

FTA/MTA Purple Line TOD Grant: Economic Development

April 26, 2021
Engagement Meeting Round 1
1pm-3pm
National Center for Smart Growth
University of Maryland, College Park



Introductions



NCSG

- Gerrit Knaap, Executive Director
- Nick Finio, Associate Director

ECONorthwest

- Ian Carlton, Project Director
- Becky Hewitt, Project Manager
- James Kim, Associate / Analyst

Consultants

- Steve Brigham, Public Engagement Associates

**In the chat, please
state your:**

Name

Agency/Organization

Overview: PLCC, FTA, MTA, TOD Planning Grant



Project Description

The Purple Line (currently under construction) is a new fixed guideway consisting of a 16-mile, 21 station, circumferential light rail corridor that will link four Metro stops, three MARC lines, AMTRAK, two intercity bus stations, located between of Montgomery and Prince George's counties in Maryland. The Purple Line transit project is receiving CIG/New Starts funding, as well as Section 5307 funds for construction activities.

In 2013, the Purple Line Corridor Coalition (PLCC) was established by NCSG with seed funding from MTA. Its mission is to assure the \$5.6 billion investment in the Purple Line achieves the maximum benefits through coordinated public-private efforts. This grant provides support for critical unfunded needs to build on the local plans and the solid base of information, collaborative relationships, and community supported goals established by the PLCC.

NCSG will lead the development of a workplan, in close collaboration with its partners and MDOT MTA, that will pilot a new corridor approach to TOD for the Maryland Purple Line and engage a broad array of agencies and stakeholders, focus on the corridor, and fully engage private sector partners to assure successful implementation. To do so, NCSG will engage ECONorthwest, a frequent collaborator that has developed a unique "MapCraft" tool that can model transit's impact on real estate development and help answer critical urban development questions and identify policies that are grounded in the reality of real estate feasibility.



1. Timeline

- a. Summer 2020 - July 2022

2. Work products

- a. Formalize/Expand Multi-stakeholder Collaborative for Coordination, Engagement and Monitoring
- b. Corridor–Wide Multi-Mobility and TOD Assessment
- c. Economic Development Assessment and Business Preservation Strategy
- d. TOD Finance and Implementation Recommendations

Goals of the transit-oriented development assessment and recommendations:

- Capitalize on opportunities for inclusive transit-oriented development offered by the Purple Line
- Support planning and housing goals and corridor investment, while minimizing negative impacts of gentrification

Meeting Agenda & Goals



Agenda

1. Introductions and Overview (done)
2. Background, Framework, Context (5 mins)
3. Current Market Conditions (5 mins)
4. Expected Market Conditions (5 mins)
5. Evaluating Development Potential (15 mins)
6. Q&A (10 mins)
7. Breakout Groups (30 mins)
8. Report Outs (15 mins)
9. Next steps (5 minutes)

Goals

- Refine understanding of local planning and market context
- Highlight Purple Line impacts and opportunities for Transit-oriented Development
 - Identify potential interventions

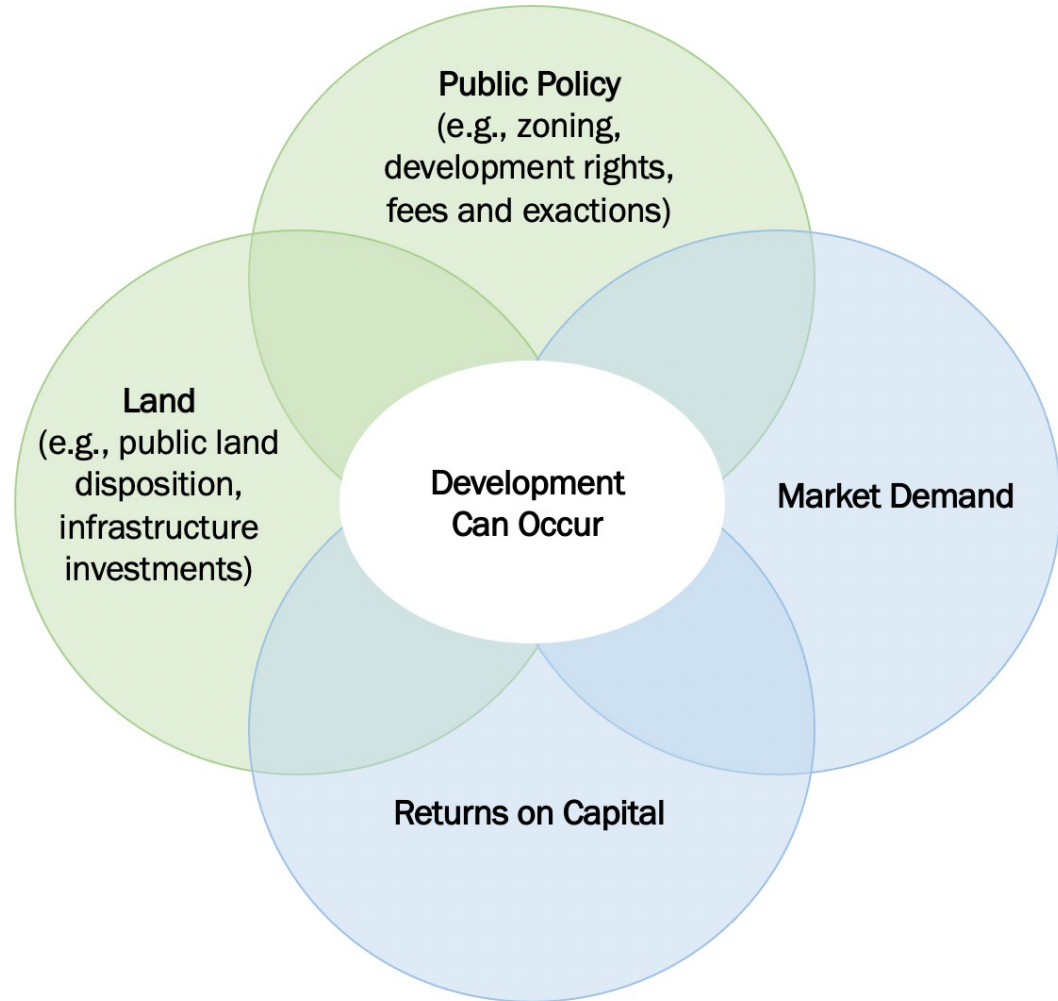
Background

Becky Hewitt, ECONorthwest

If you have questions, please type them into the chat.
We will address them during the Q&A period.



Real Estate Development and Public Sector Influence



Building on Existing Plans & Policies



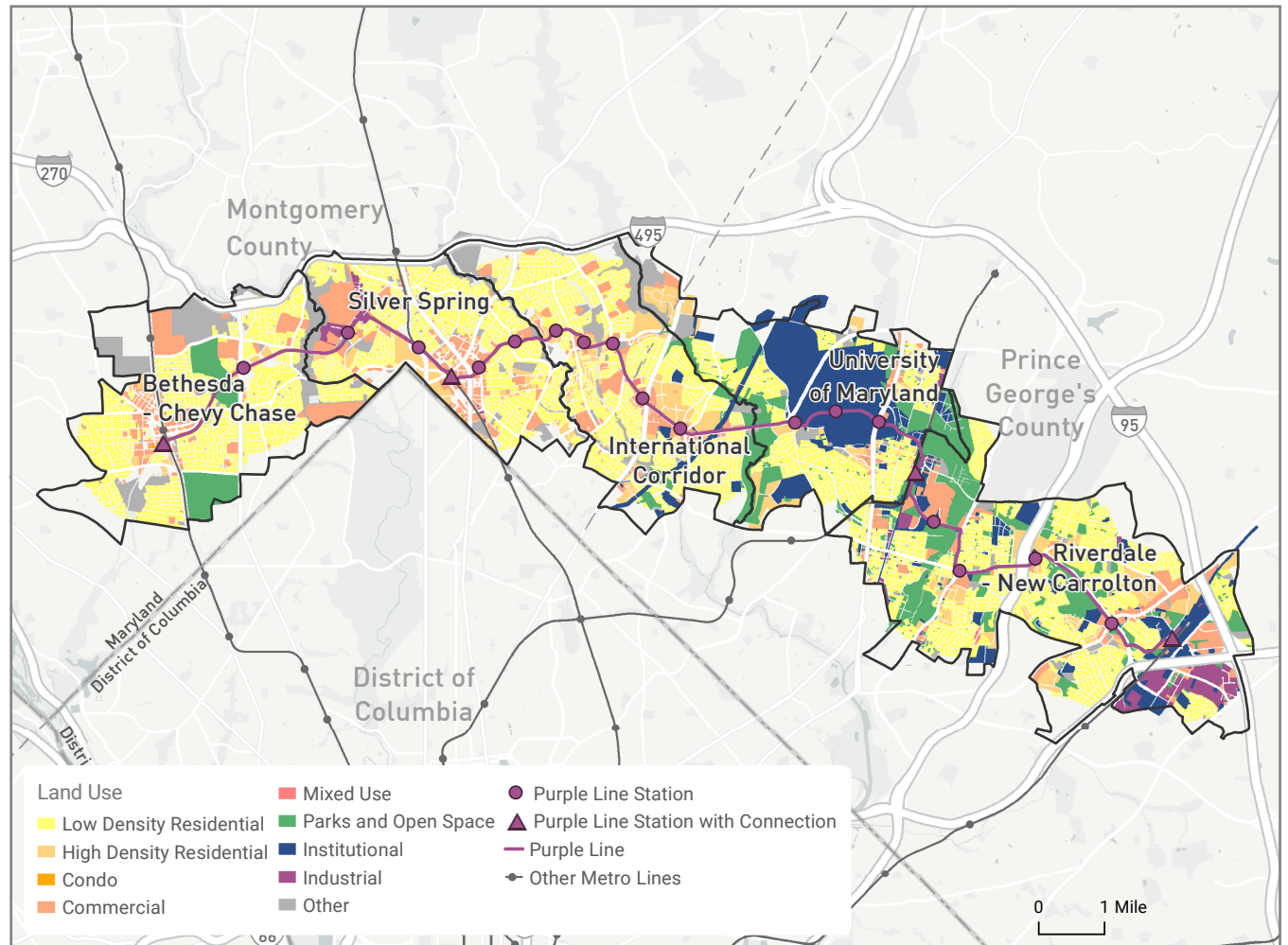
Montgomery County

- Silver Spring Downtown and Adjacent Communities Plan (on-going)
- MPDU program updates (2018)
- Bethesda Downtown Plan (2017)
- Zoning Code update (2014)
- Greater Lyttonsville Sector Plan (2014)
- Chevy Chase Lake Sector Plan (2013)
- Long Branch Sector Plan (2013)
- Takoma-Langley Crossroads Sector Plan (2012)

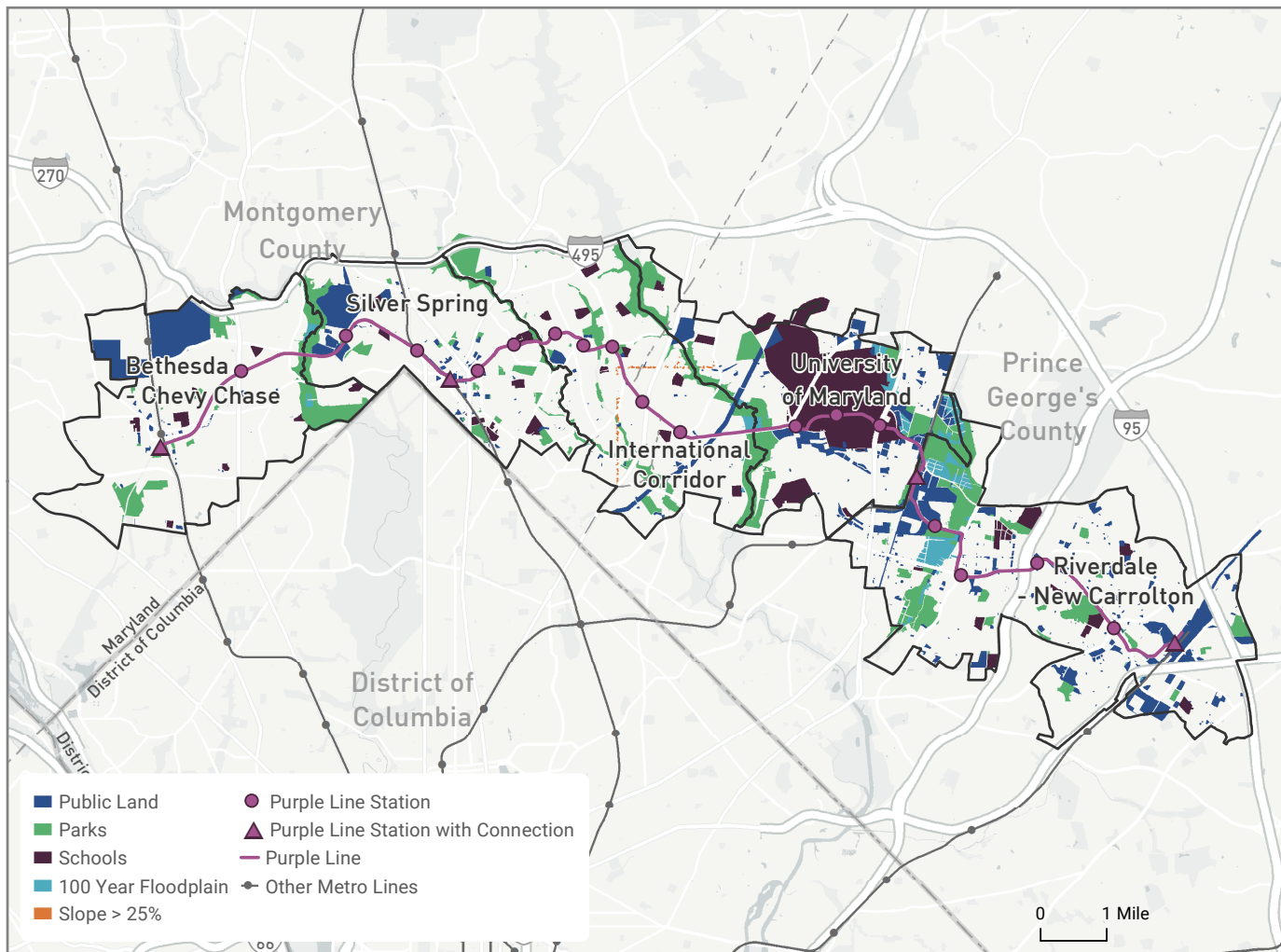
Prince George's County

- Countywide Map Amendment (on-going)
- Adelphi Road-UMGC/UMD Purple Line Station Area Sector Plan (on-going)
- Zoning Ordinance Update (2018)
- College Park-Riverdale Park Transit District Development Plan (2015)
- Plan Prince George's 2035 (2014) - prioritized TOD
- Expedited TOD site plan applications (2013)
- New Carrollton Transit District Development Plan and Transit District Overlay Zone (2010)
- Takoma/Langley Crossroads Sector Plan (2009)

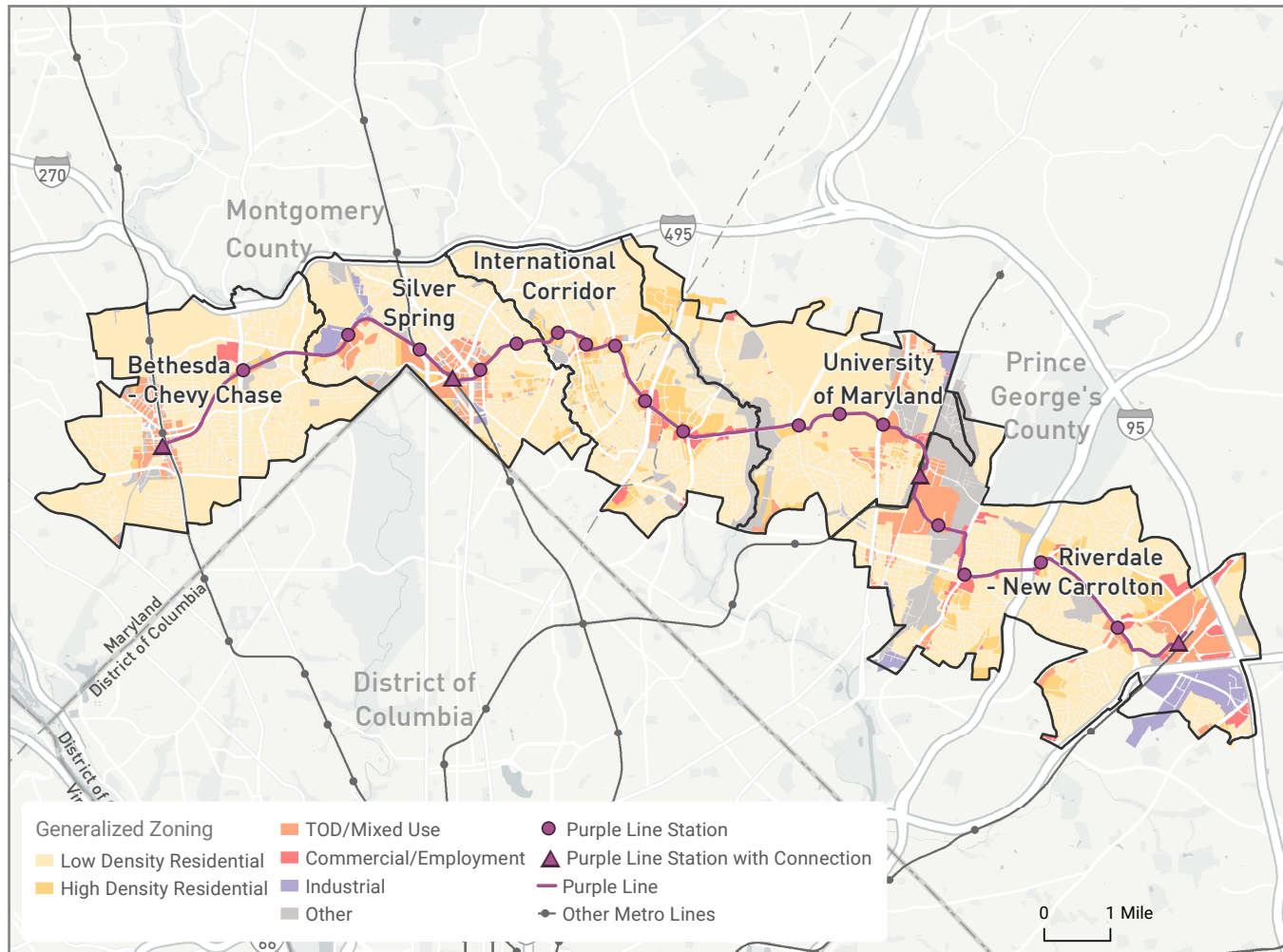
Existing Land Use



Constraints and Committed Land



Existing Zoning (Generalized)



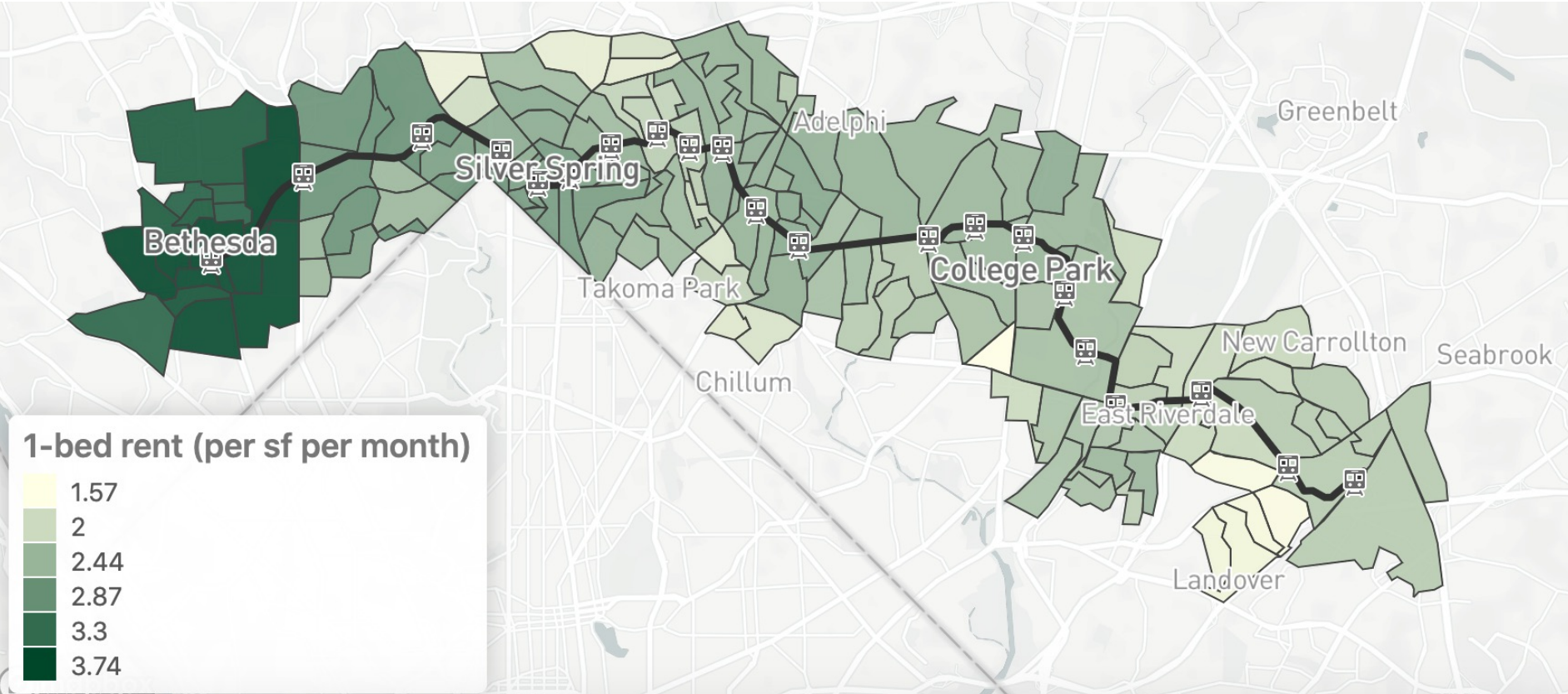
Current Market Conditions

James Kim, ECONorthwest

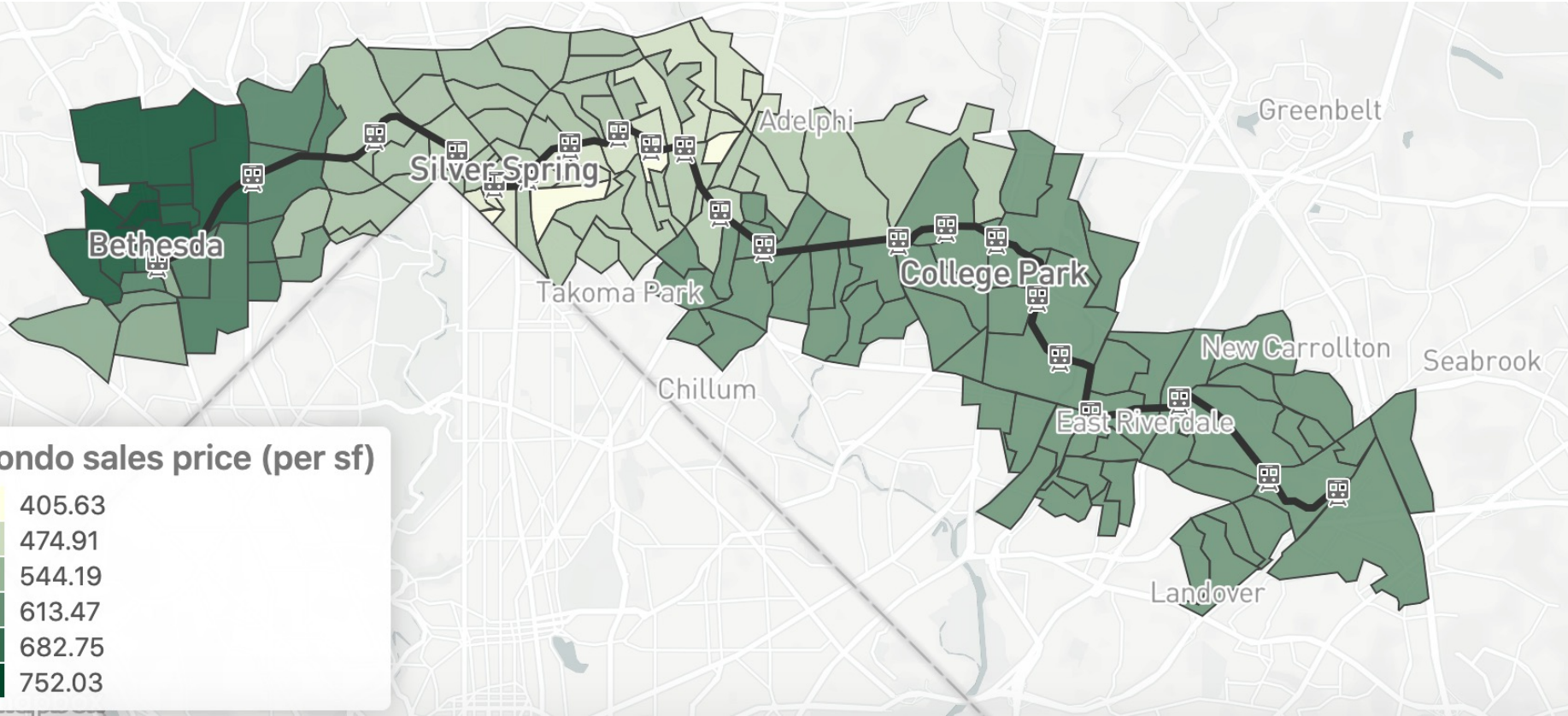
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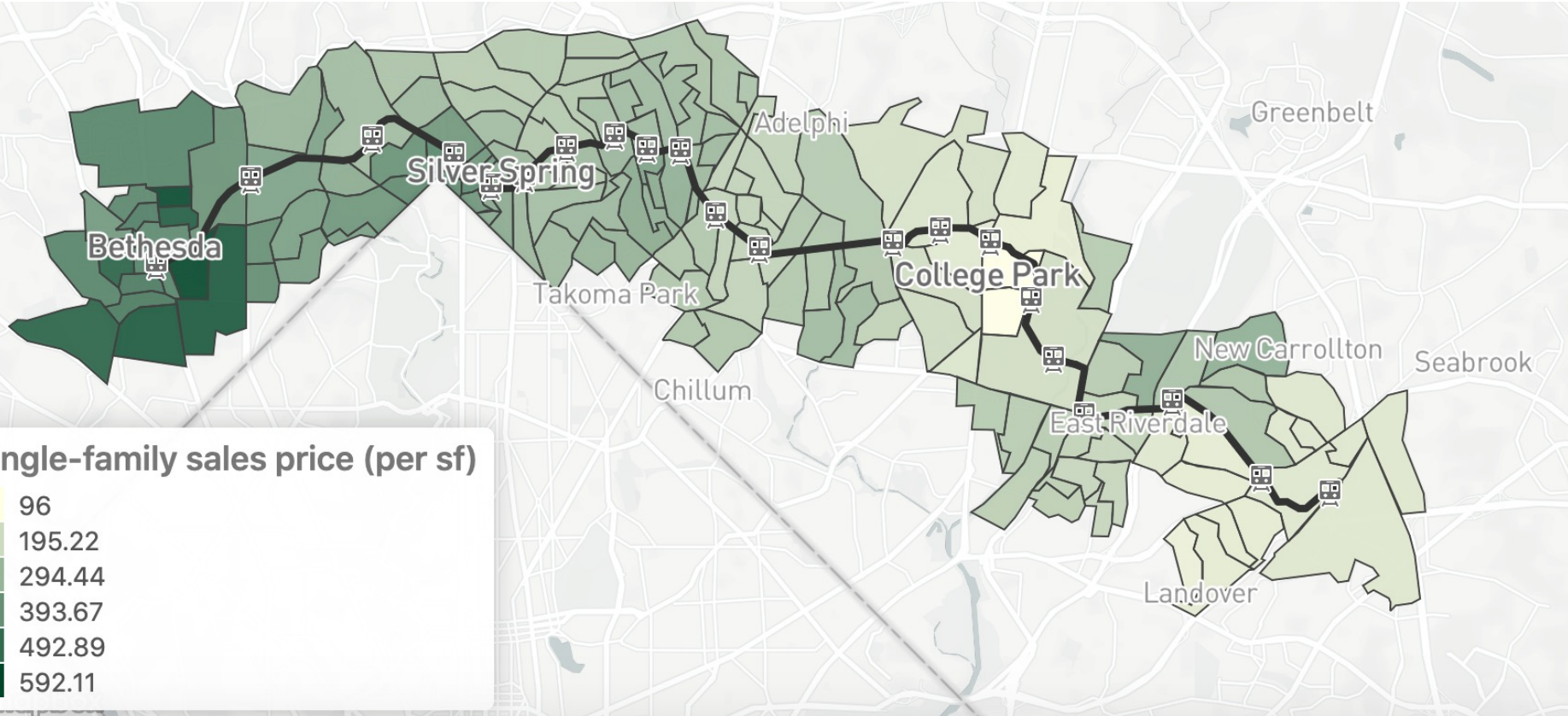
Apartment Rents (current, estimated for new construction)



