studies from the National Association of Realtorsⁱⁱ and others have shown that members of the Generation Y (born after 1980) disproportionately prefer to live in compact, walkable, transit-oriented neighborhoods. In order to attract and retain the workforce and businesses necessary for a 21-century economy, we need to build more of these communities. Failing such, we may lose the workforce and businesses to regions that do.
 - b. **Aging population.** Our population is rapidly aging, meaning that in the future more people will not be able or choose to drive. Compact, walkable, transit-oriented neighborhoods provide older people the opportunity to remain active and connected. Failing to do this, a portion of people will feel isolated, dependent and confined to their homes, straining their family members' time, budgets and the economy as a whole in addressing this isolation.
 - c. **Low income.** Many residents struggle day to day with the combined costs of housing and transportation. Affordable housing within walking distance of transit can provide a convenient and inexpensive lifestyle to residents who cannot afford a car or who drive less to save money. In not creating these opportunities the destructive gap between the haves and have-nots will worsen, hurting us all.
4. **To generate revenue.** Development and other activities will be considered as a means to supplement other sources of revenue for the Council.
 5. **Because the federal government says so.** Federal funding policies from a variety of agencies encourage or require certain TOD policies and practices. If the region wants to remain competitive for these programs, it needs to align with federal priorities. As the recipient of large amounts of federal funds, it is strategic for the Council to play a proactive role in TOD.

Process

The consultant will develop the plan in close cooperation with the Metropolitan Council's executive team, a project management team and a group of advisors. The consultant will facilitate meetings, providing information and framing options for moving forward. The consultant will also use stakeholder interviews, small group discussions, and other methods to inform the plan. The primary point of contact for the consultant will be the Manager of TOD Strategy and Coordination.

In framing options and considering recommendations, the consultant will draw upon best practices among Metropolitan Planning Organizations (MPOs) and transit agencies around the country. Through this process, s/he will take into account the unique local contexts and their possible effects on the transferability of these policies and practices.

Tasks

The consultant's tasks will include but are not limited to the following items. The consultant will produce appropriate written documentation of each task.

1. Assess the current state of TOD in the region. How does the quality and quantity of our TOD compare to peer regions? What are our strengths and weaknesses?
2. Conduct an environmental scan of other transit agencies and regional planning agencies' roles in TOD. How are other regions organized? What are their goals? How do they work with stakeholders?
3. Review the current efforts and resources of the Council to promote TOD. How do staff in Metro Transit, MTS, Community Development and throughout the organization already promote and facilitate TOD? What has been the impact of these functions? Where are the gaps and opportunities?
4. Identify the greatest needs of local governments and developers in facilitating and building more high-quality TOD. How do these needs align with resources that the Council could provide?
5. Review the statutory authority of the Council and the guiding policies. What are the opportunities and limitations?
6. Considering the information gathered in tasks 1-5 and via other sources, identify the spectrum of possible roles for the Council in TOD. Outline this spectrum in a memorandum and presentation.
7. Work with the executive team to present the spectrum of possible roles produced in task 6, including information from tasks 1-5 that informed it, to the Metropolitan Council. Facilitate a discussion with the Council Members to determine the most promising role(s) for the Council in TOD.
8. Using the most promising role(s) selected in task 7, detail a strategic action plan for the Council to further support TOD, including:
 - i. The overall objective. What is the Council seeking to achieve? What are the measures of success?
 - ii. Policy basis and/or recommended policy changes. What guiding language or policies does the Council need to put in place to make the TOD strategy successful?
 - iii. Key proposed activities and functions of the Council to support TOD. How might existing resources be aligned to support TOD? What new resources should the Council seek to develop

or secure? What is the role of the Council in TOD vis-à-vis local government partners, nonprofits, foundations and other stakeholders?

- iv. Legal basis for the proposed roles. Are there other legal considerations or restrictions to consider? Would it require a statutory change?
- v. Proposed organizational structure, including estimated costs and staffing implications. The consultant should recommend, at a minimum, roles and responsibilities for four positions, the (provisionally-named) Manager of TOD Strategy and Coordination and three senior level staff positions. The consultant should also consider the re-alignment of current positions throughout the organization in order to support an enhanced TOD strategy. Finally, the consultant may make recommendations that require new staff positions if there is sufficient support among the executive team and advisory committee to seek those resources.
- vi. Proposed timeline for implementation. What are the immediate next steps? What are the mid-term and longer-term steps?

Example Roles and Functions

The following is a list of activities and functions the consultant may consider as part of the strategic planning process. This list is provided as a source of examples only, and should by no means be considered comprehensive of the options.

- Coordinating and aligning Council processes, resources and investments to ensure that they are supporting TOD to the greatest extent feasible, eg.
 - transitway and station design
 - data and research
 - land holdings
 - grant programs
- Setting a TOD policy for the Council, including the specification of the types of TOD that are most needed and appropriate.
- Setting a TOD vision for the Council, perhaps using the Regional Framework to influence development in transitways.
- Acquiring and owning land near transit and working with local governments to do development
- Acquiring land strategically as part of transitway construction and selling to local governments or development partners for TOD projects
- Building capacity of local staff and officials and others (trainings, etc)
- Researching and maintaining a database of industry best practices, innovations, and models in areas such as zoning, urban design guidelines, developer incentives, and local initiatives used in other markets
- Creating and managing a database of developers, consultants, users, and other parties interested in TOD

- Establishing additional long-term funding for TOD projects (loans or grants)
- Providing an information clearinghouse to local governments on national, state and local funding opportunities for TOD
- Tracking TOD in the region, including investments and projects
- Conducting an analysis and strategic investment plan to determine which station areas are most ripe for development in terms of market- and TOD-readiness (eg. Portland's TOD Strategic Plan)

ⁱ This figure refers to the LCA investments that have been made in DEED-designated Transit Improvement Areas (TIAs) as of 2011.

ⁱⁱ http://www.realtor.org/wps/wcm/connect/a0806b00465fb7babfd0bfce195c5fb4/smart_growth_comm_survey_results_2011.pdf?MOD=AJPERES&CACHEID=a0806b00465fb7babfd0bfce195c5fb4