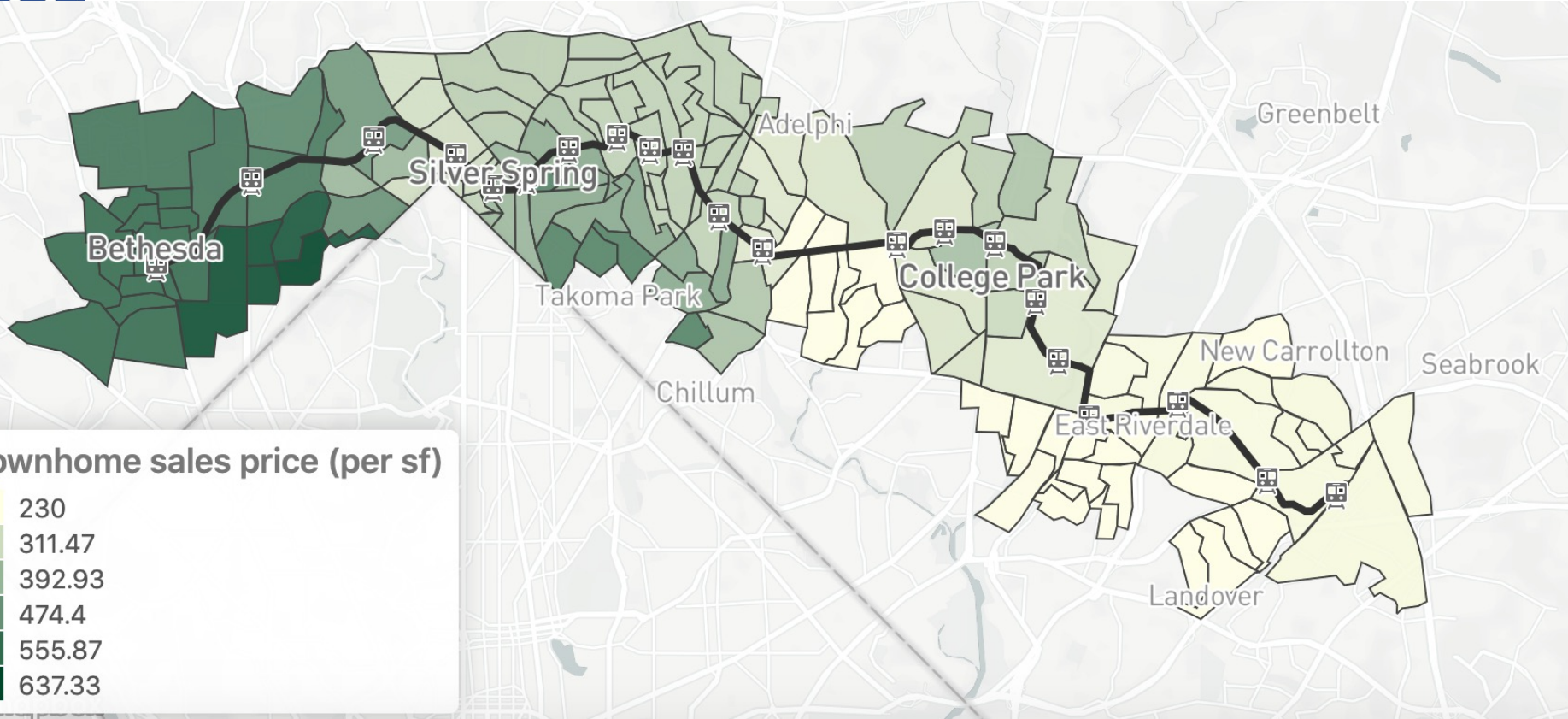
Condo Sales Price (current, estimated for new construction)



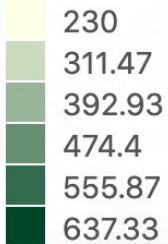
Single-Family Sales Price (current, estimated for new construction)



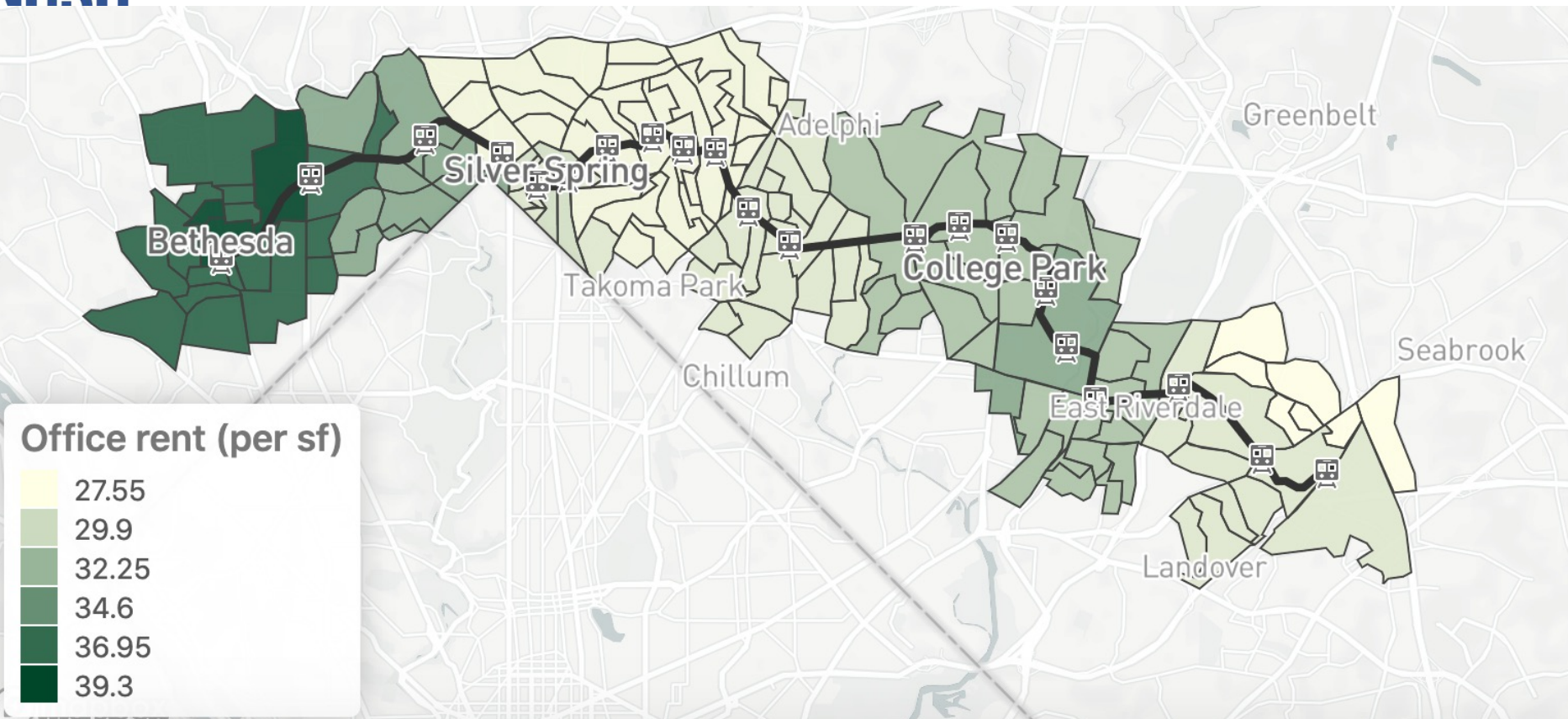
Townhome Sales Price (current, estimated for new construction)



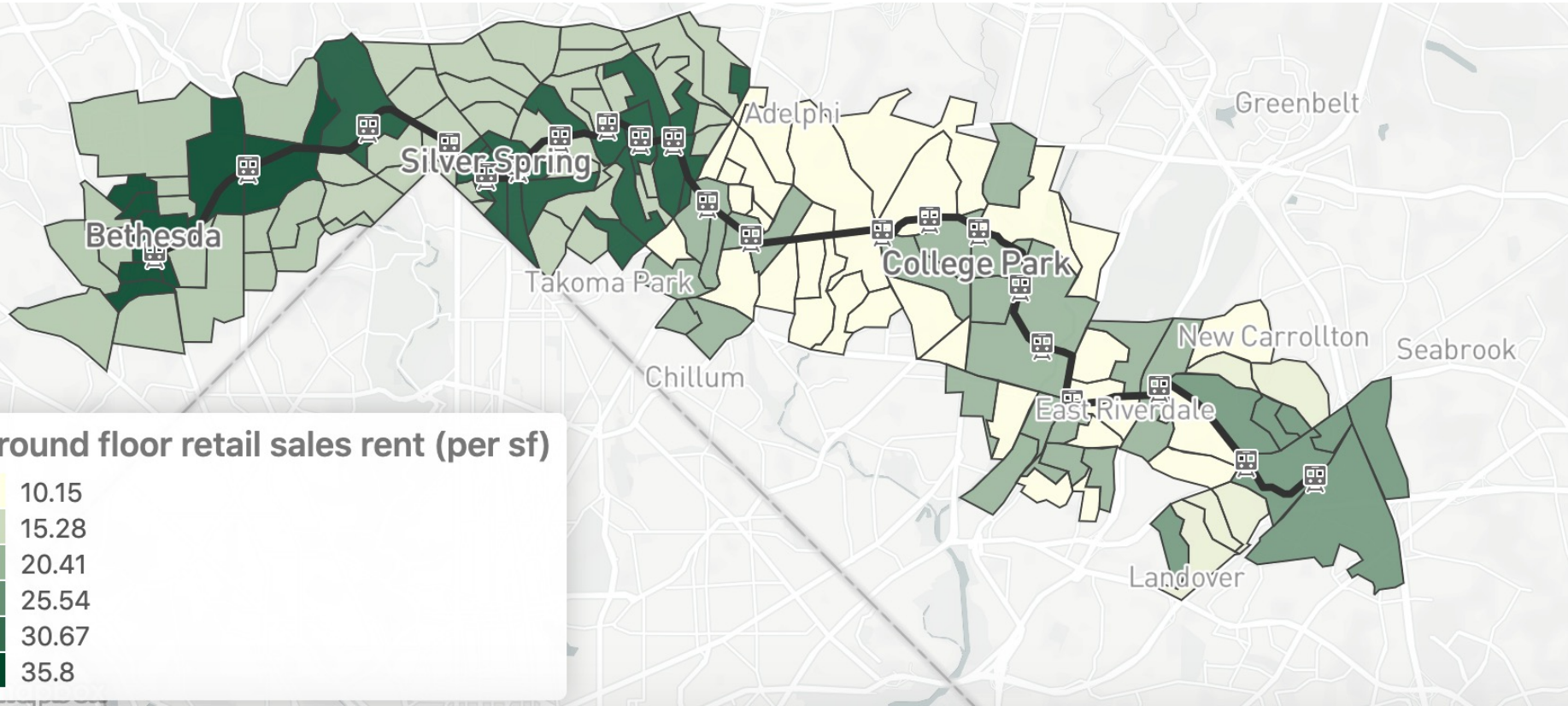
Townhome sales price (per sf)



Office Rents (current, estimated for new construction)



Retail Rents (current, estimated for new construction)



Expected Market Conditions

Ian Carlton, ECONorthwest

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Transit Impacts on Development



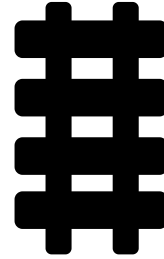
Transit-related Impacts



Accessibility

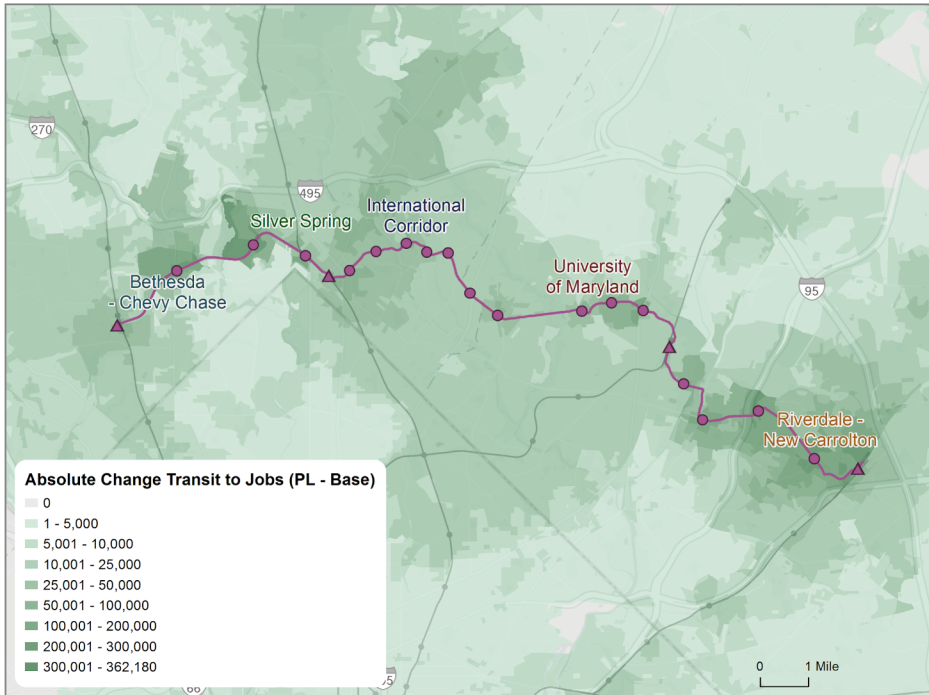


Agglomeration

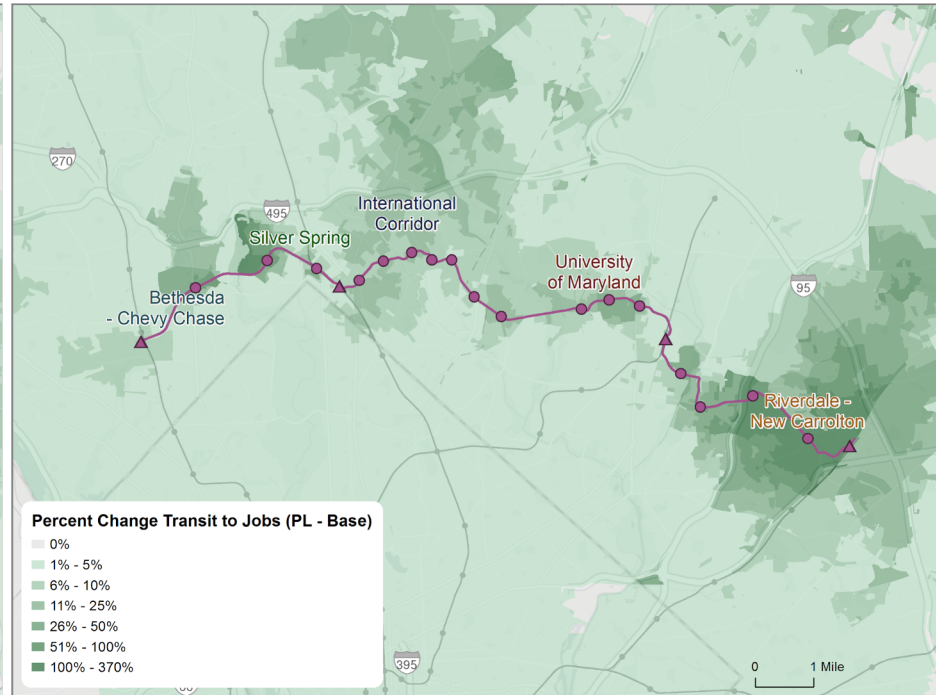


X-Factor

Where are the biggest improvements to job accessibility after the Purple Line begins service?

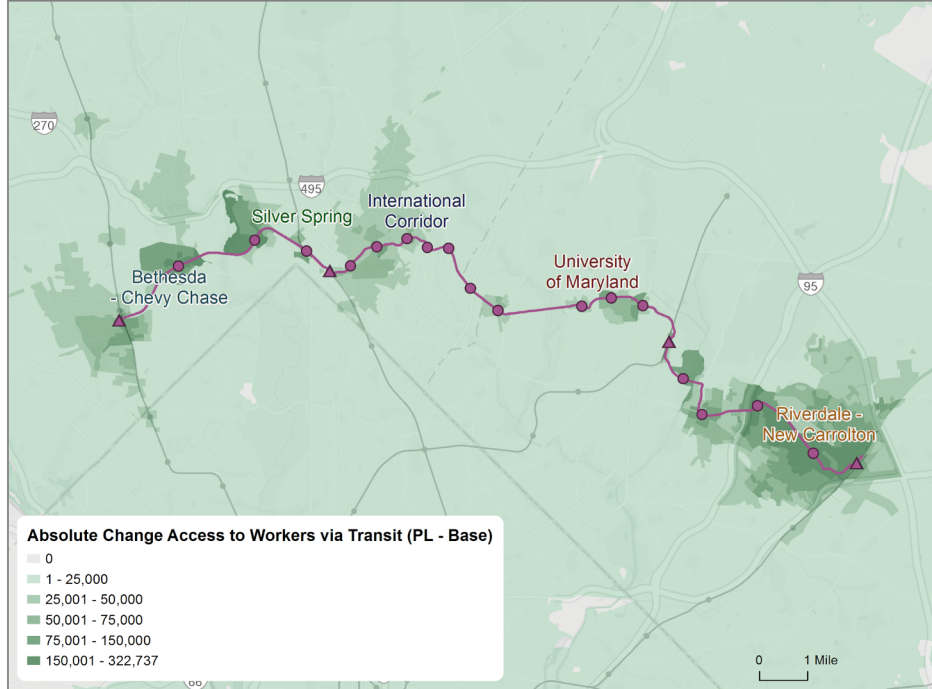
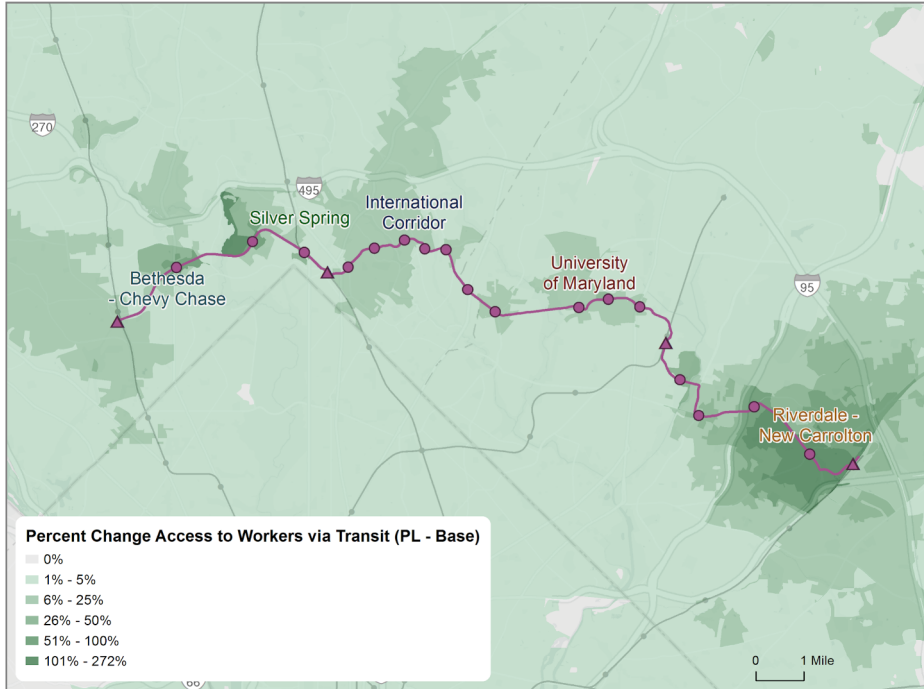


Level change in transit access to jobs (Purple Line - Baseline)



Percent change in transit access to jobs (Purple Line/Baseline)

Purple Line improves access to workers



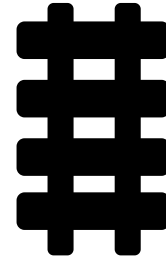
Transit-related Impacts



Accessibility



Agglomeration



X-Factor

Government-related Impacts



Placemaking



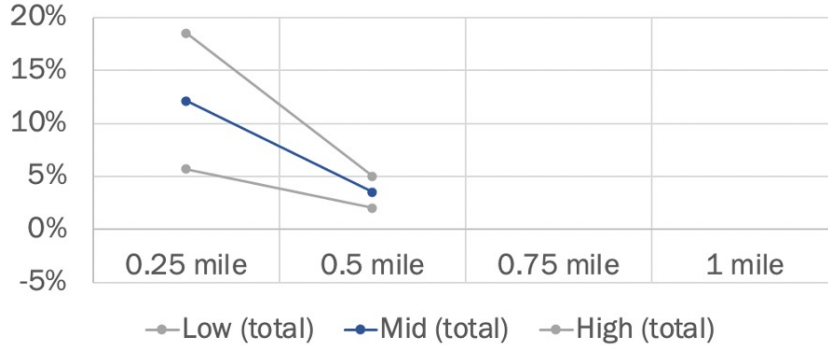
Policy



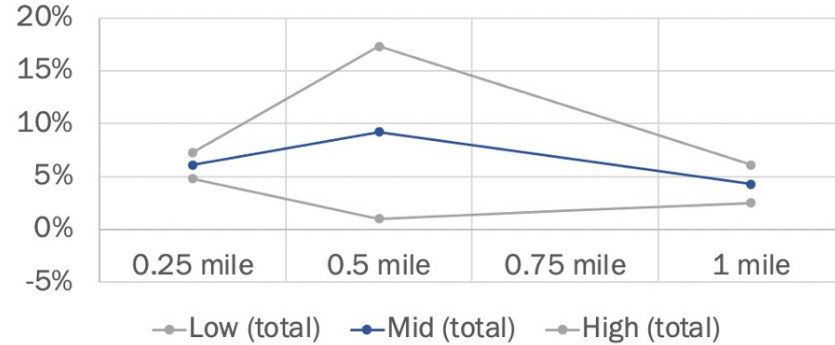
Refocus

Literature: Transit Price Premiums

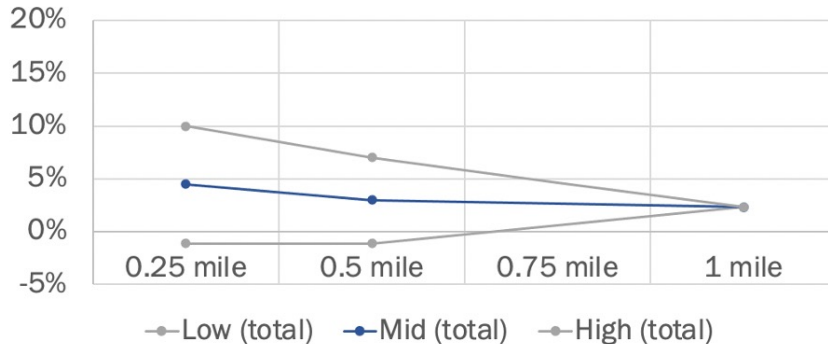
Average Price Premium for Single Family Properties



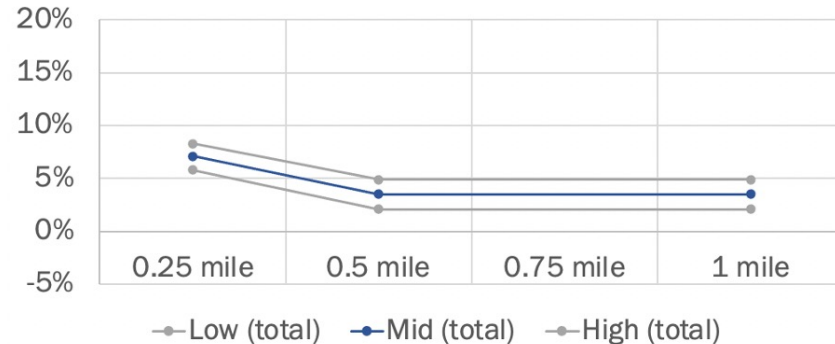
Average Price Premium for Multifamily Properties



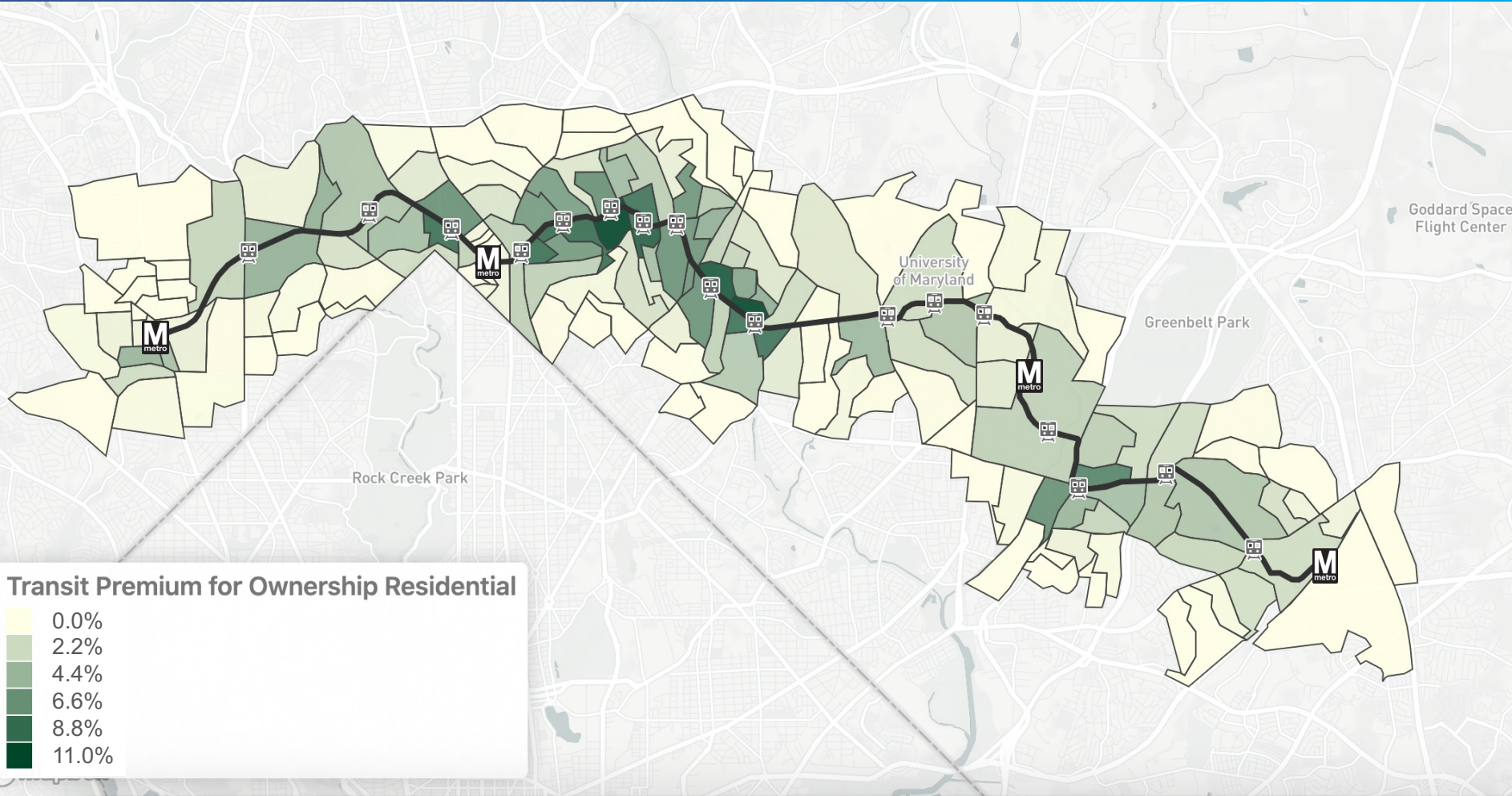
Average Price Premium for Office Properties



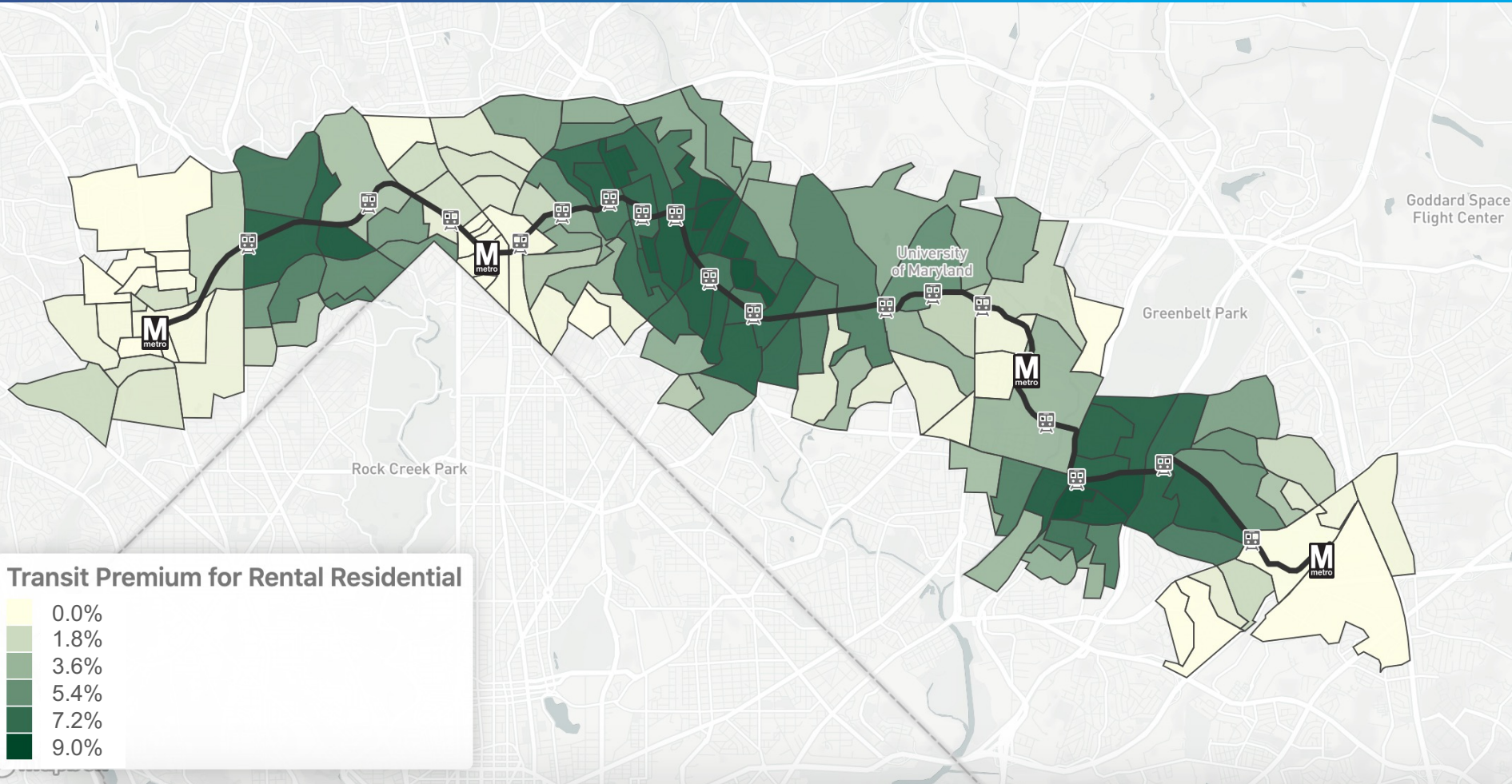
Average Price Premium for Retail Properties



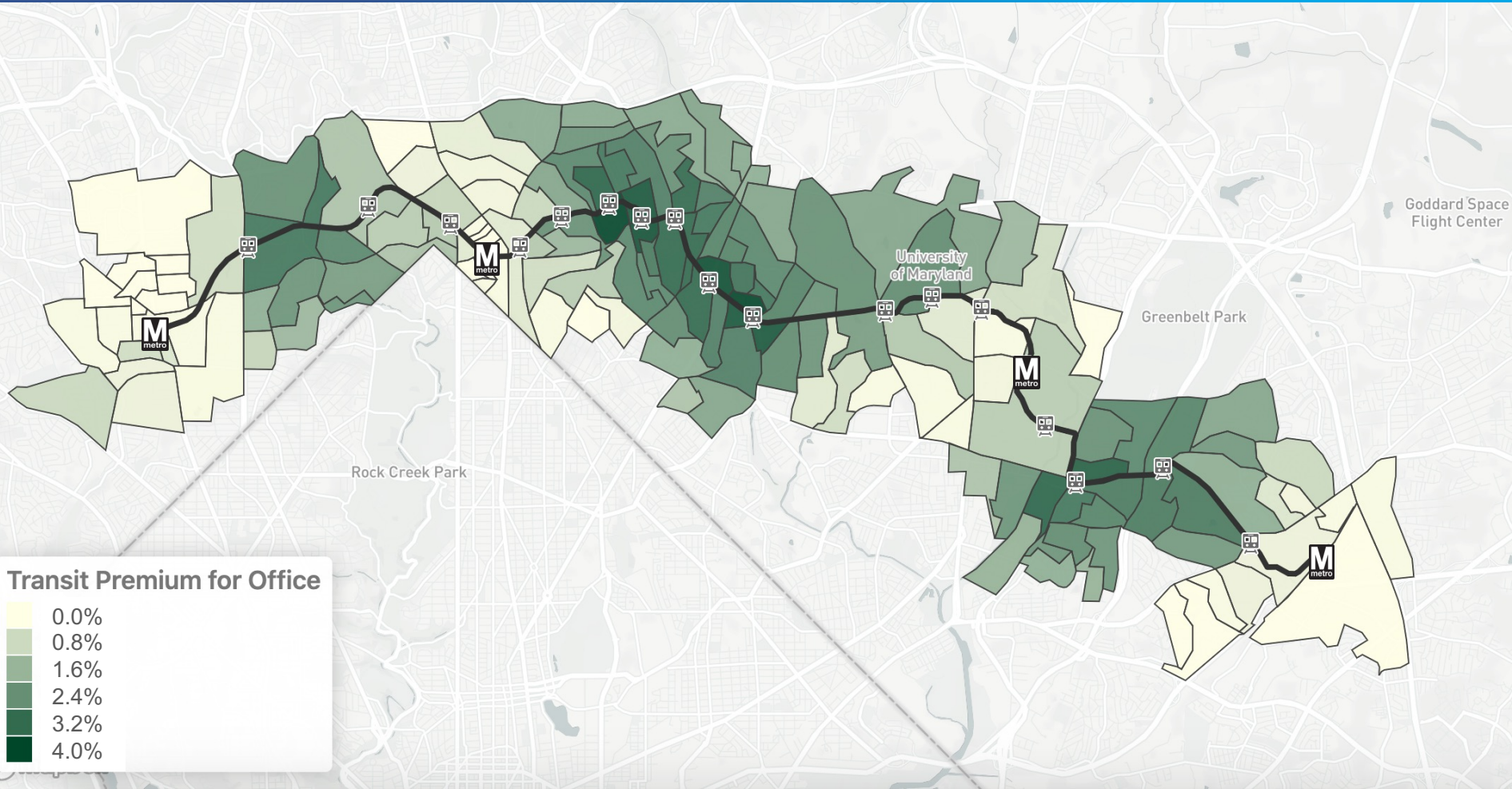
Ownership Residential Transit Premium



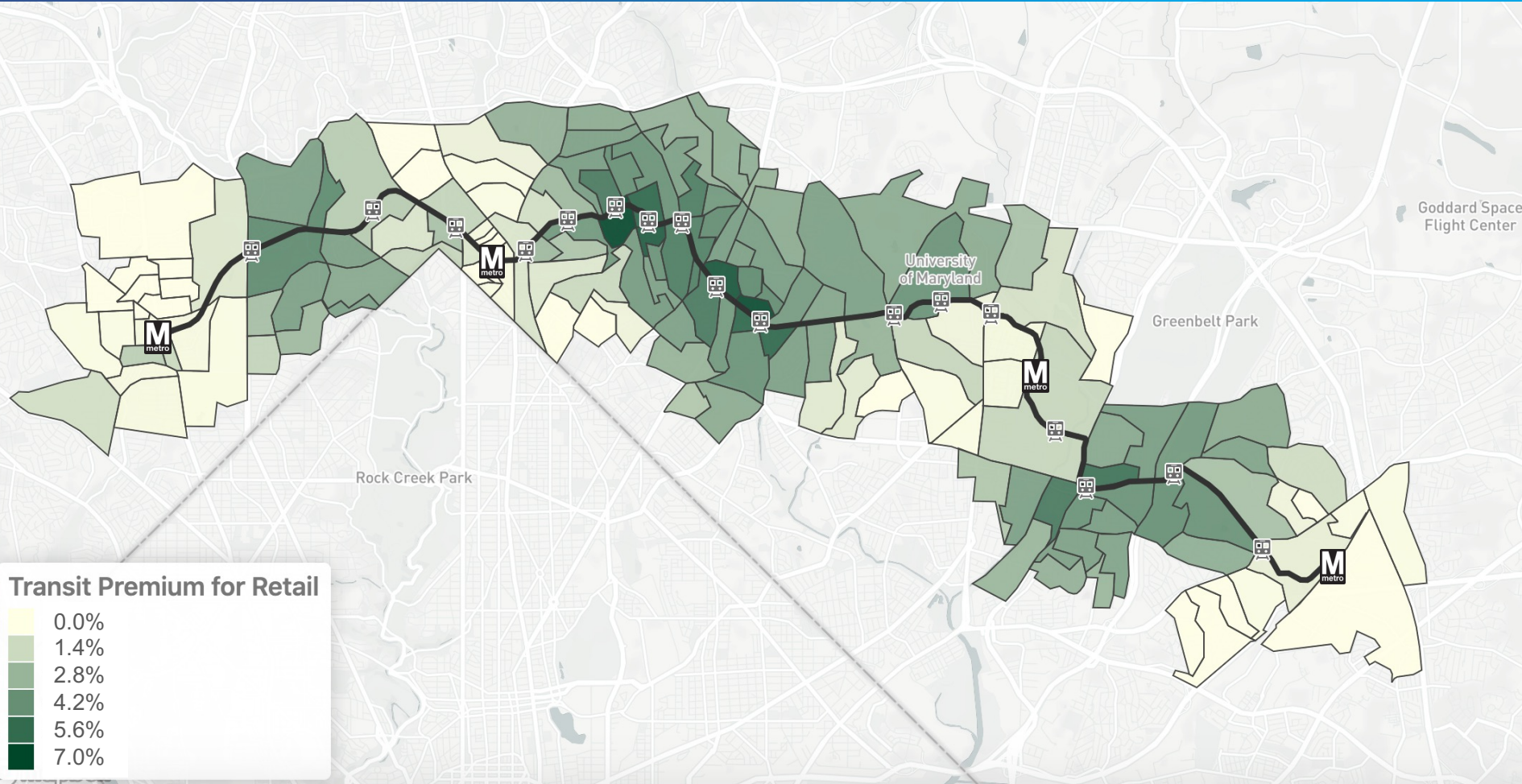
Rental Residential Transit Premium



Office Transit Premium



Retail Transit Premium



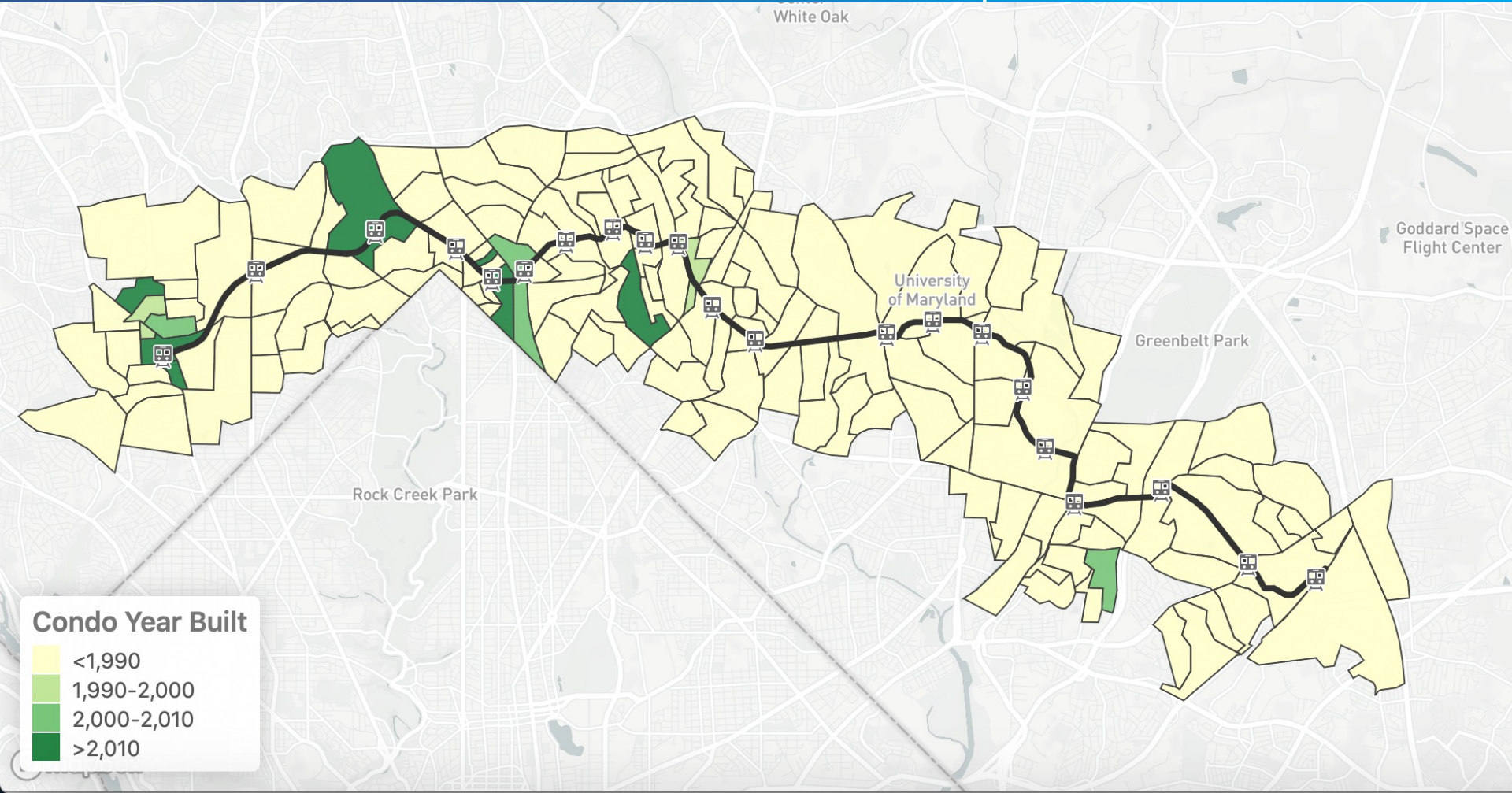
Evaluating Development Potential

Ian Carlton, ECONorthwest

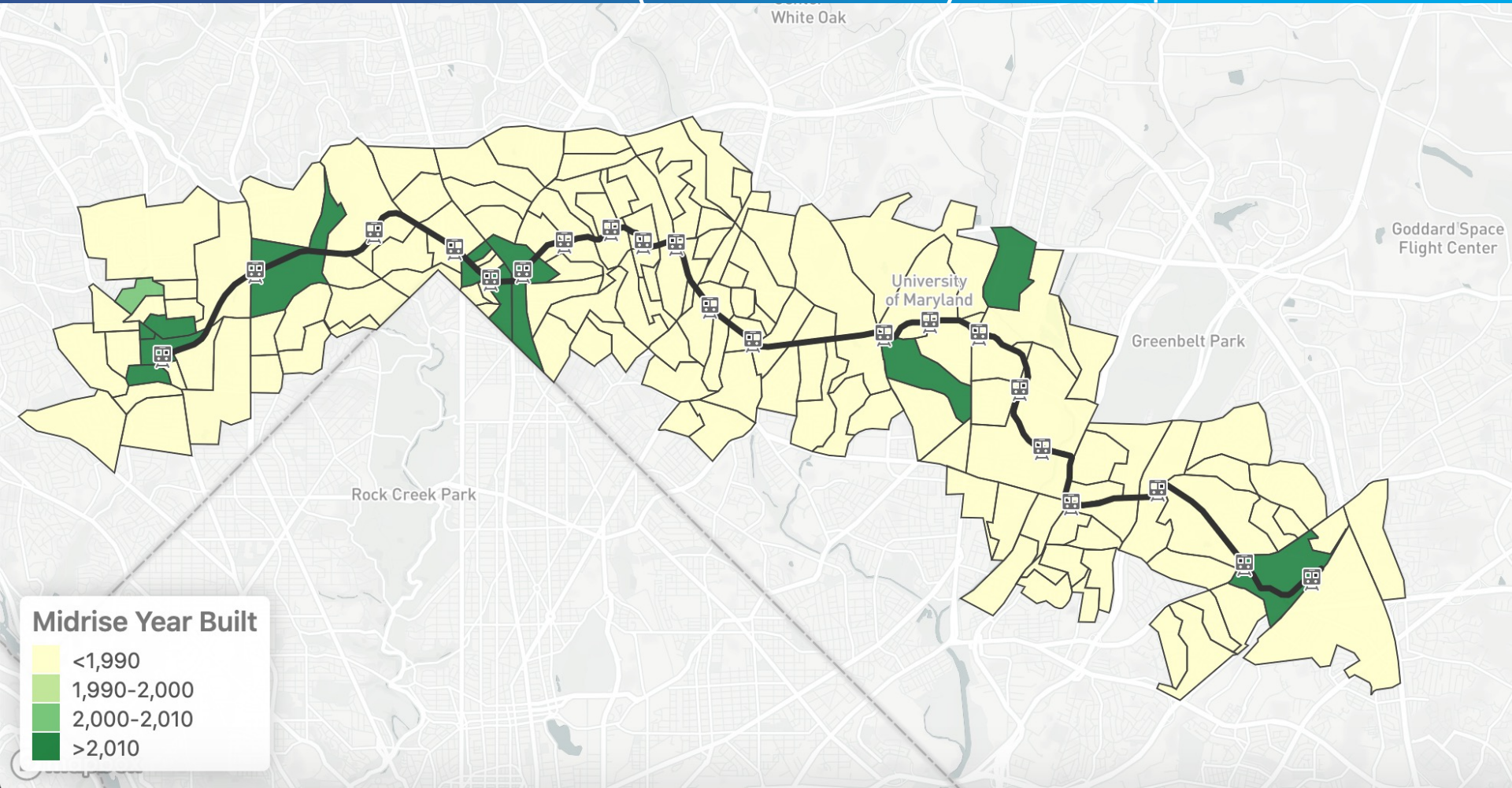
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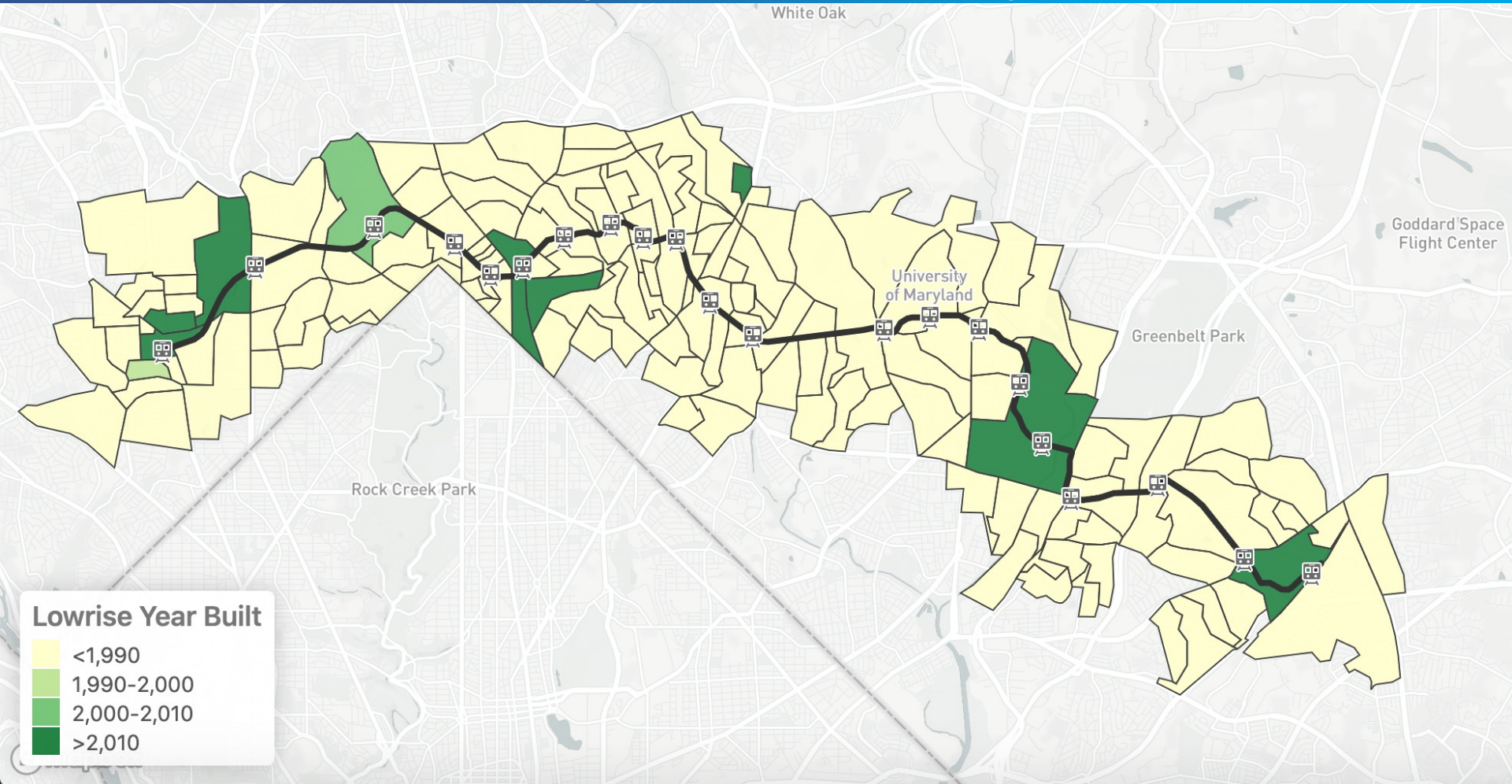
Recent Condo Developments



Recent Midrise (5 to 7 stories) Developments



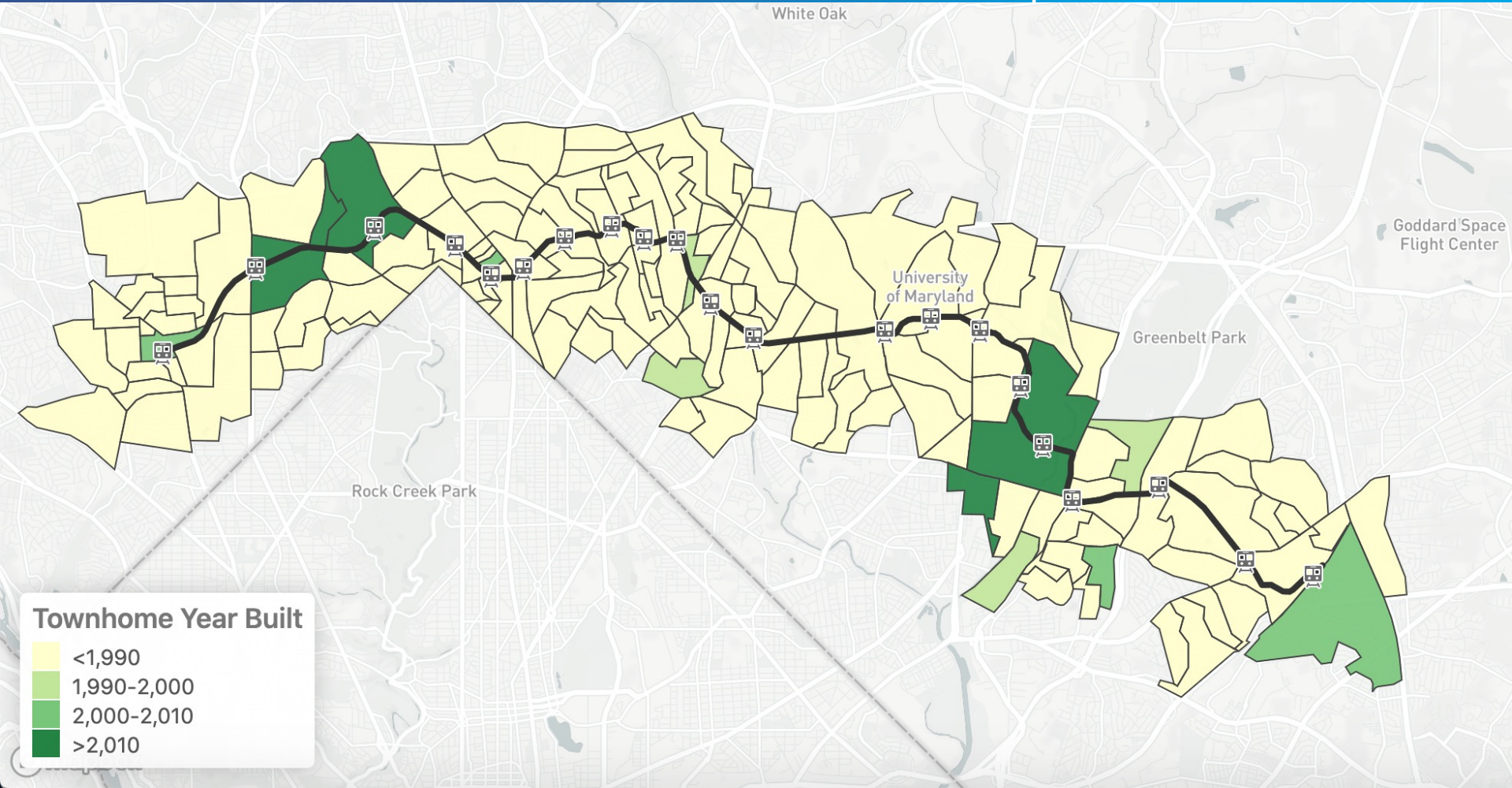
Recent Lowrise (less than 5 stories) Developments



Lowrise Year Built

Light yellow	<1,990
Light green	1,990-2,000
Medium green	2,000-2,010
Dark green	>2,010

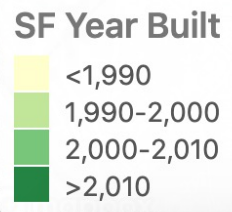
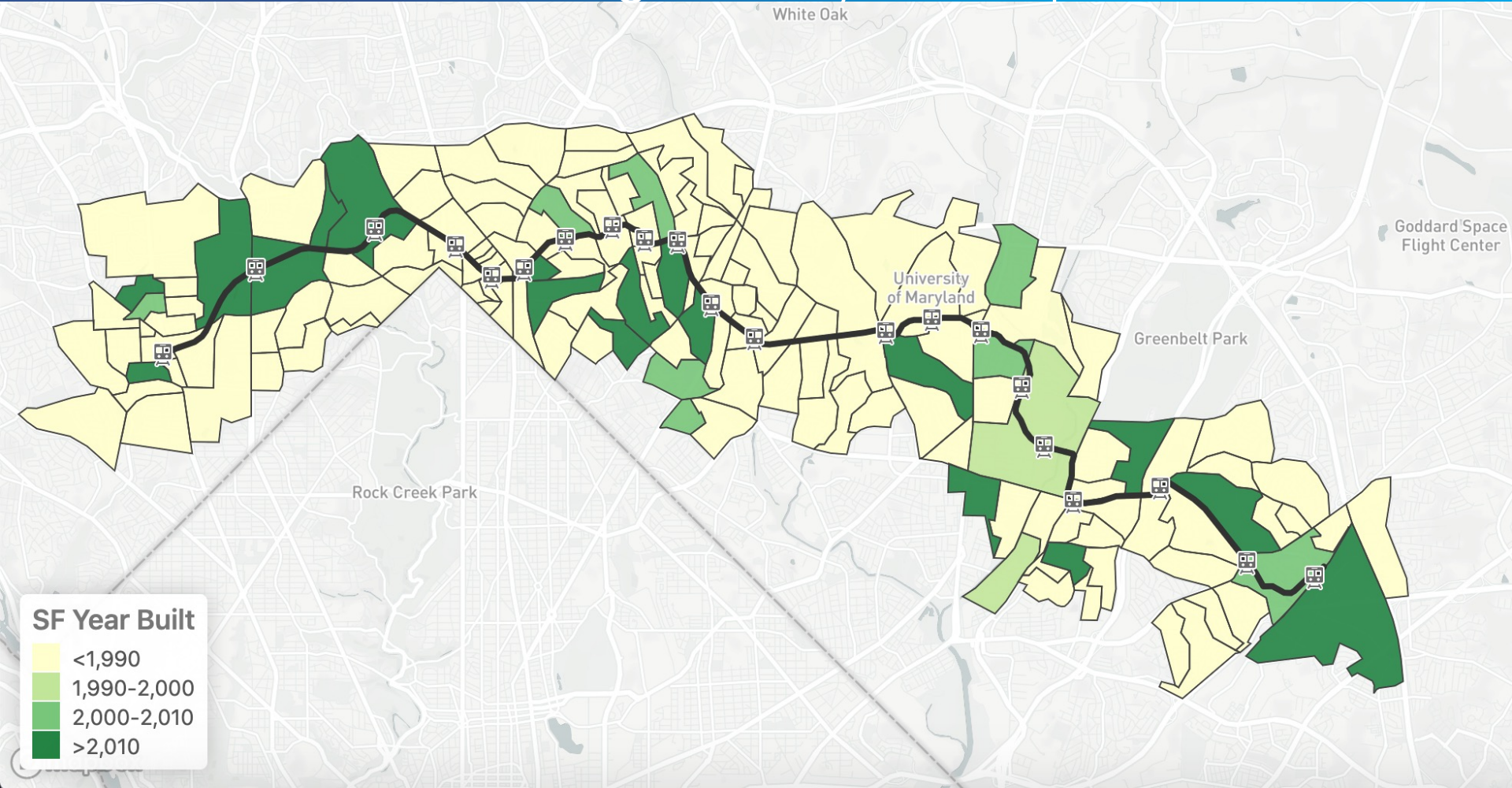
Recent Townhome Developments



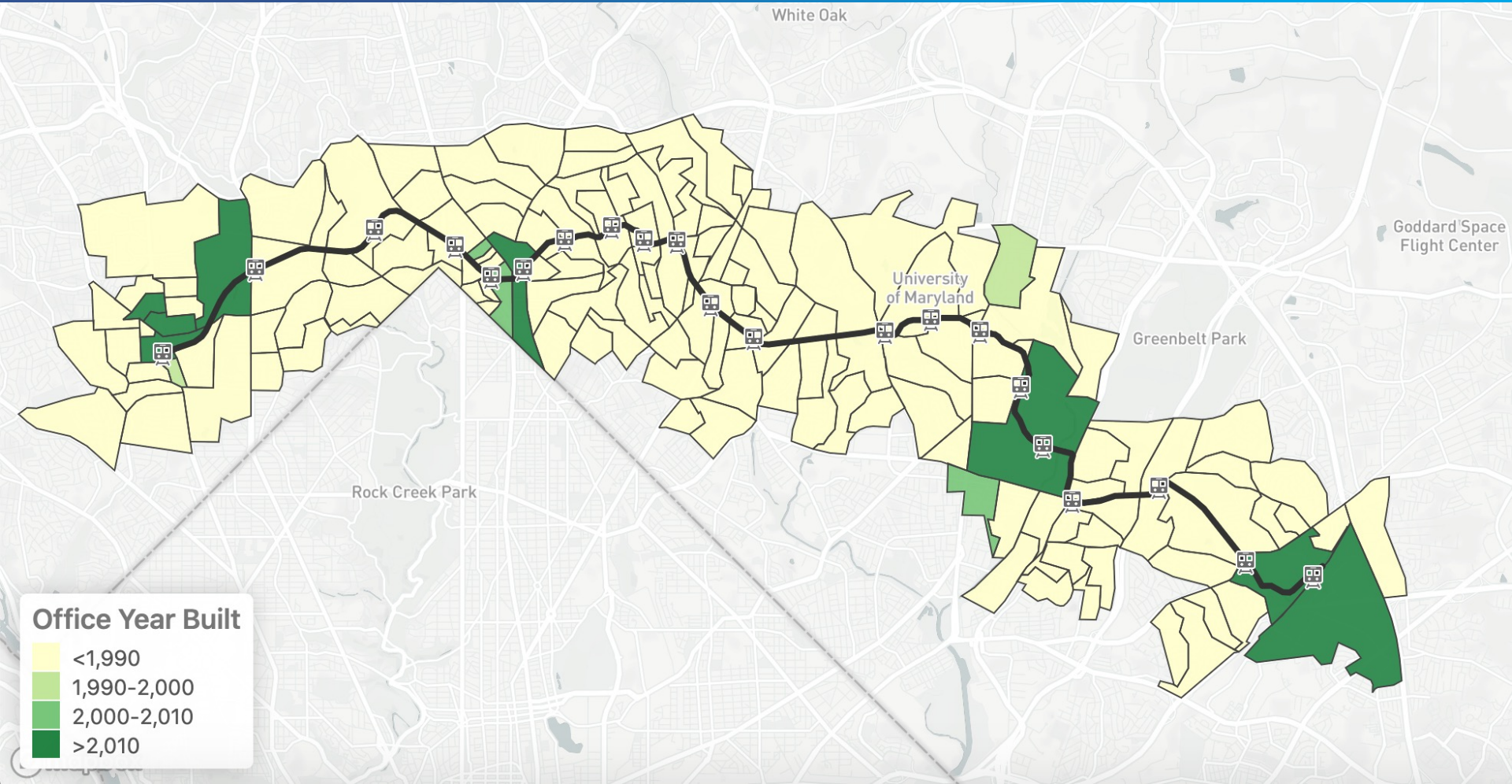
Townhome Year Built

- <1,990
- 1,990-2,000
- 2,000-2,010
- >2,010

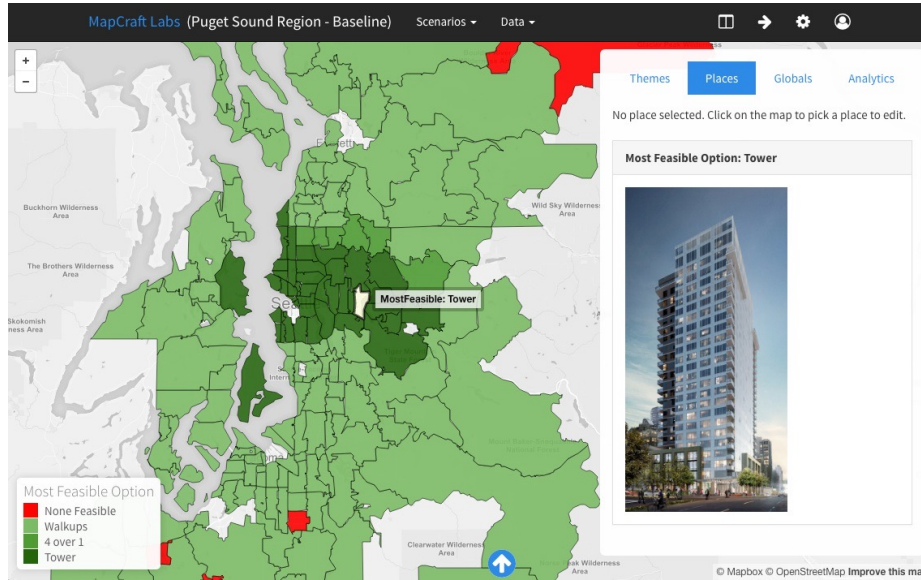
Recent Single-Family Developments



Recent Office Developments



Urban Economics with MapCraft

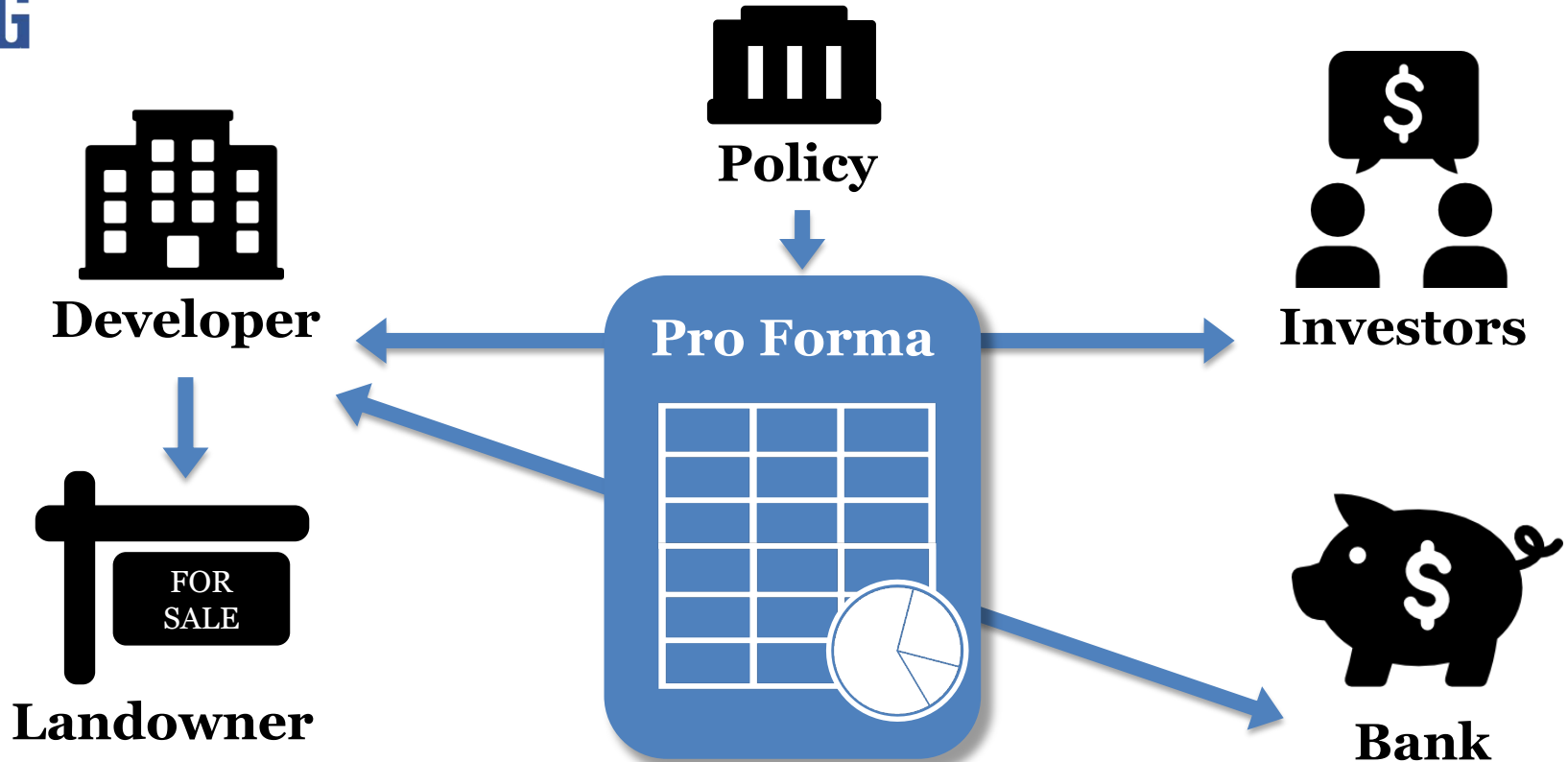


- Urban form explained through developers' ability to pay for land
- Run pro formas in the cloud to test financial feasibility under various policy scenarios
- Appreciate opportunities and risks for ETOD

MAPCRAFT

ECONorthwest
ECONOMICS • FINANCE • PLANNING

MapCraft Relies on Pro Formas



Evaluating ETOD in MapCraft



Factors considered previously:

- Transit station accessibility
- Rezoning and zoning code changes
- Zoning overlays
- Parking reductions and in-lieu fees
- Inclusionary housing and in-lieu fees
- Property taxes and exemptions
- Impact fees and waivers
- Linkage fees
- Construction excise taxes
- Direct subsidies
- Tax increment financing
- Assessment districts
- Infrastructure investments
- Urban design enhancements
- Accessibility improvements

New Development Viability Results

Ian Carlton, ECONorthwest

If you have questions, please type them into the chat. We will address them during the Q&A period.



Assumptions



- Under current zoning and development standards
 - Applying proposed zoning in Prince George's County
- Within near-term market conditions
- Excluding public lands, tax exempt properties, and floodplains
- Compare without and with transit premium

Overview

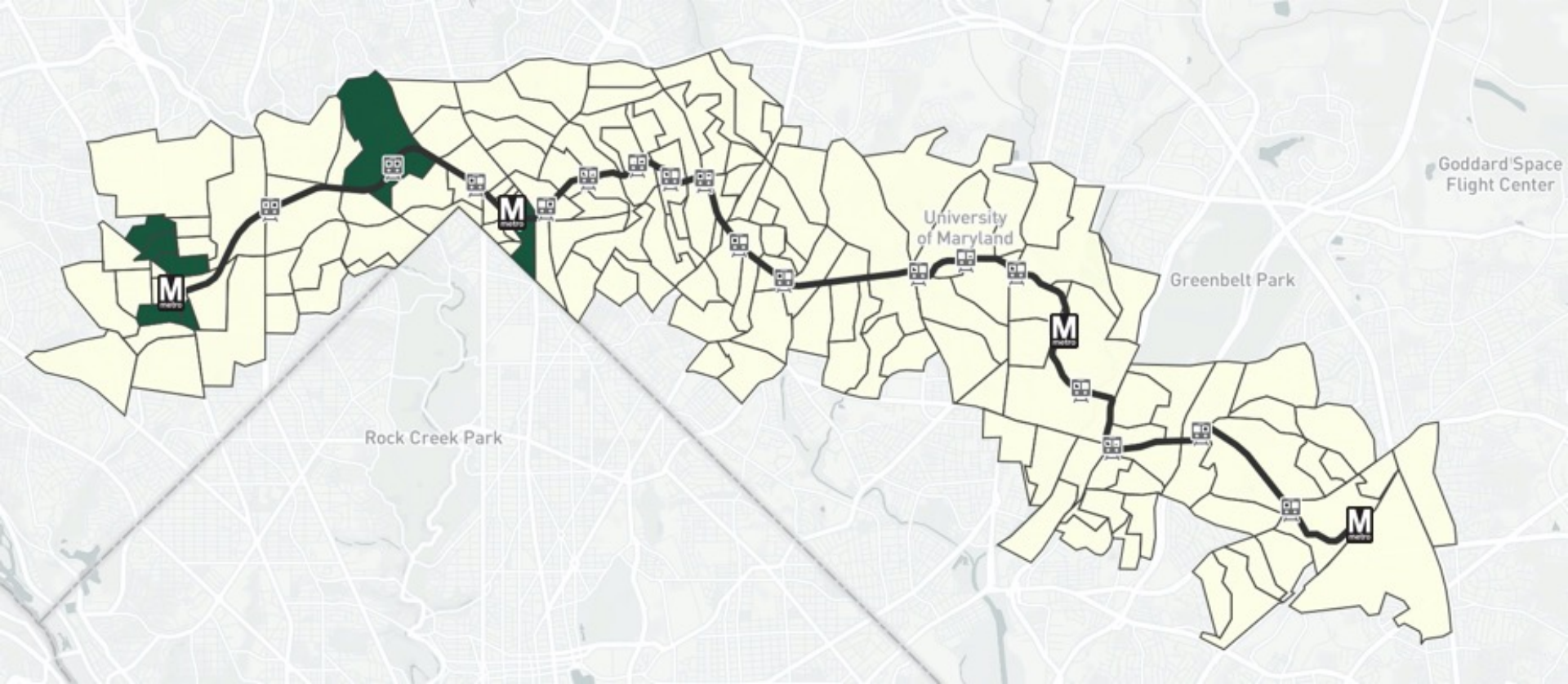


Development Type	Current Viability	Change in Viability
Apartment Towers	Limited, nodes in Bethesda/Chevy Chase, Silver Spring	No change
Condo Towers	Limited, nodes in Bethesda/Chevy Chase	No change
Mid-rise Apartments	Broad, close to stations	Moderate increase in viable sites
Low-rise Apartments	Broad, close to stations	Small increase in viable sites
Duplex, Triplex, Townhome, 2-over-2	Broad, close to stations	No change
Single-family	Large new homes much more feasible in Montgomery County	Moderate increase in viable sites
Office	Select employment nodes	Small increase in viable sites

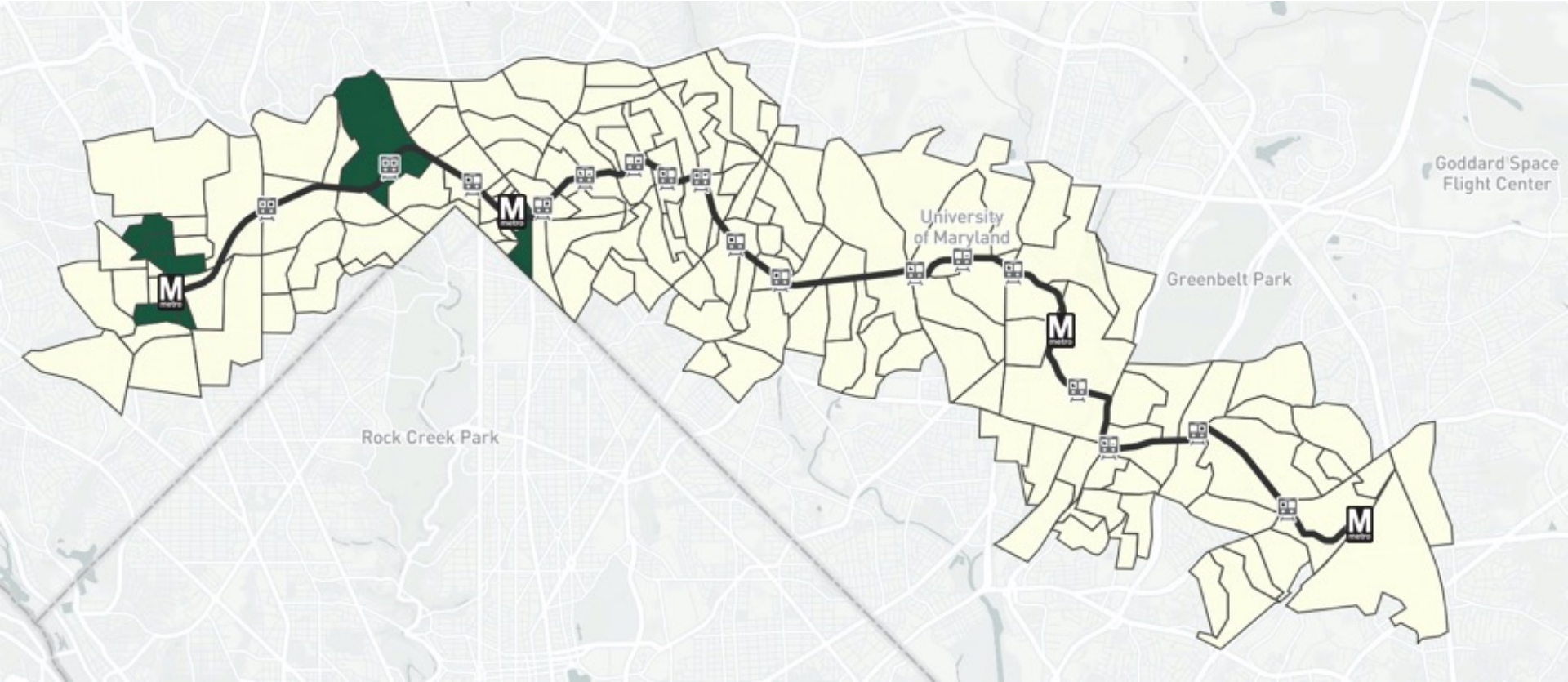
Tower Apartment



Without Transit Premium



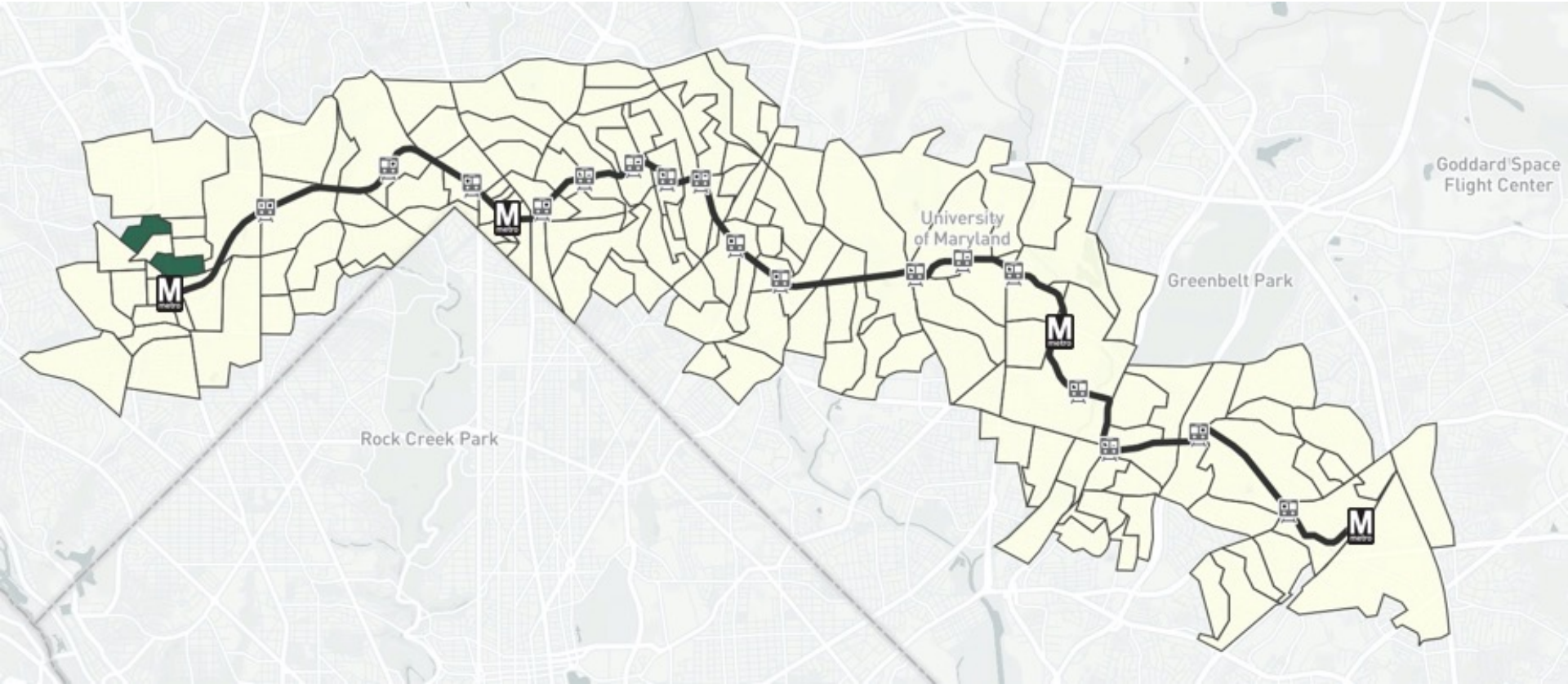
With Transit Premium



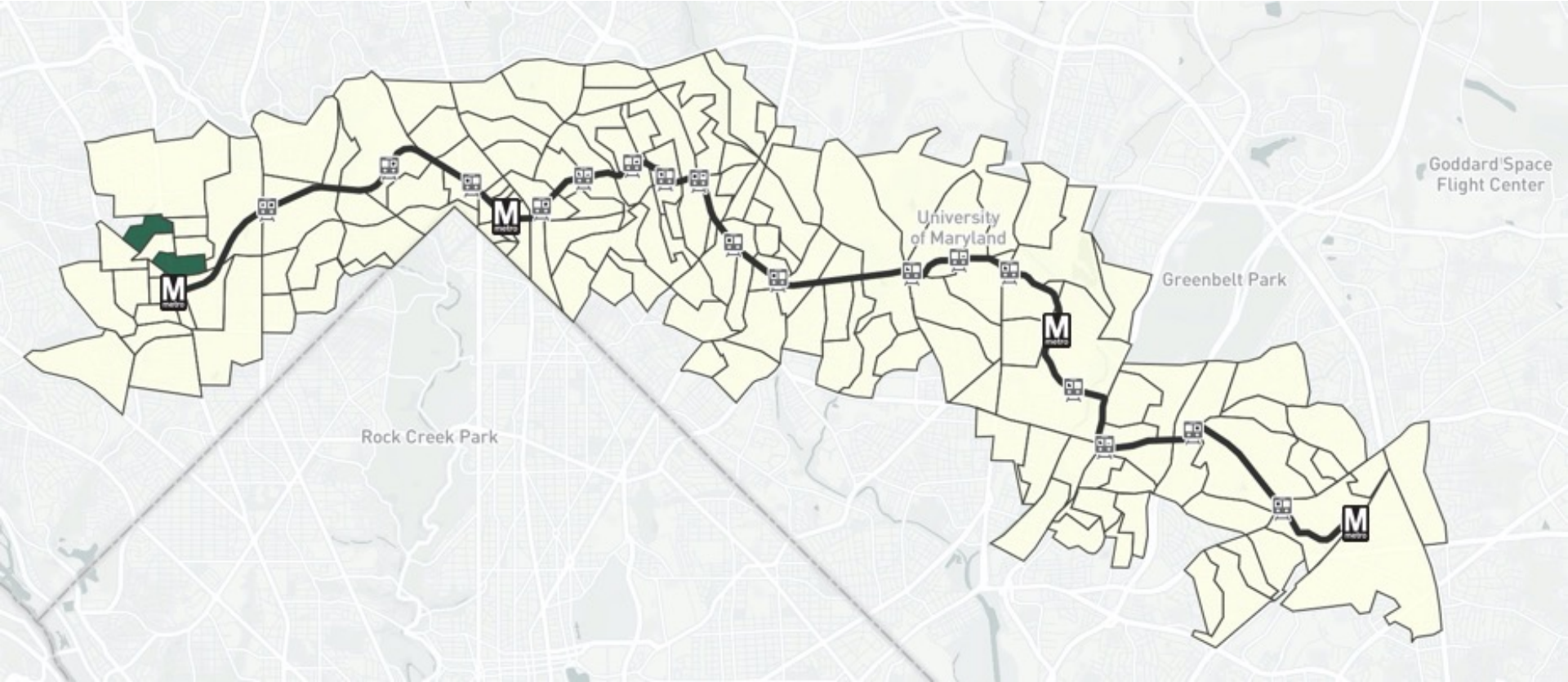
Tower Condo



Without Transit Premium



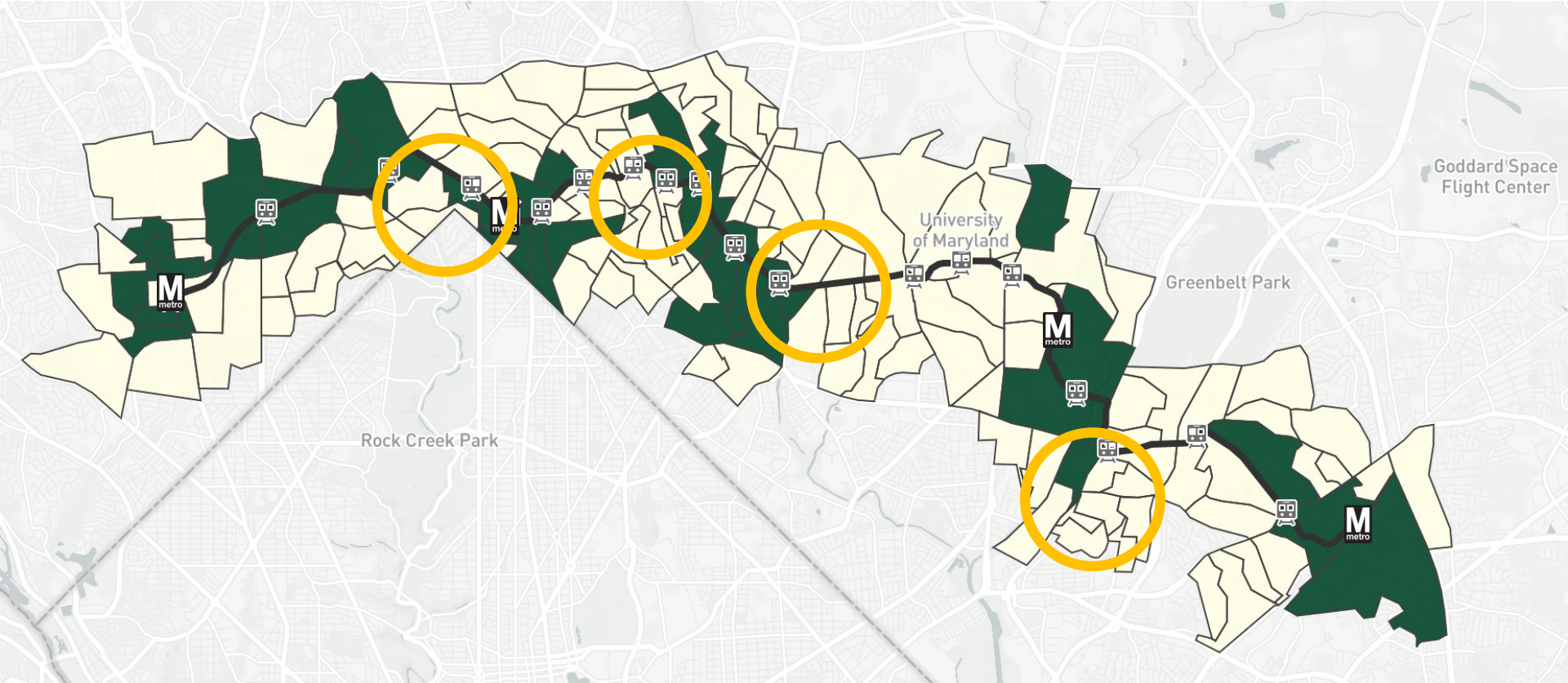
With Transit Premium



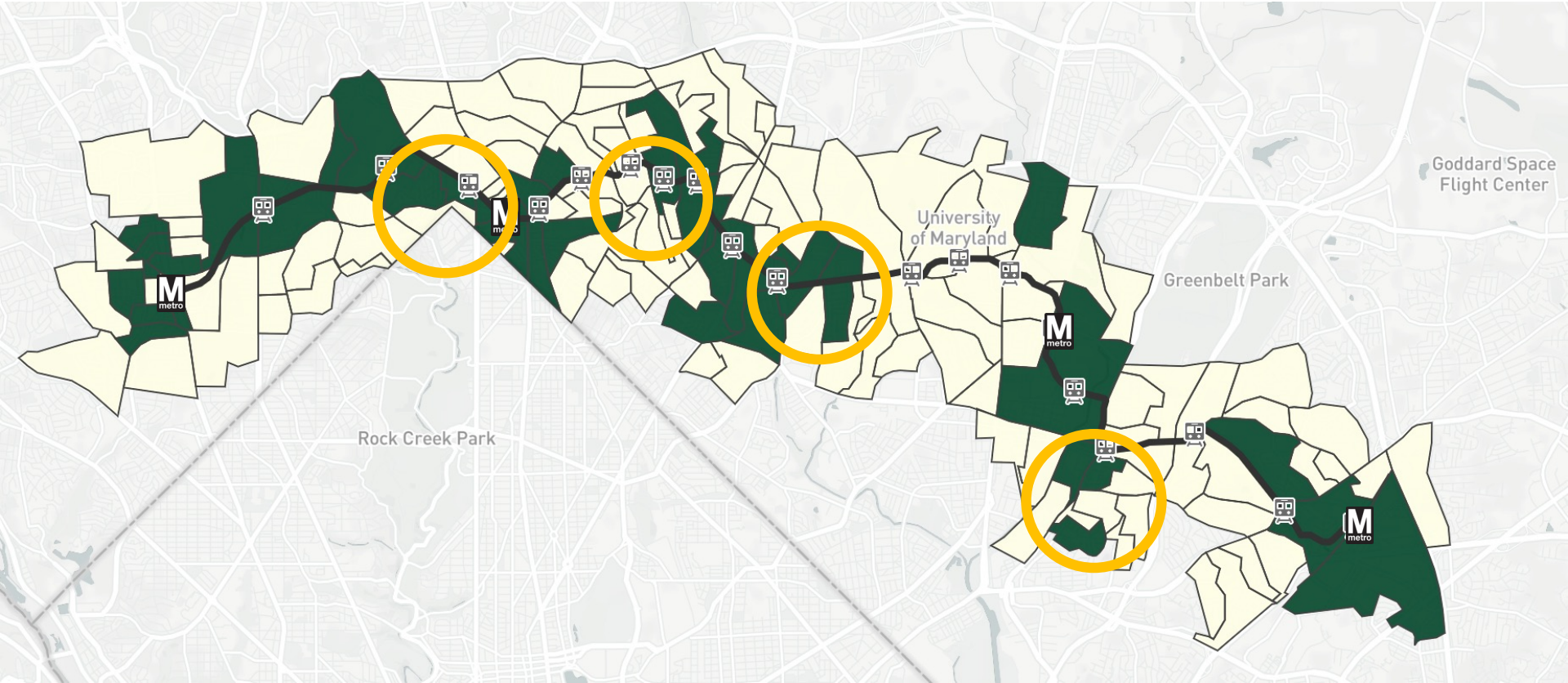
Mid-rise



Without Transit Premium



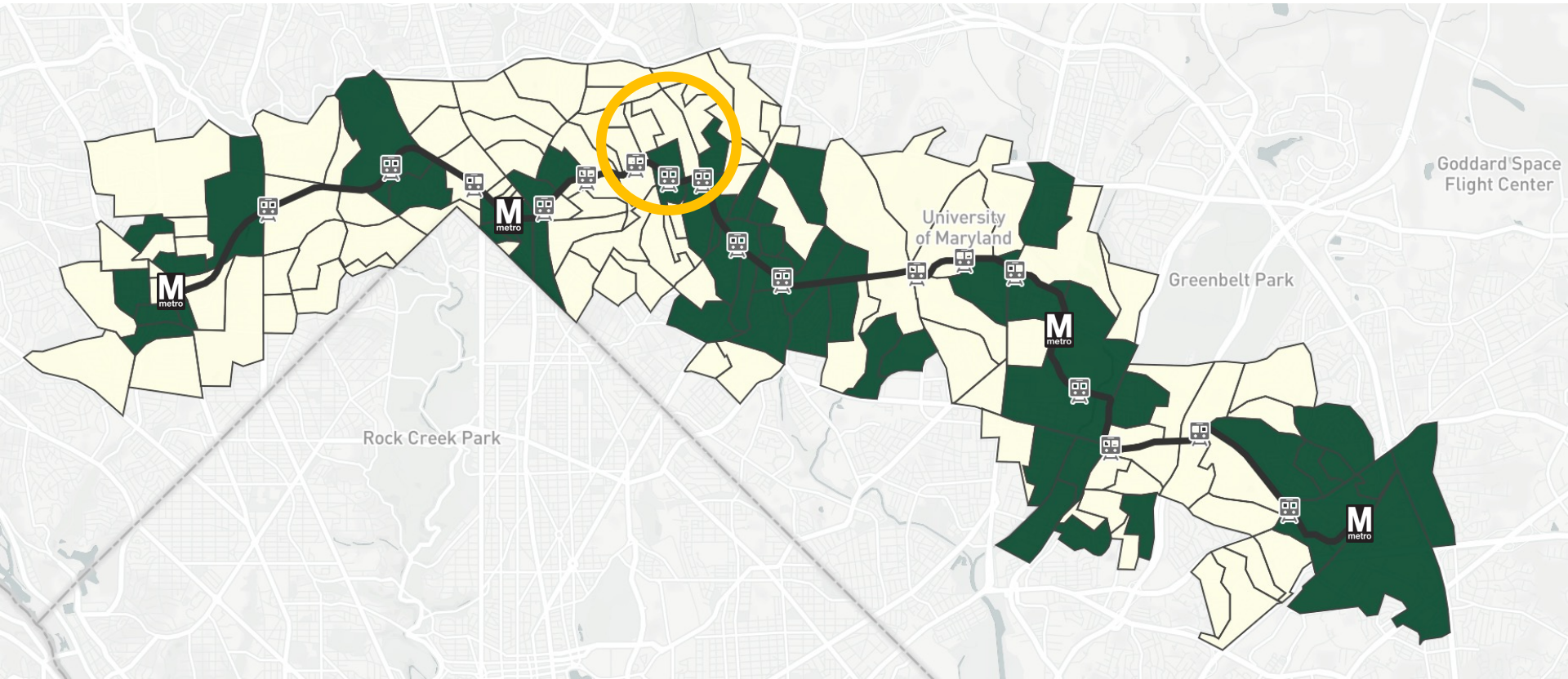
With Transit Premium



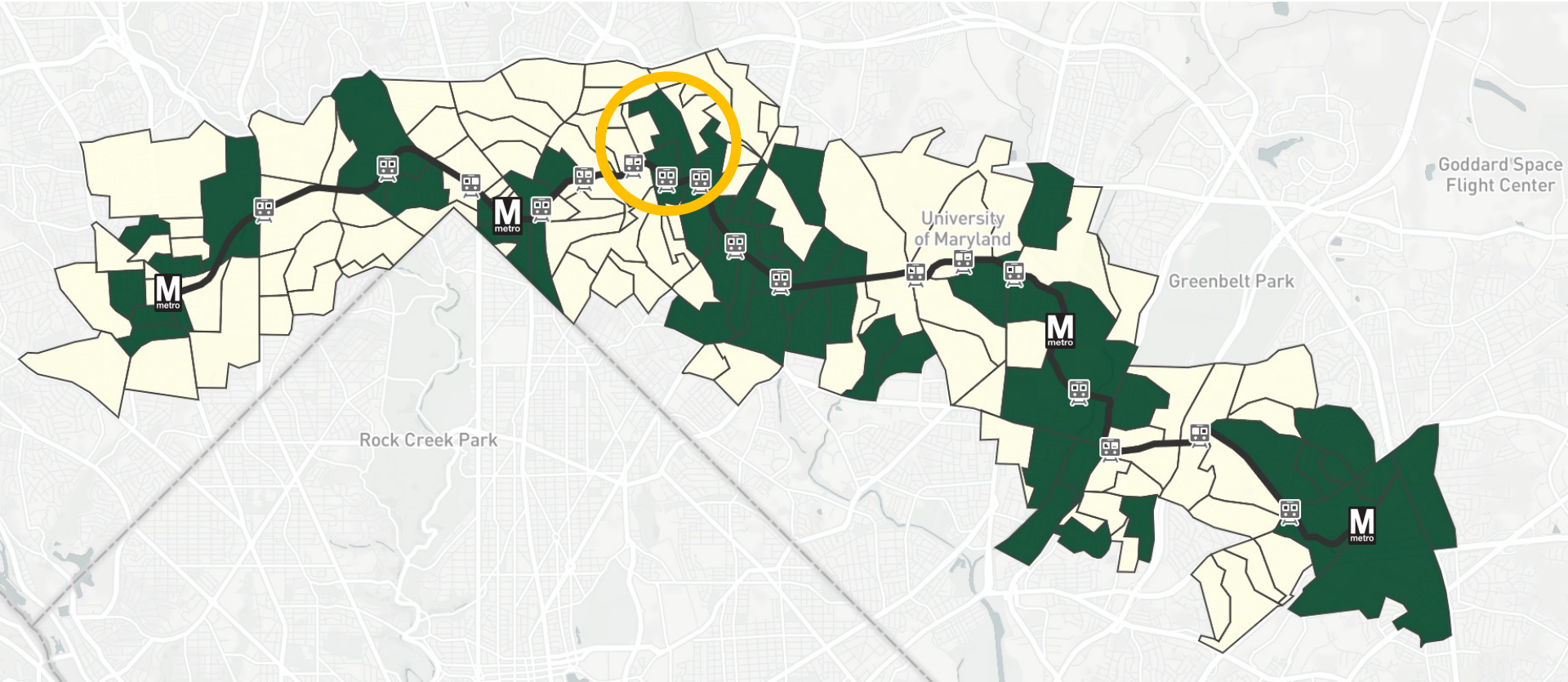
Low-rise



Without Transit Premium



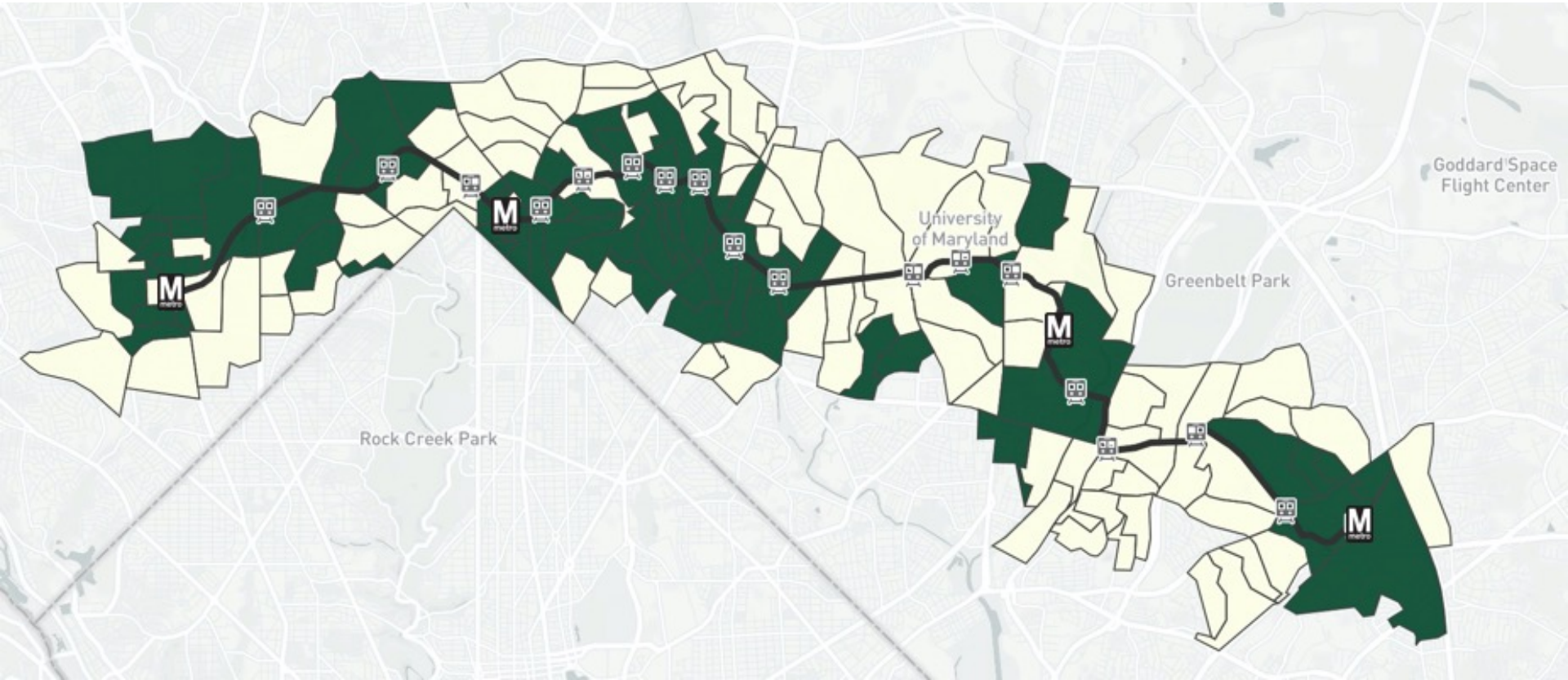
With Transit Premium



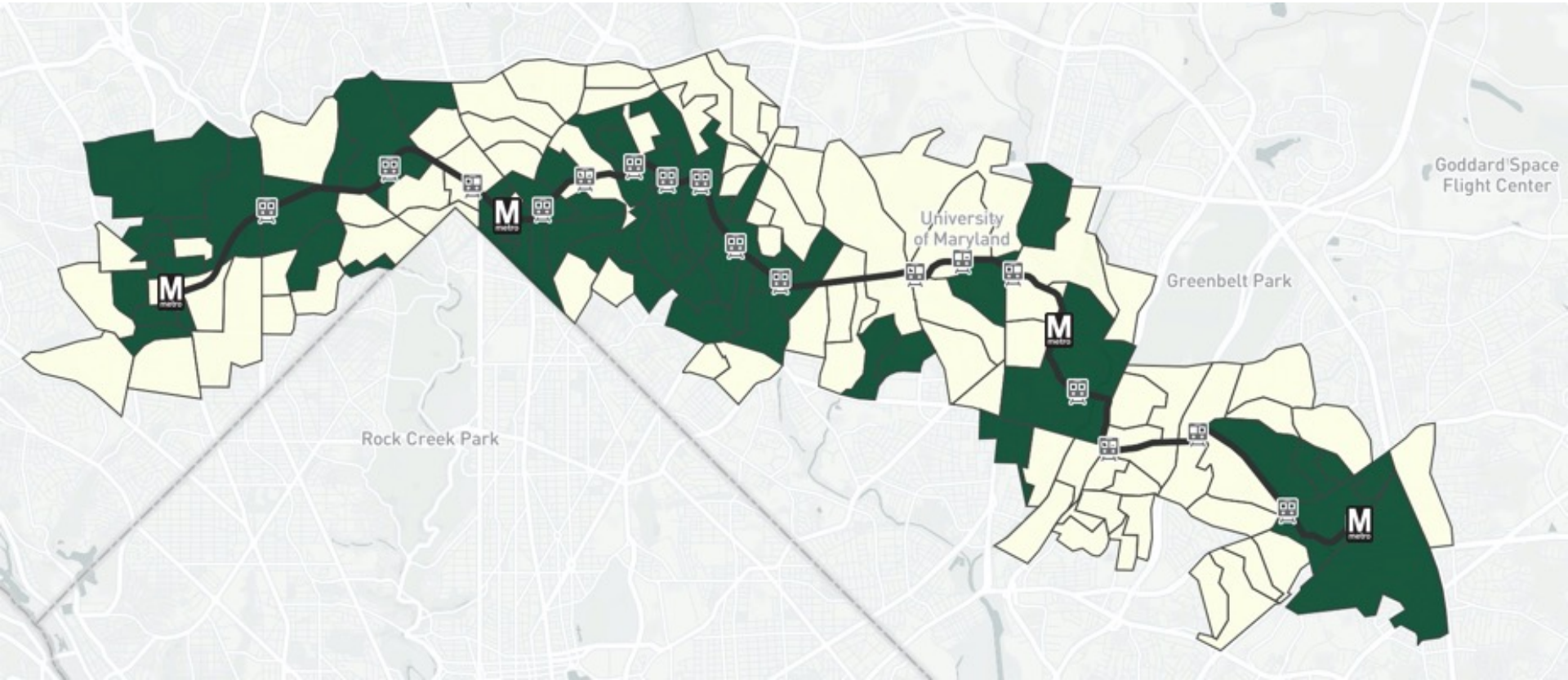
Duplex, Triplex, Townhome, 2-over-2



Without Transit Premium



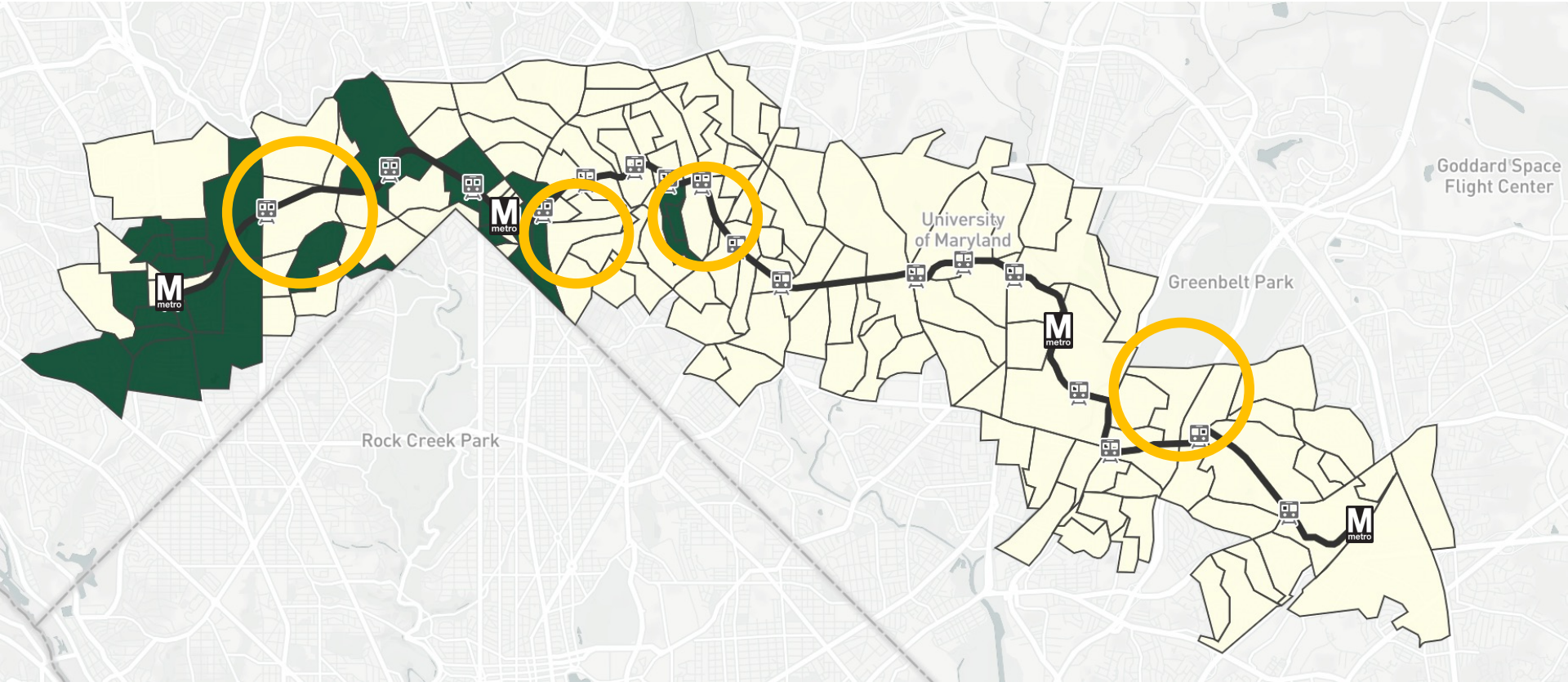
With Transit Premium



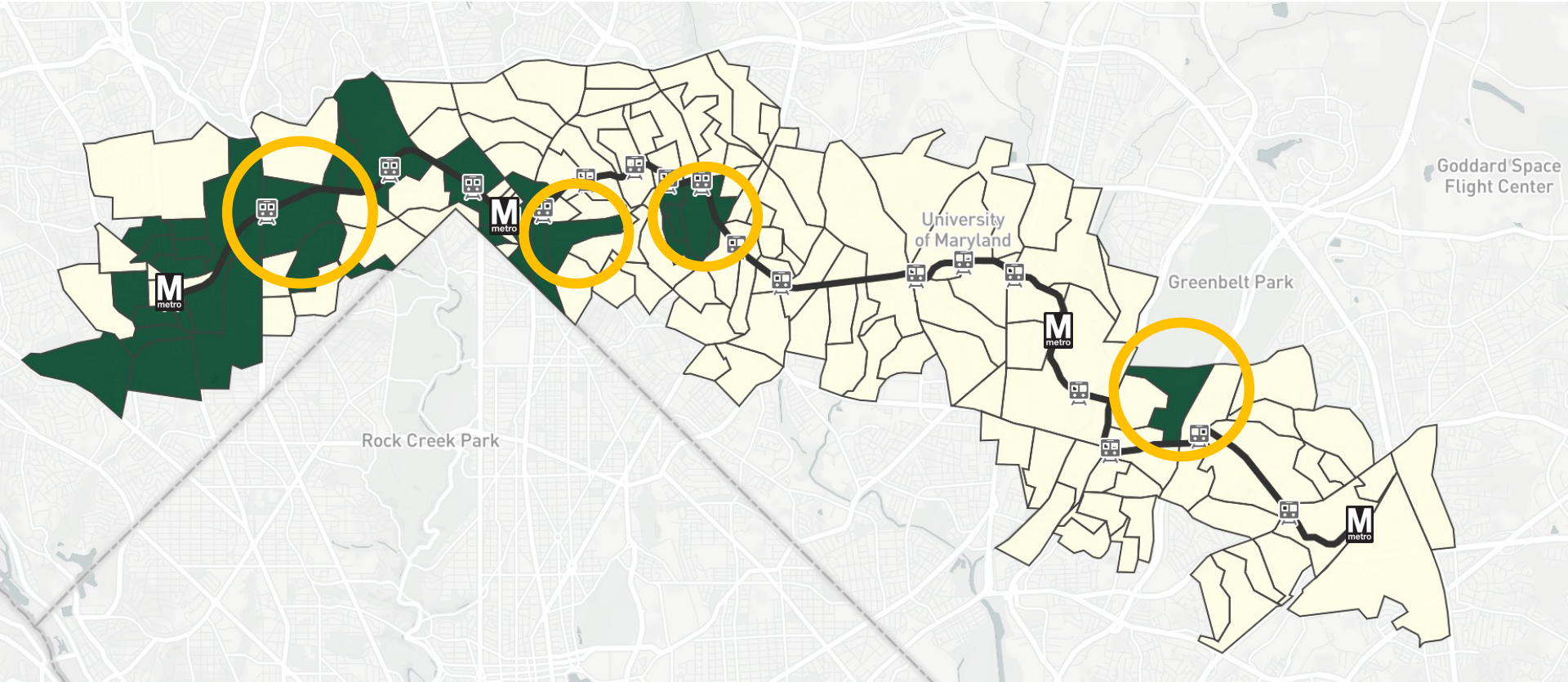
Single-Family



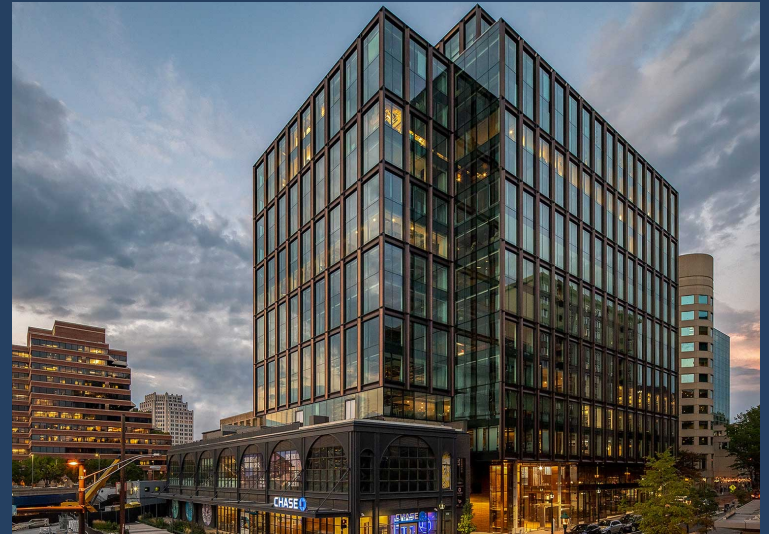
Without Transit Premium



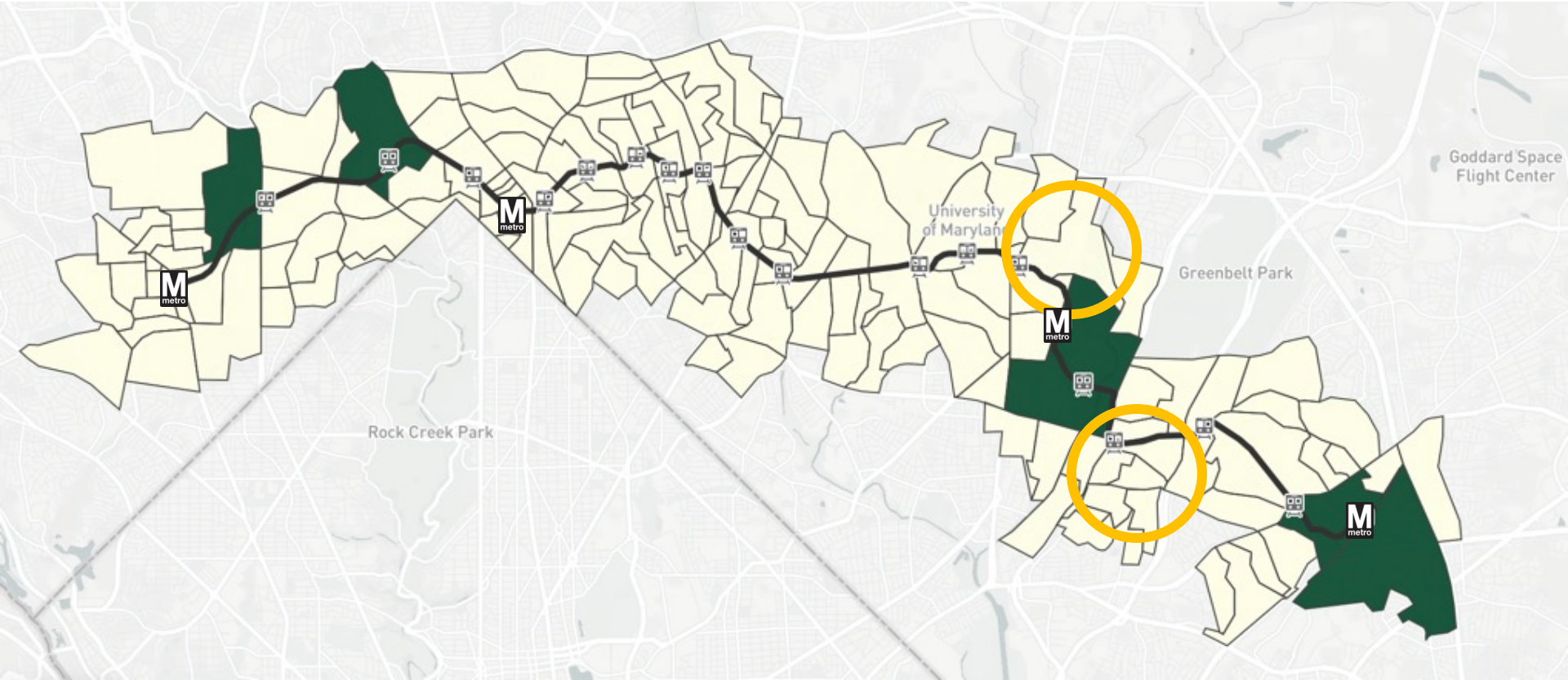
With Transit Premium



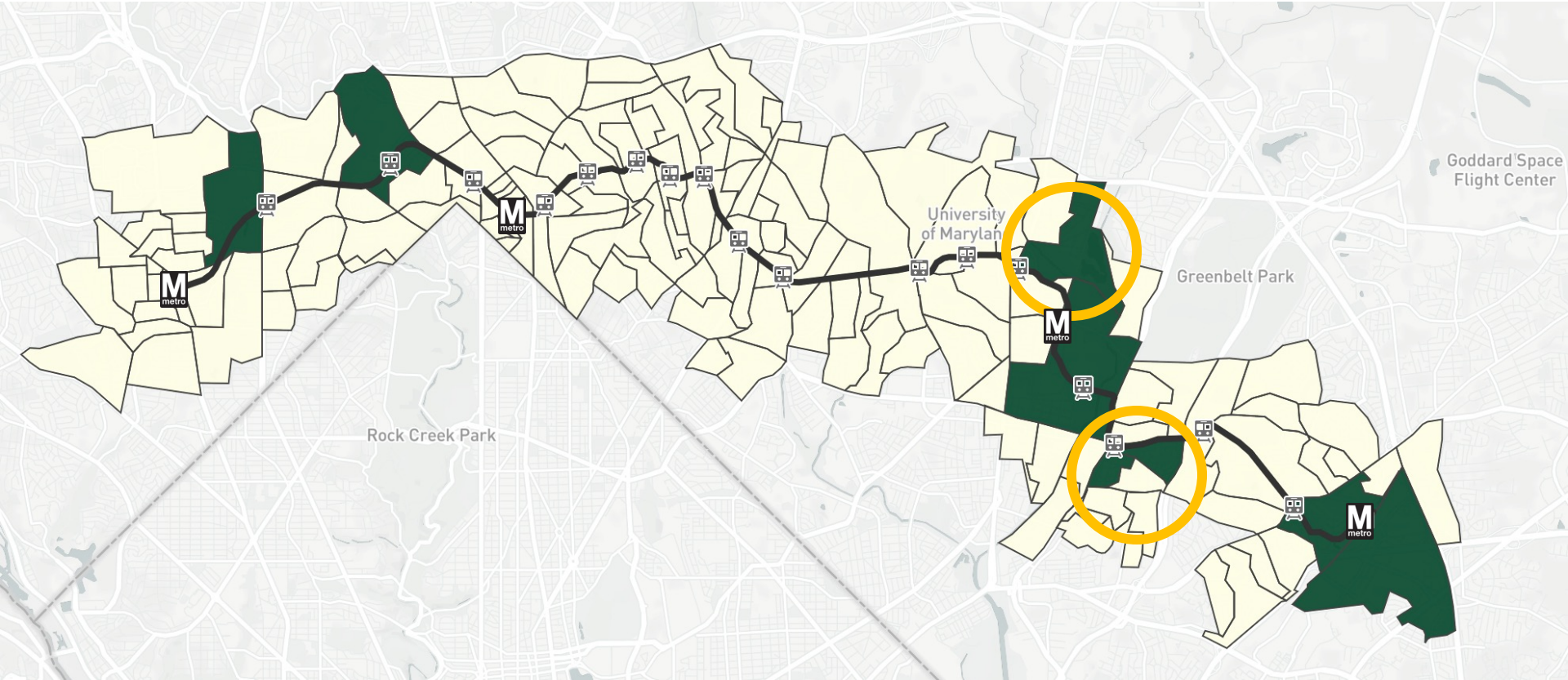
Office



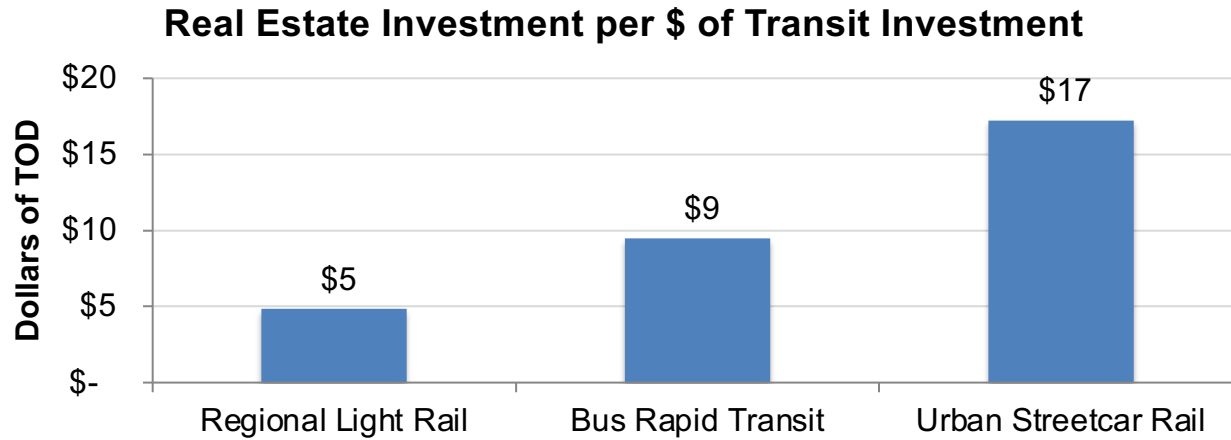
Without Transit Premium



With Transit Premium



Real Estate Investment Near Transit



“Of the factors we examined, the level of government TOD investment [like, rezoning and tax abatement] was linked most directly to TOD impacts. [...]. Our analysis found no correlation between the type of transit investment and the level of TOD investment. LRTs, BRTs, and streetcars all led to similar TOD investment outcomes under similar conditions.”

– ITDP, 2013

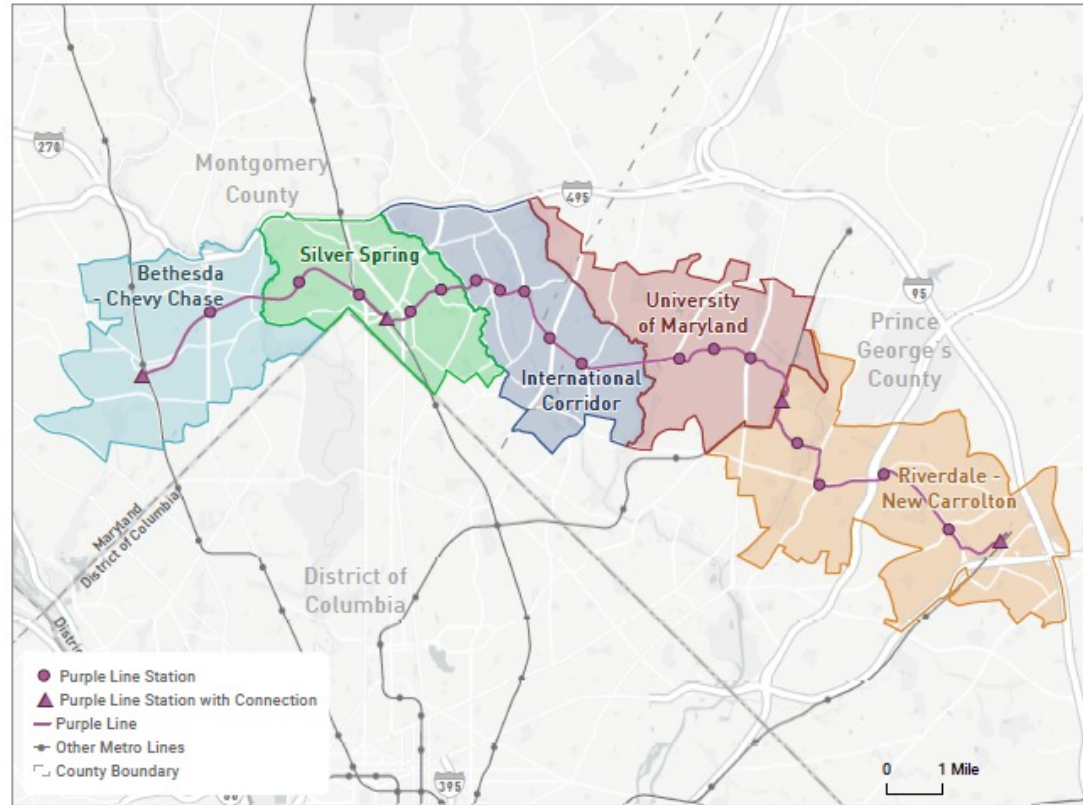
Q&A



Before breakout groups, let's pause for overall Q&A about what you've all just heard.

Next: Breakout Groups by Segment

Bethesda/Chevy Chase
Silver Spring
International Corridor
University of Maryland
Riverdale/New Carrollton



Breakout Session Questions



- Feedback & Refinements. Where might we need more nuance to capture the impact of transit on the market and why?
- Current Policy Enhancements. Where could you enhance what you're already doing to support TOD and housing affordability (e.g., MPDU program, parking reductions)?
- Ideas to Explore. What else (regulatory changes, programs, placemaking investments, etc.) would be interesting to explore to support TOD and housing affordability even if it may not be possible right away?

Enter Breakout Groups

Please choose your breakout using the breakout button at the bottom
of your zoom window

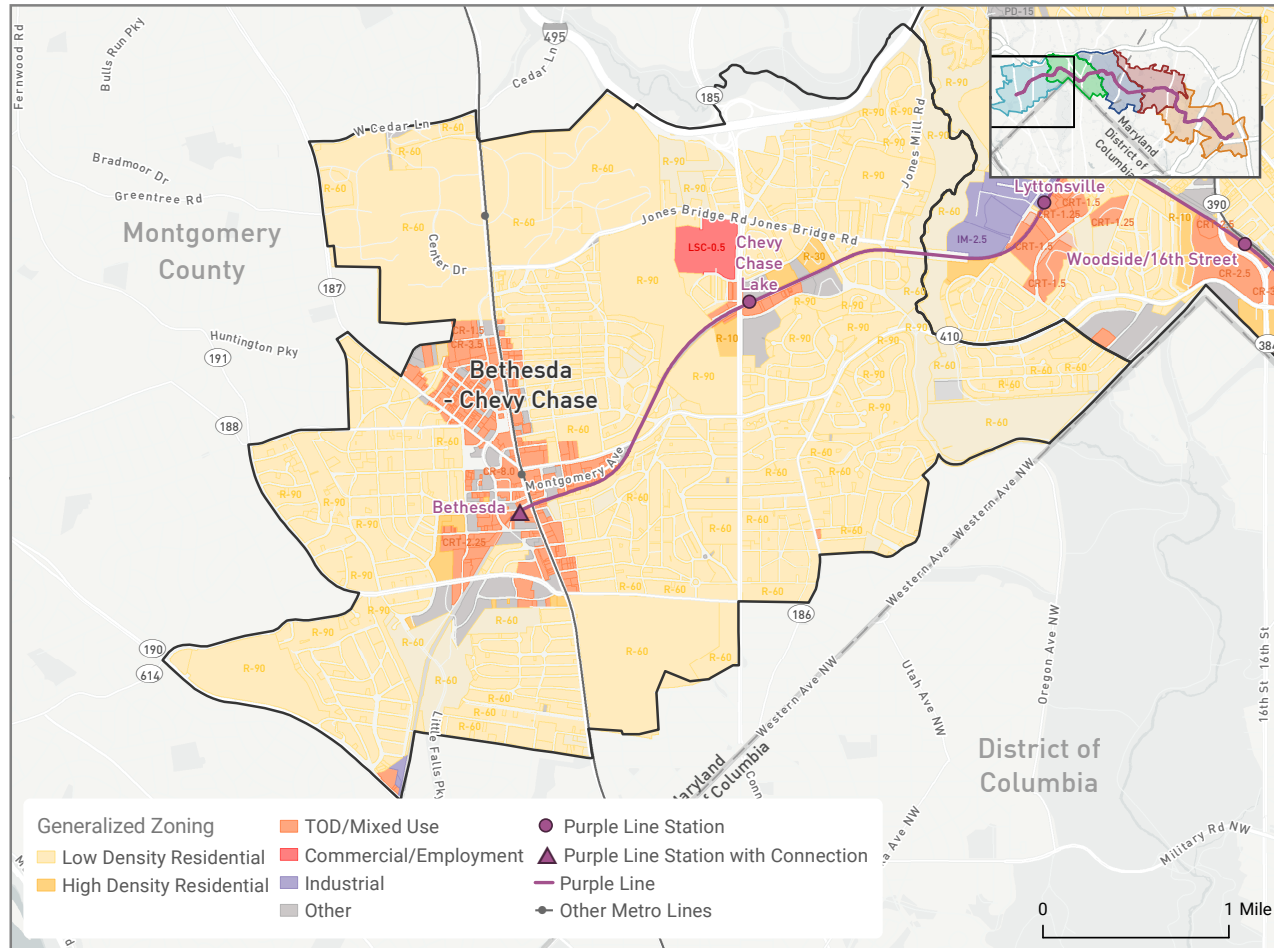


Bethesda / Chevy Chase Maps



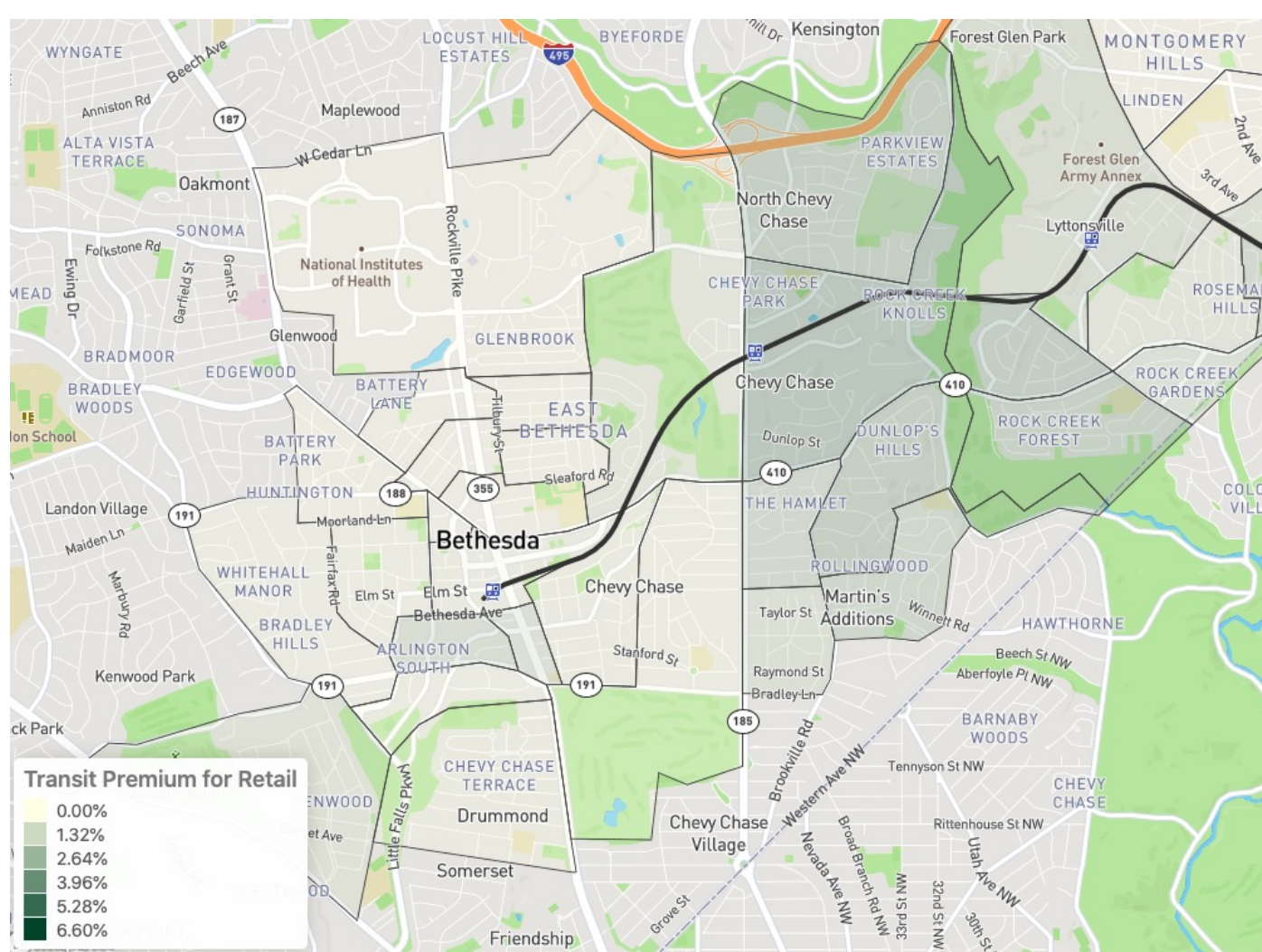
- Transit premiums
- Feasibility with Purple Line premium

Zoning

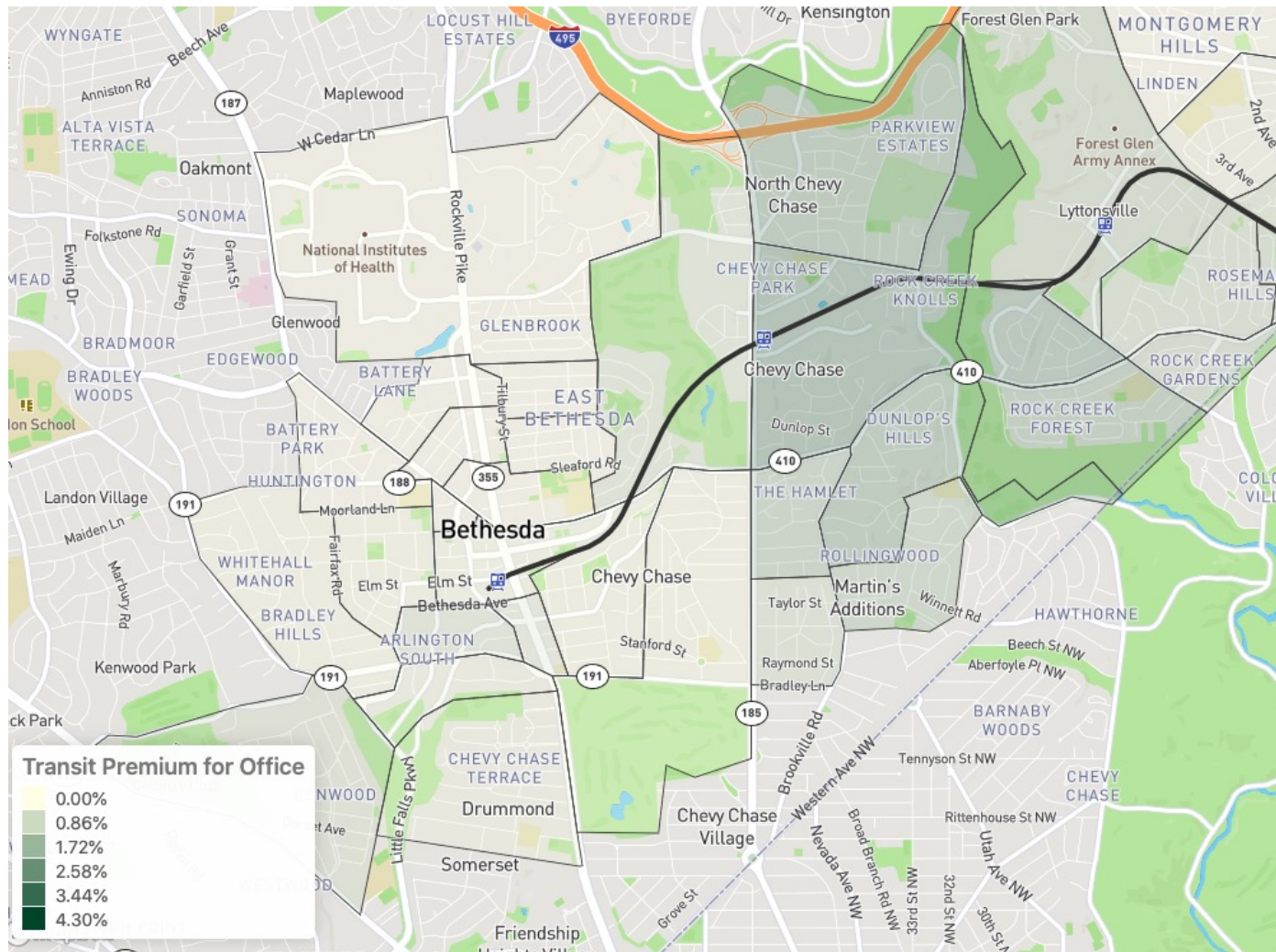


0 1 Mile

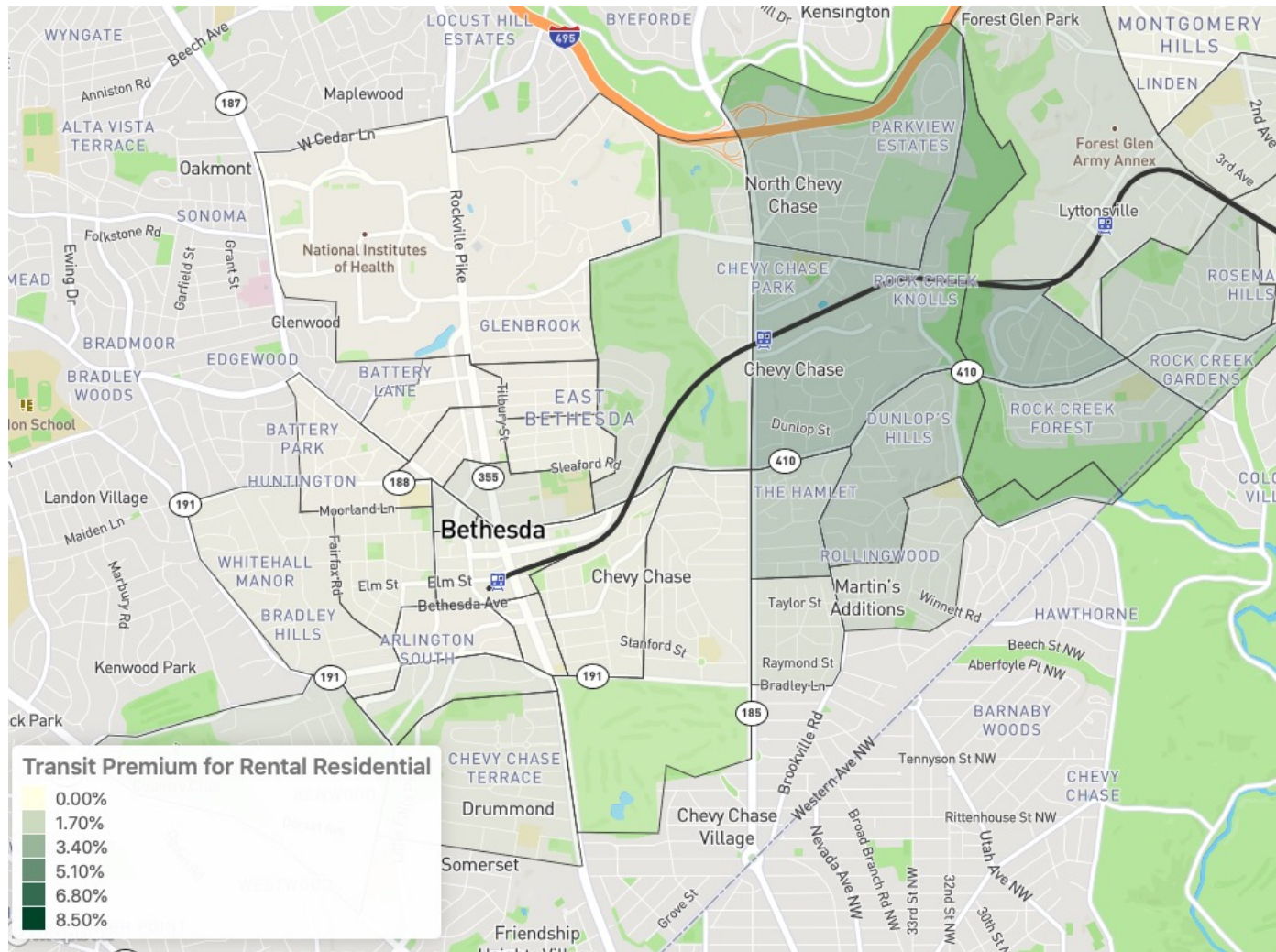
Retail Premium



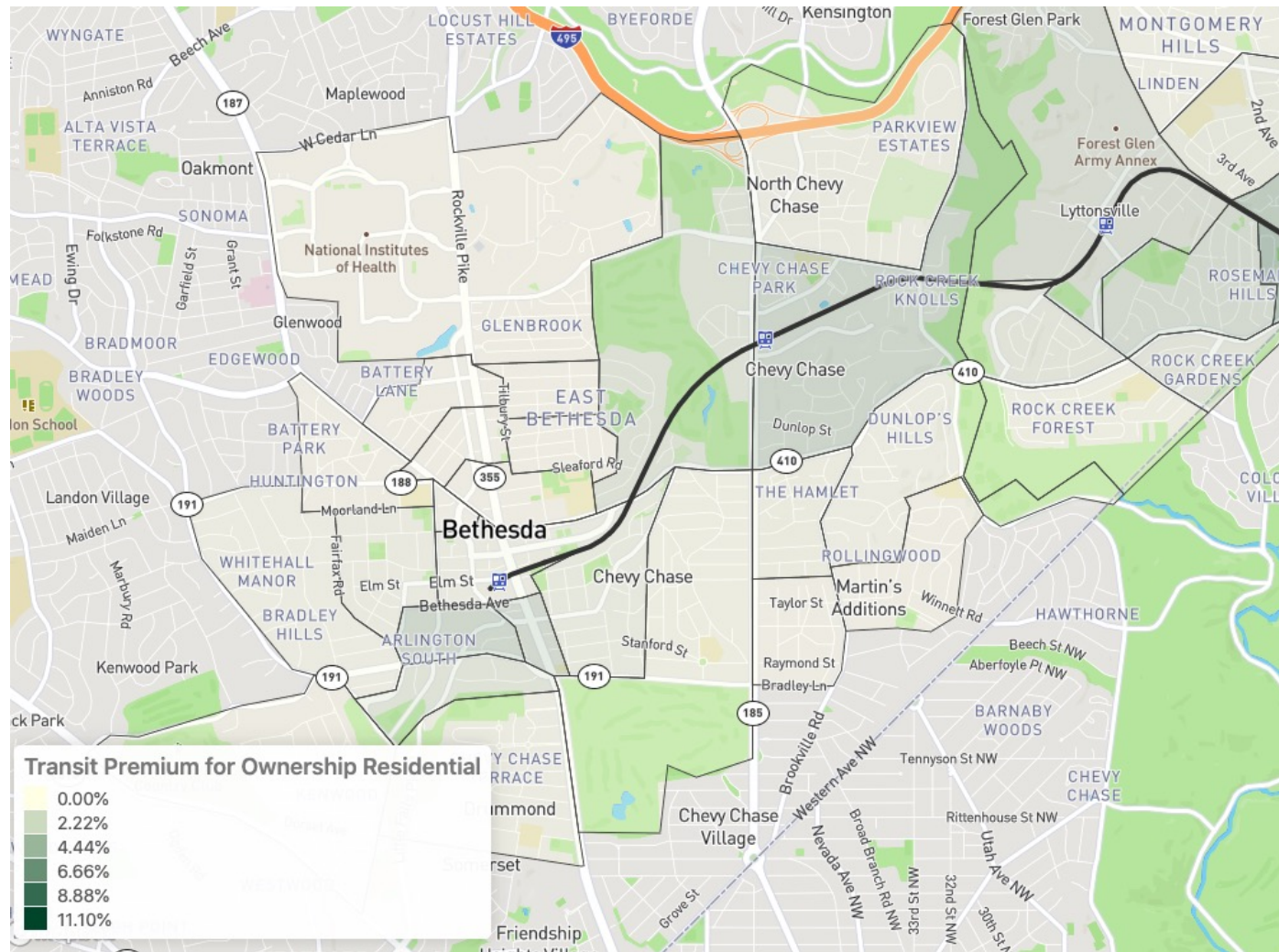
Office Premium



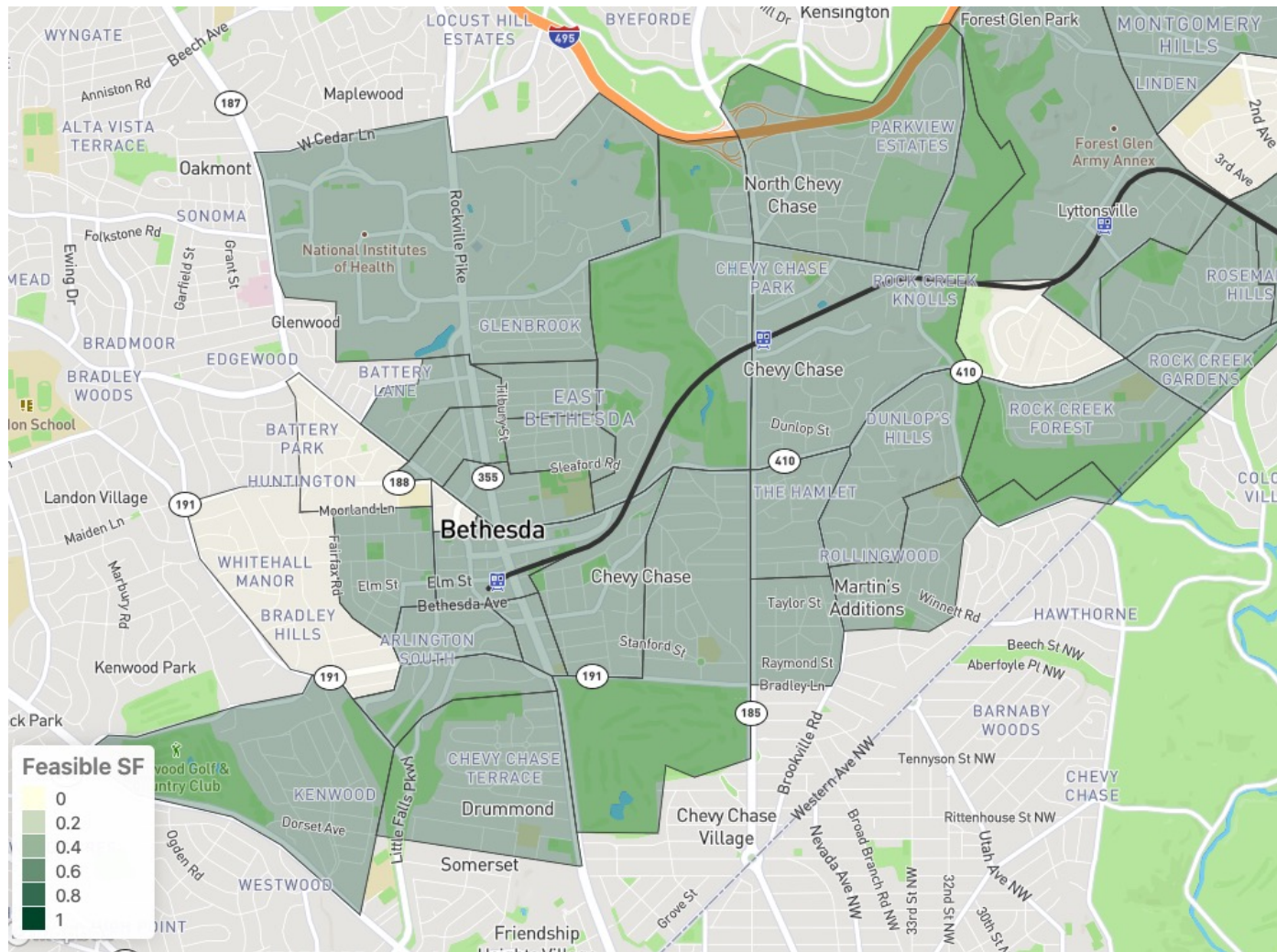
Residential Rental Premium



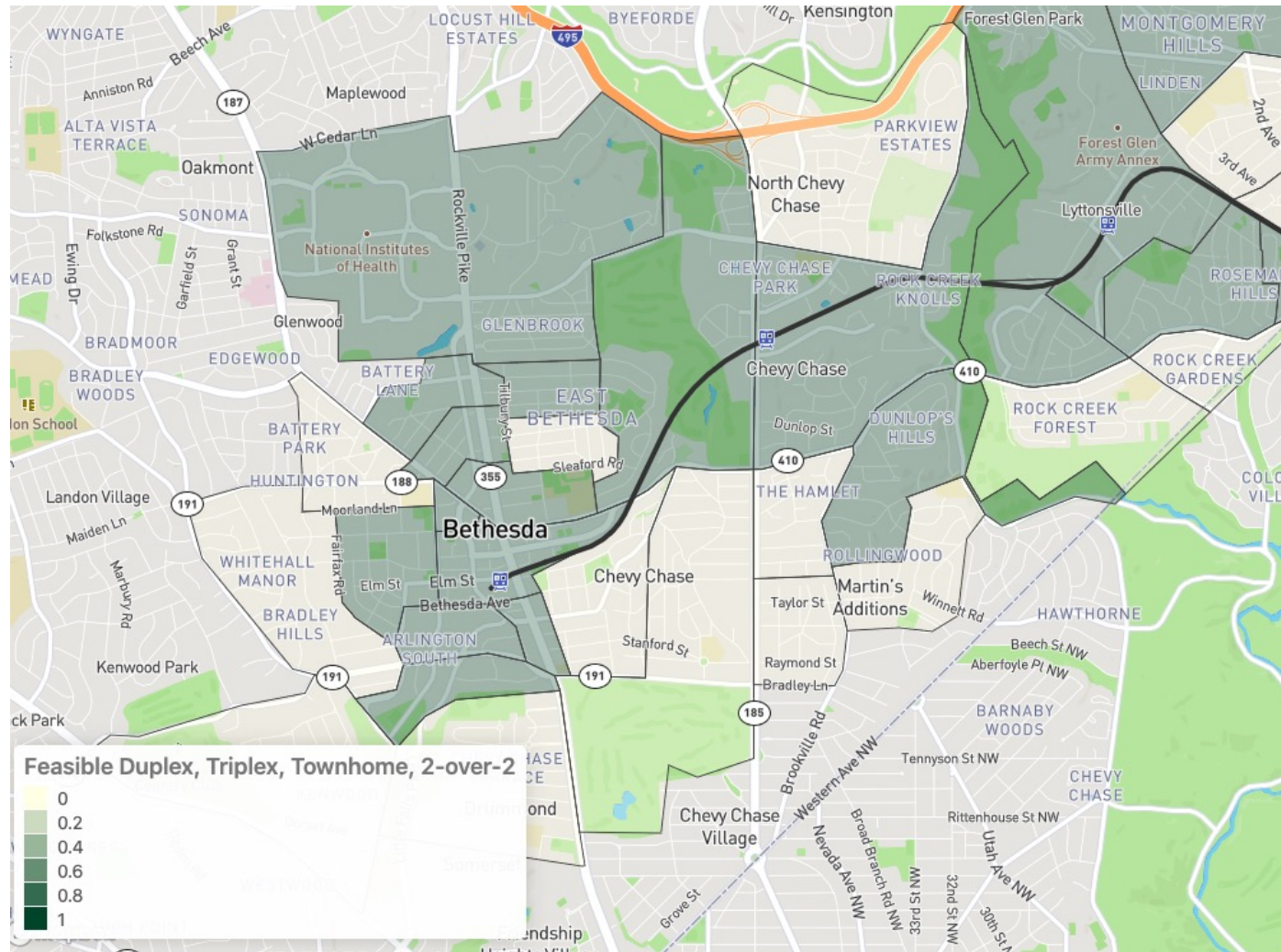
Residential Ownership Premium



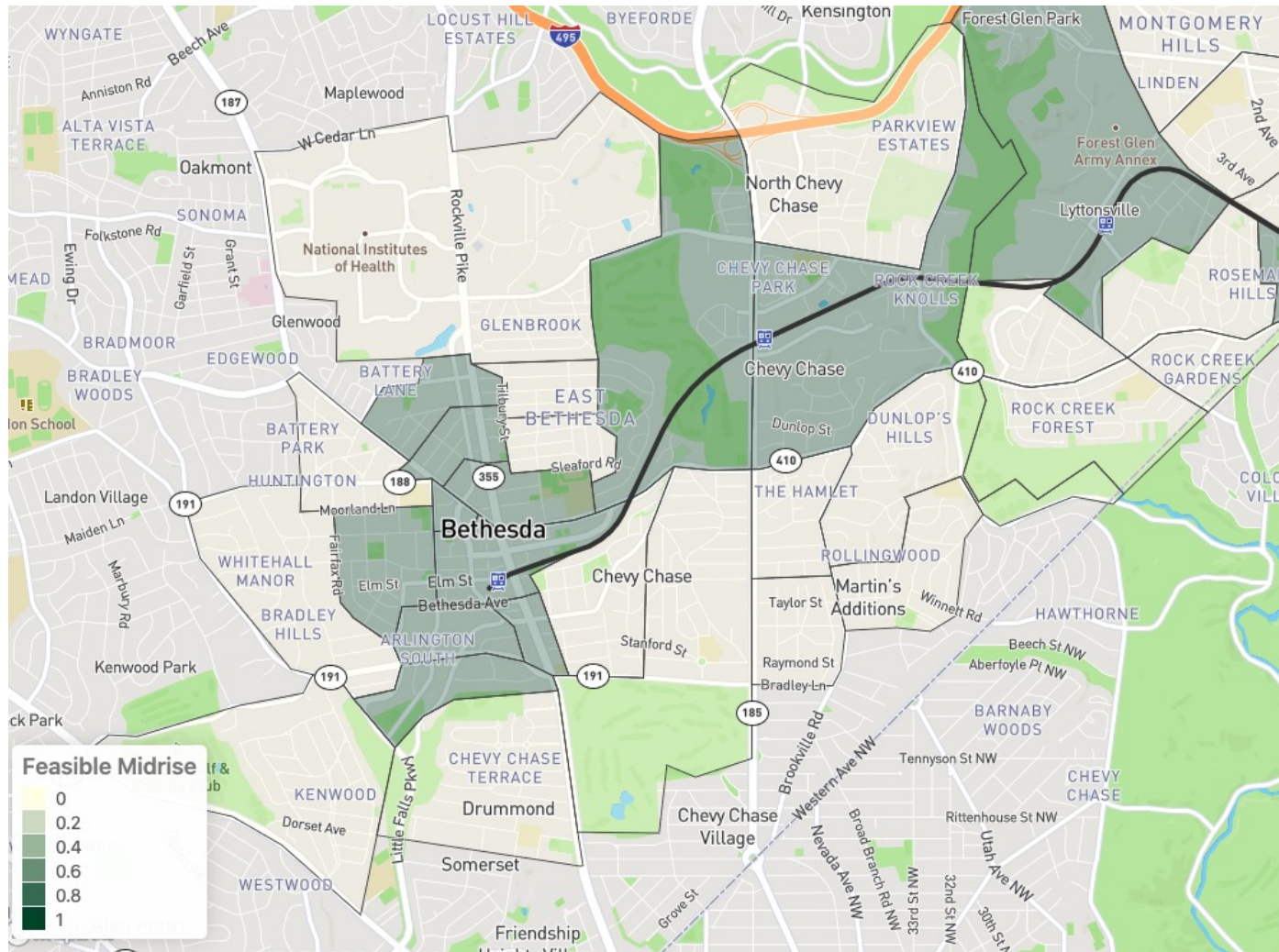
Feasible Single-Family Development



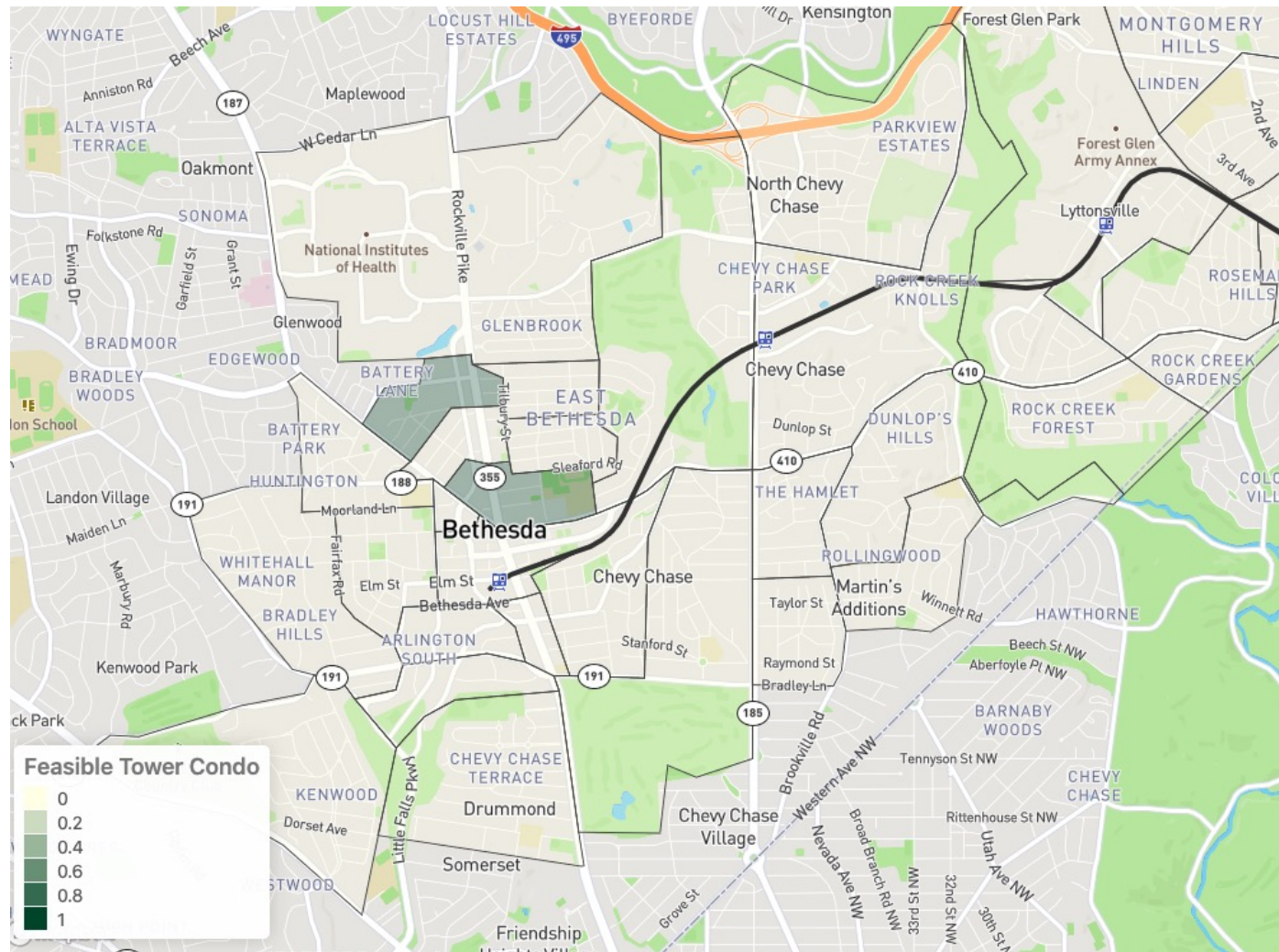
Feasible "Middle Housing" Development



Feasible Mid-Rise Apartment Development (5-7 stories)



Feasible Condo Tower Development

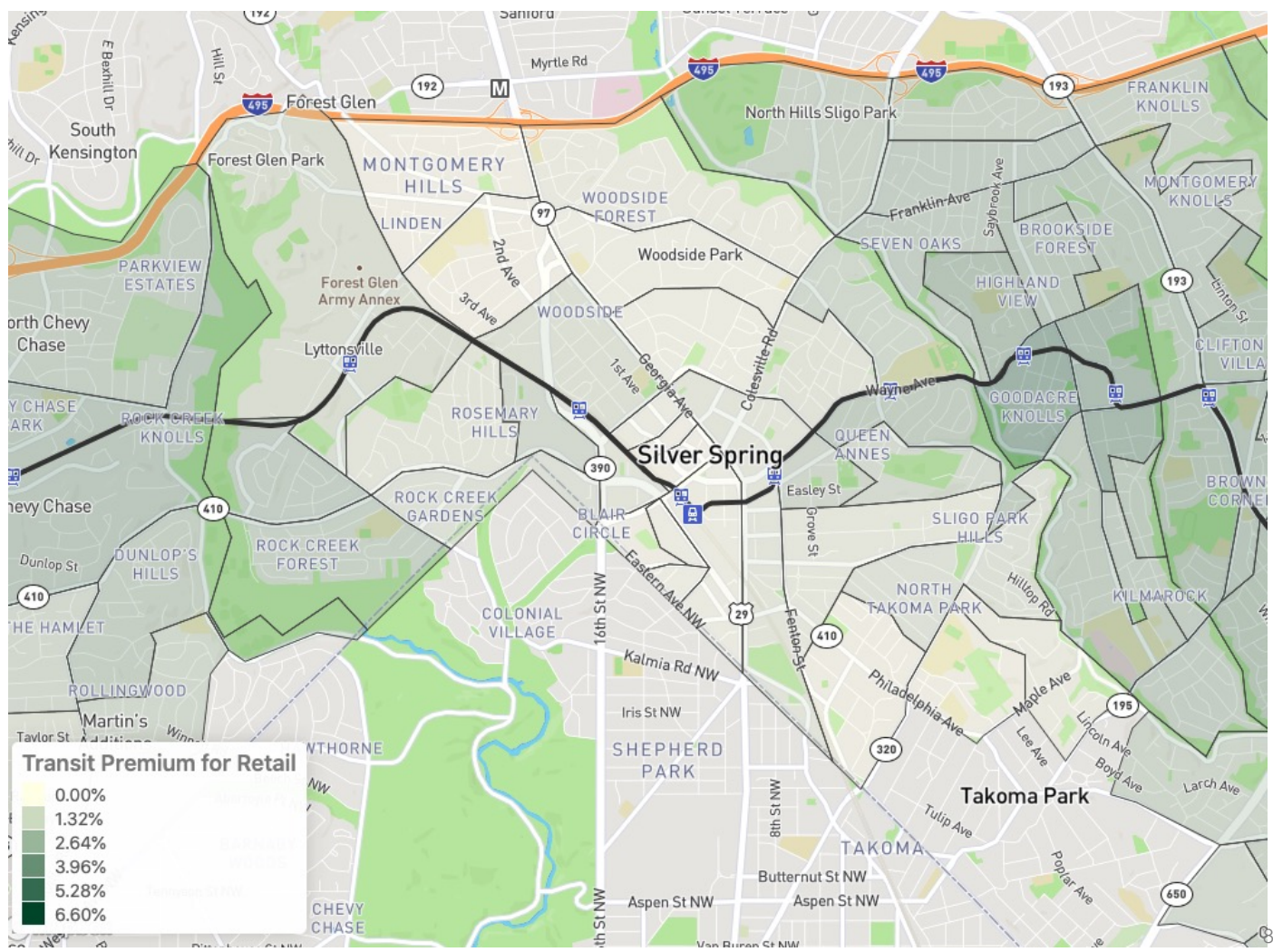


Silver Spring Maps

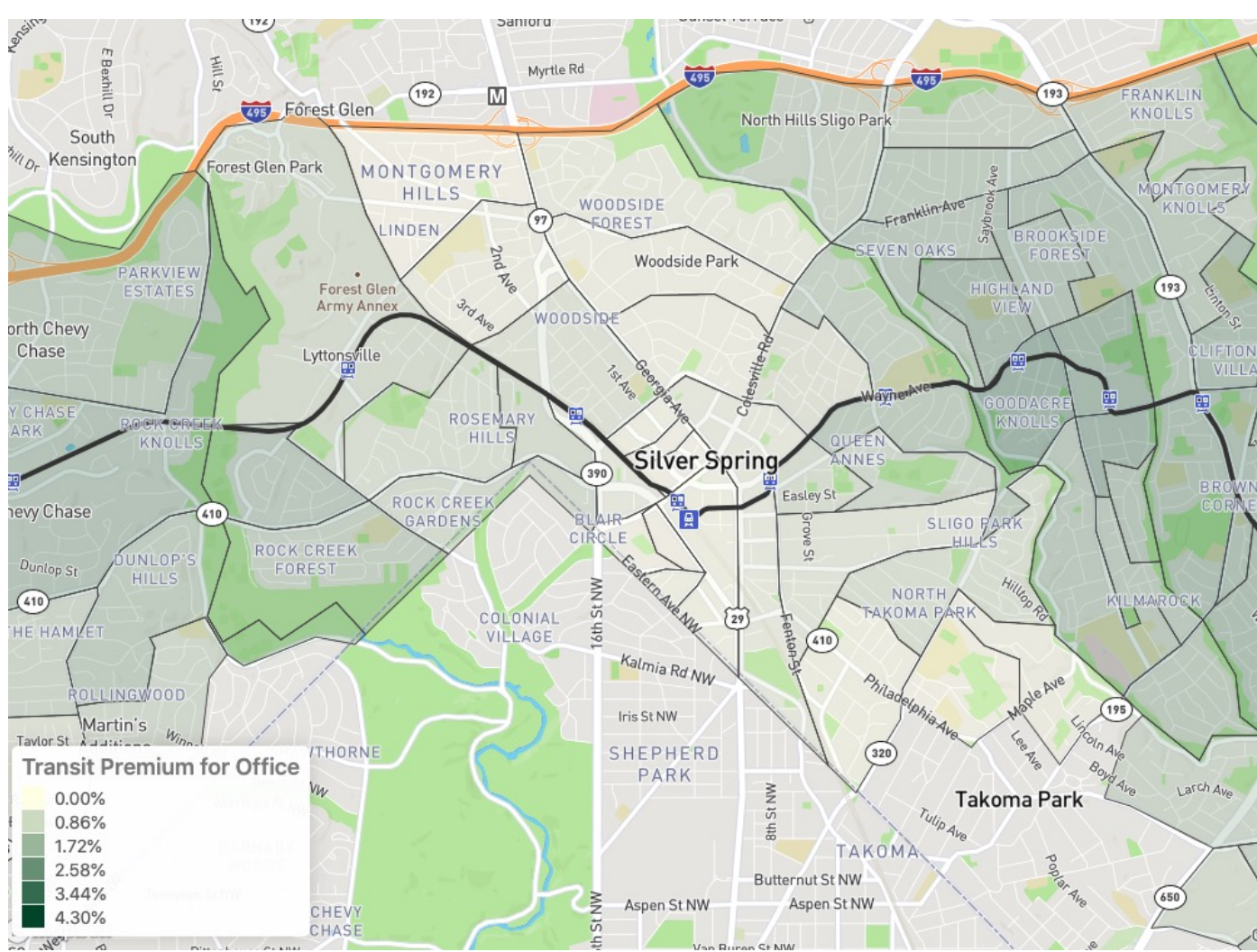


- Transit premiums
- Feasibility with Purple Line premium

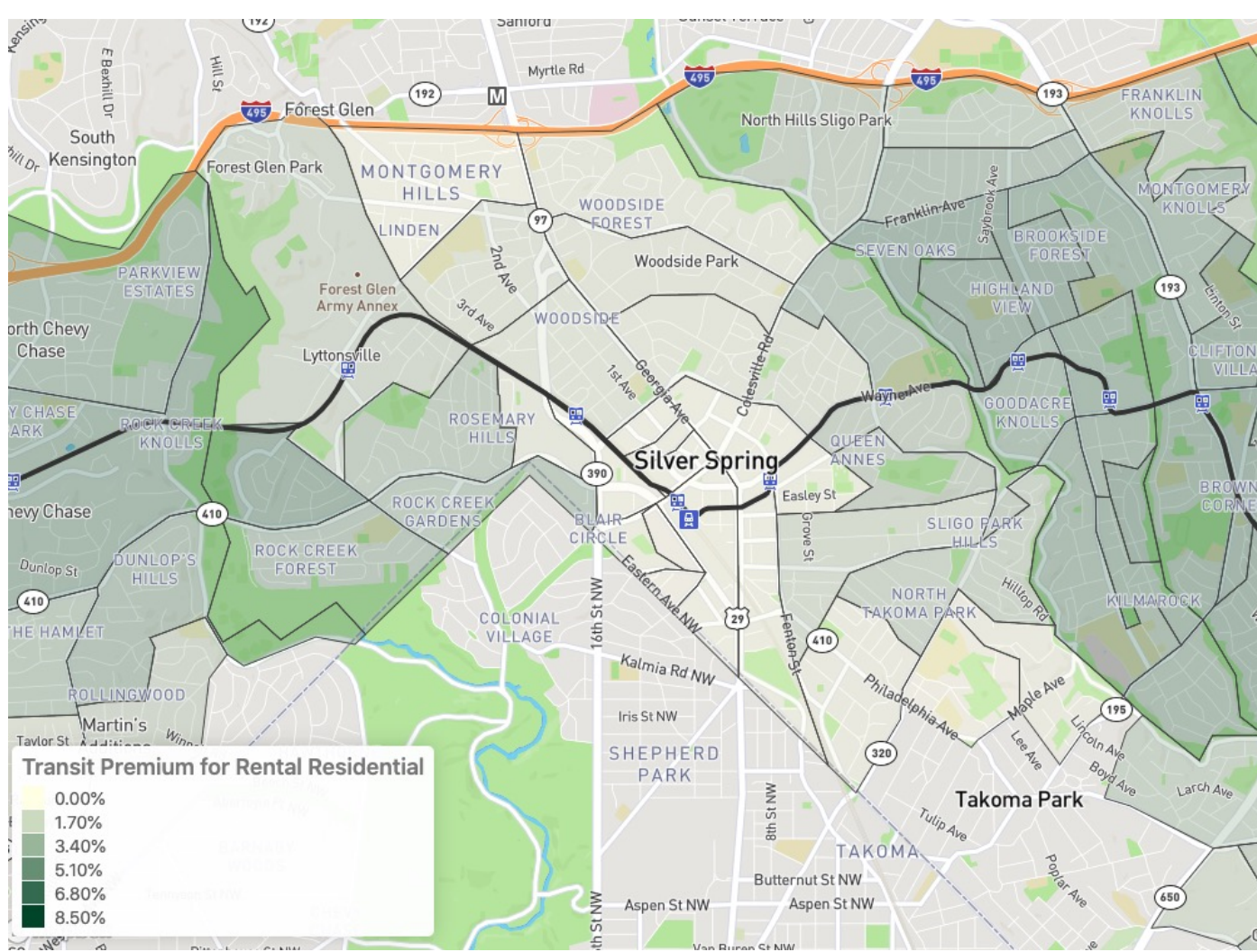
Retail Premium



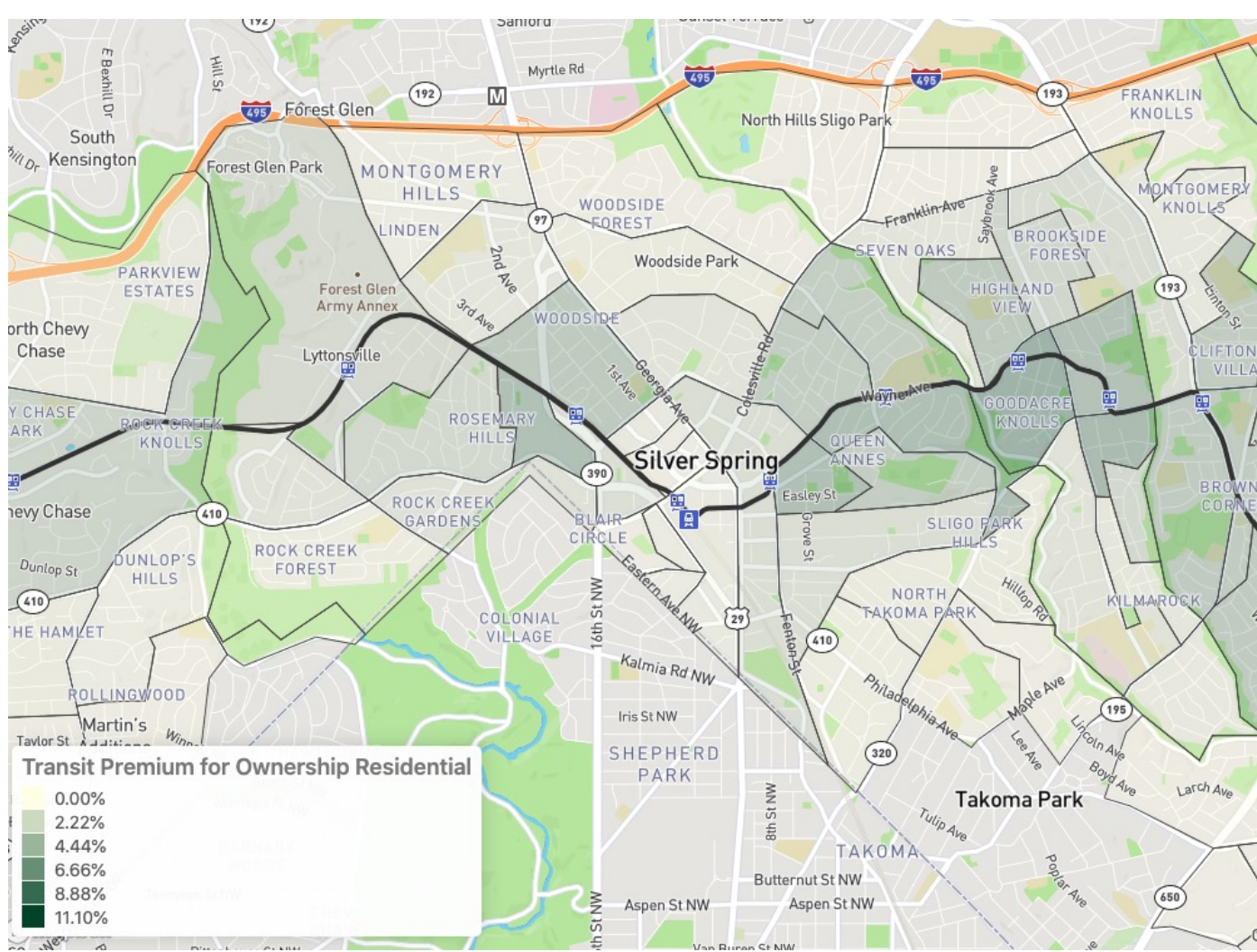
Office Premium



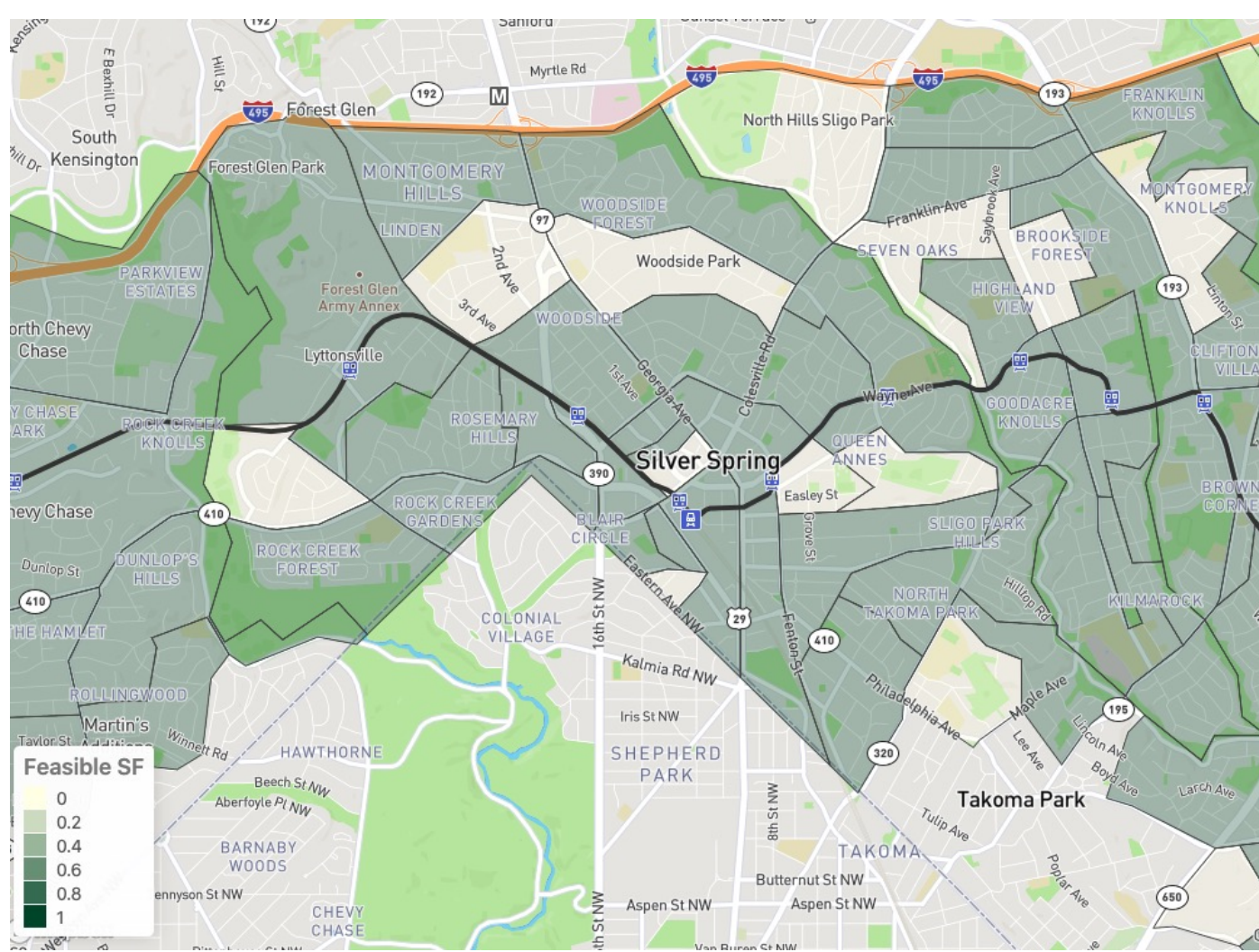
Residential Rental Premium



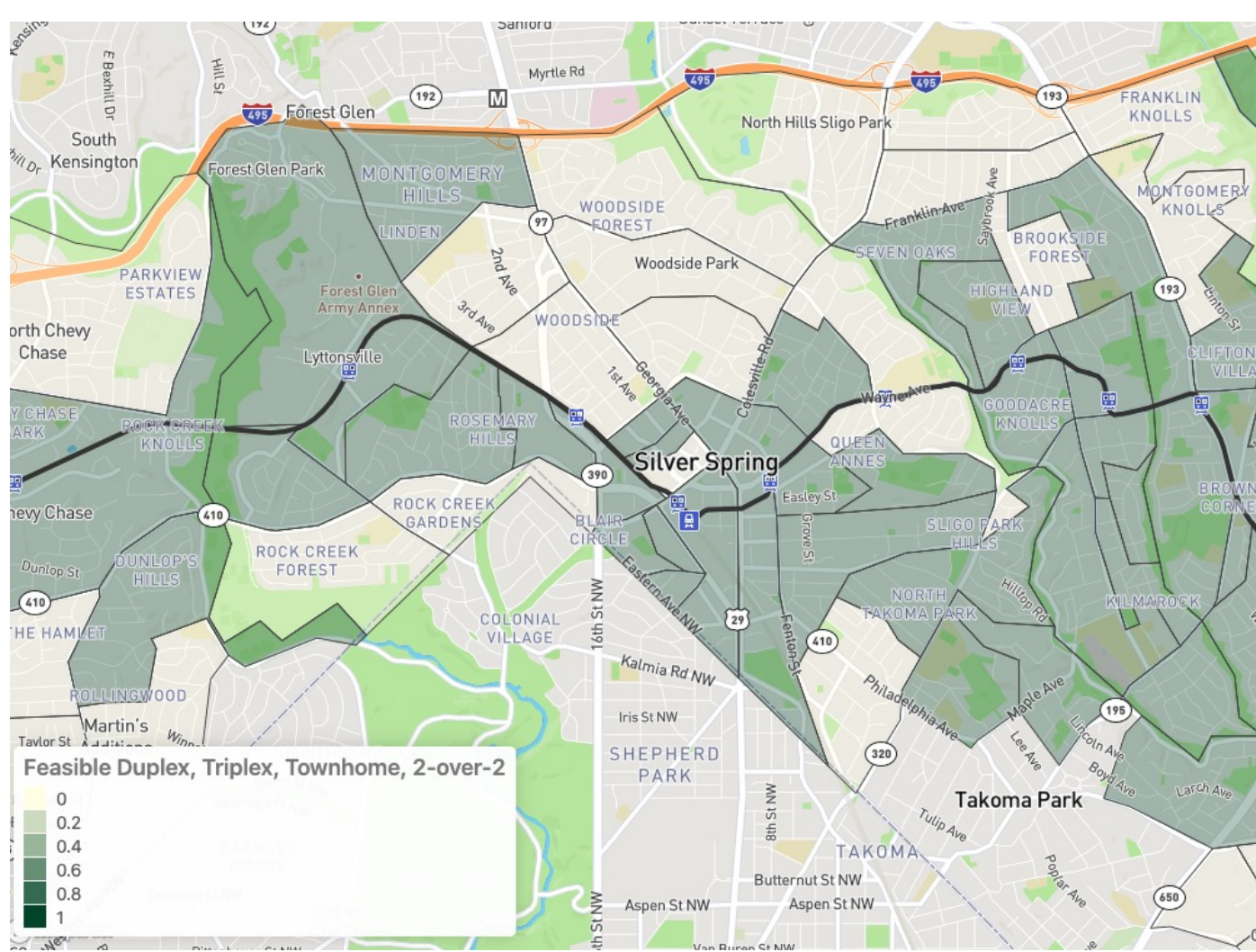
Residential Ownership Premium



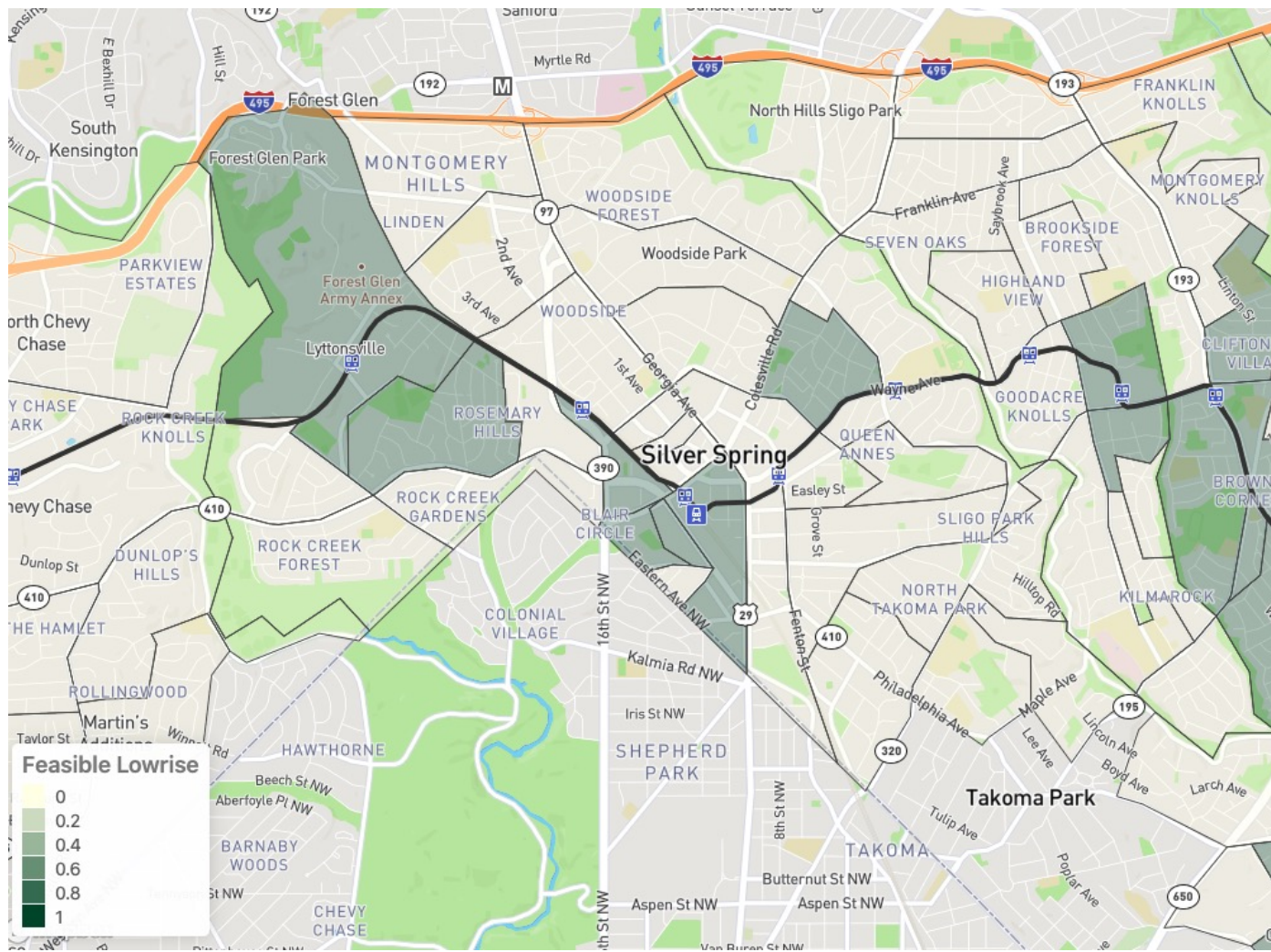
Feasible Single-Family Development



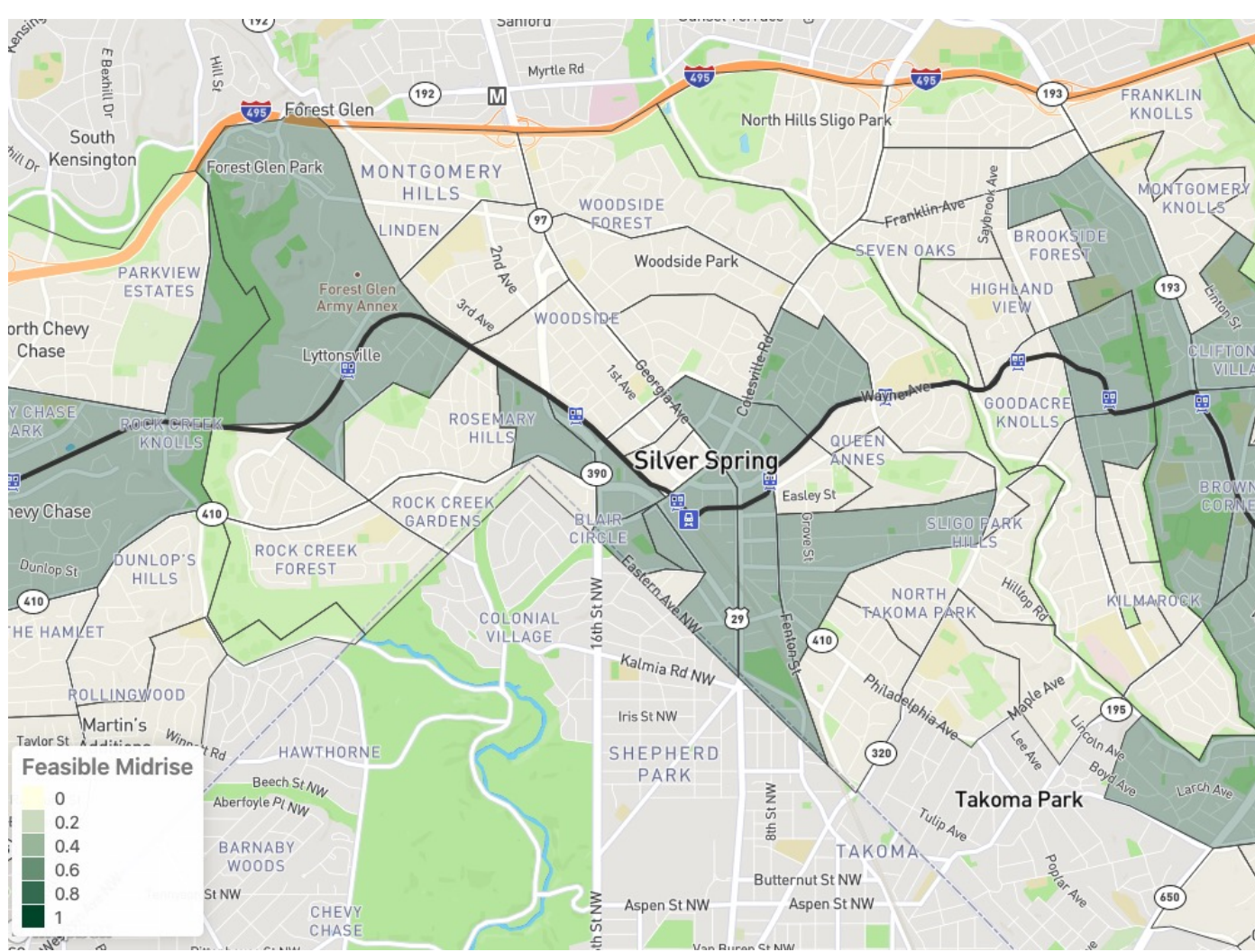
Feasible "Middle Housing" Development



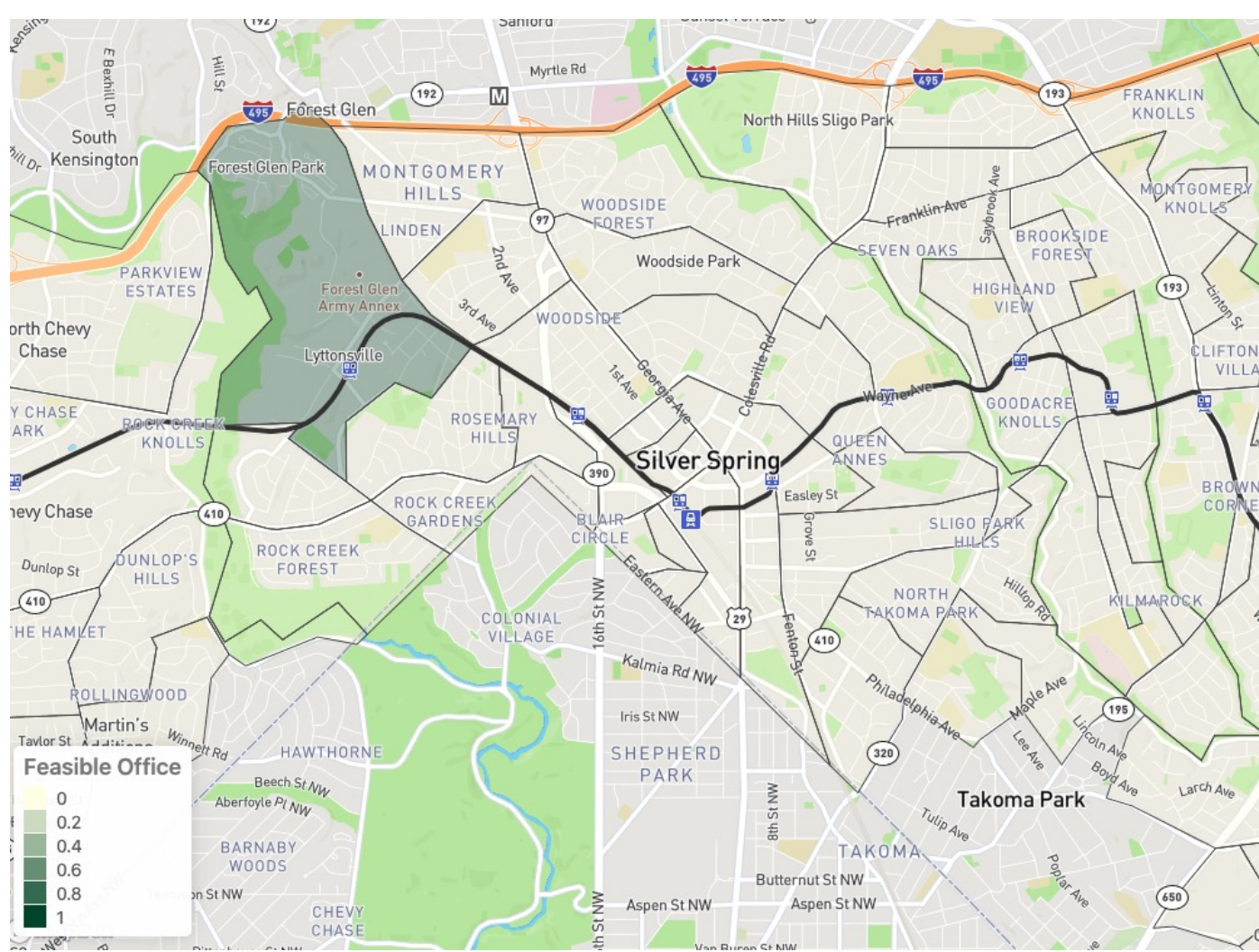
Feasible Low-Rise Apartment Development (3-4 stories)



Feasible Mid-Rise Apartment Development (5-7 stories)



Feasible Office Development

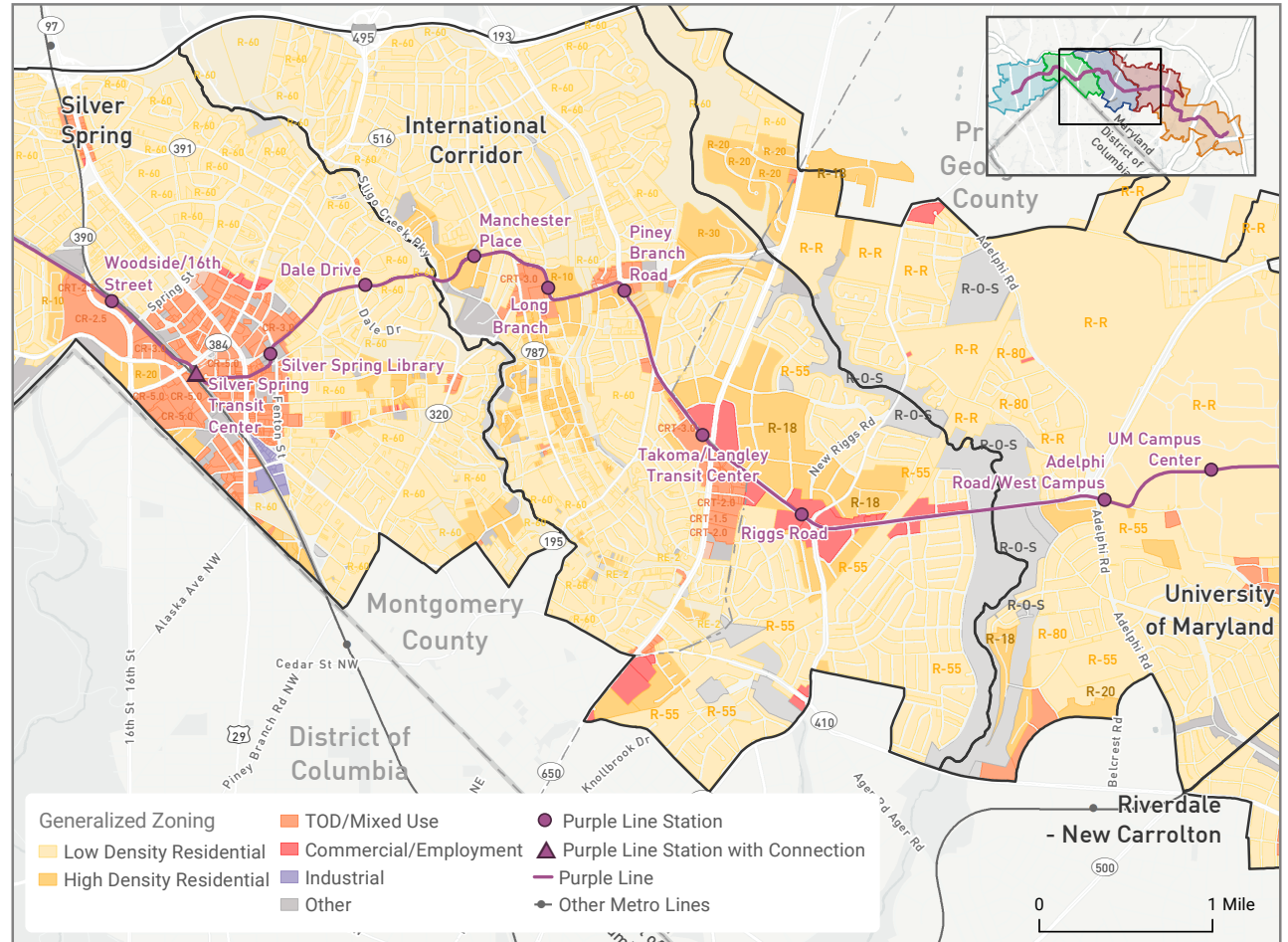


International Corridor Maps

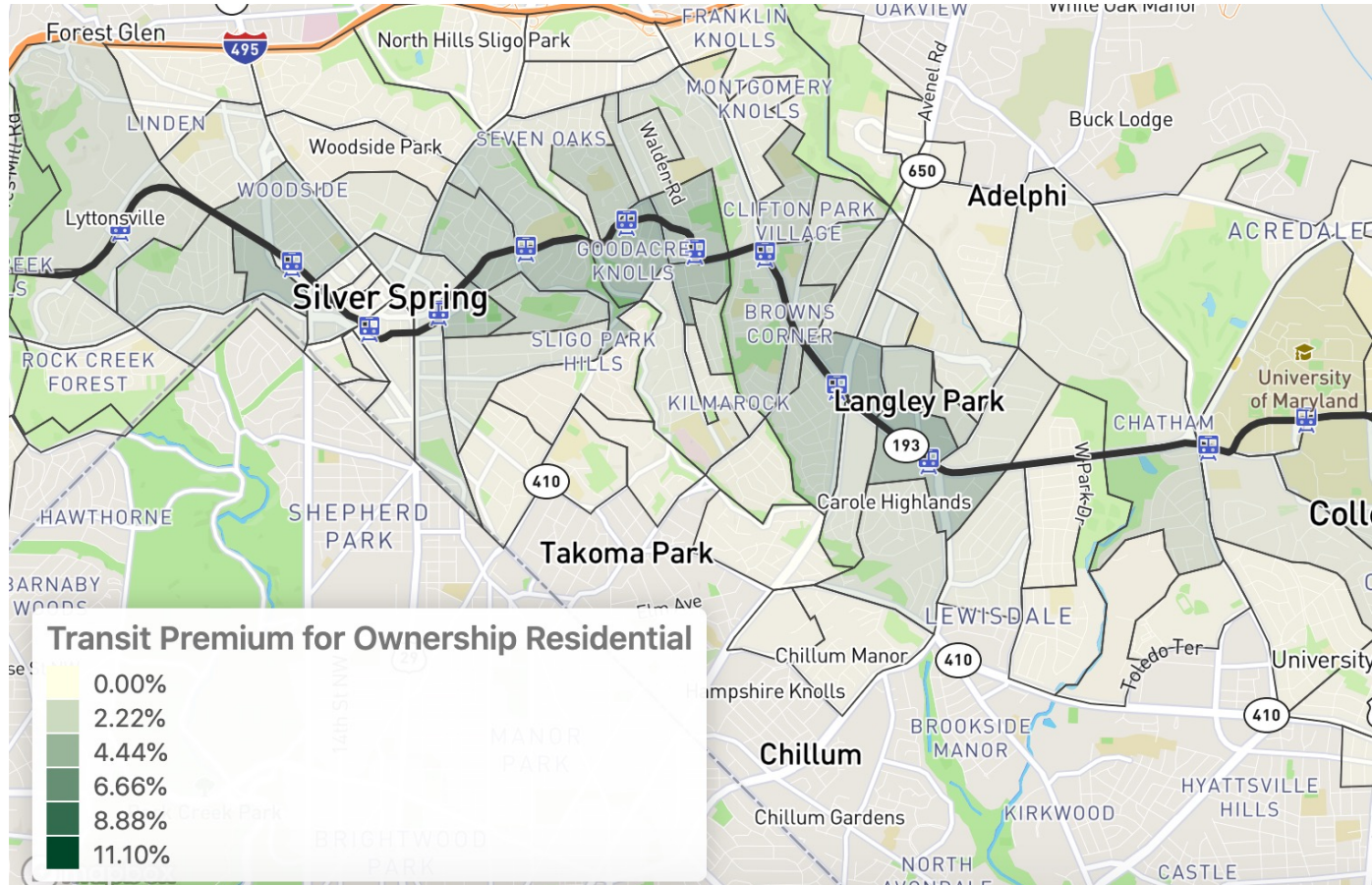


- Transit premiums
- Feasibility with Purple Line premium

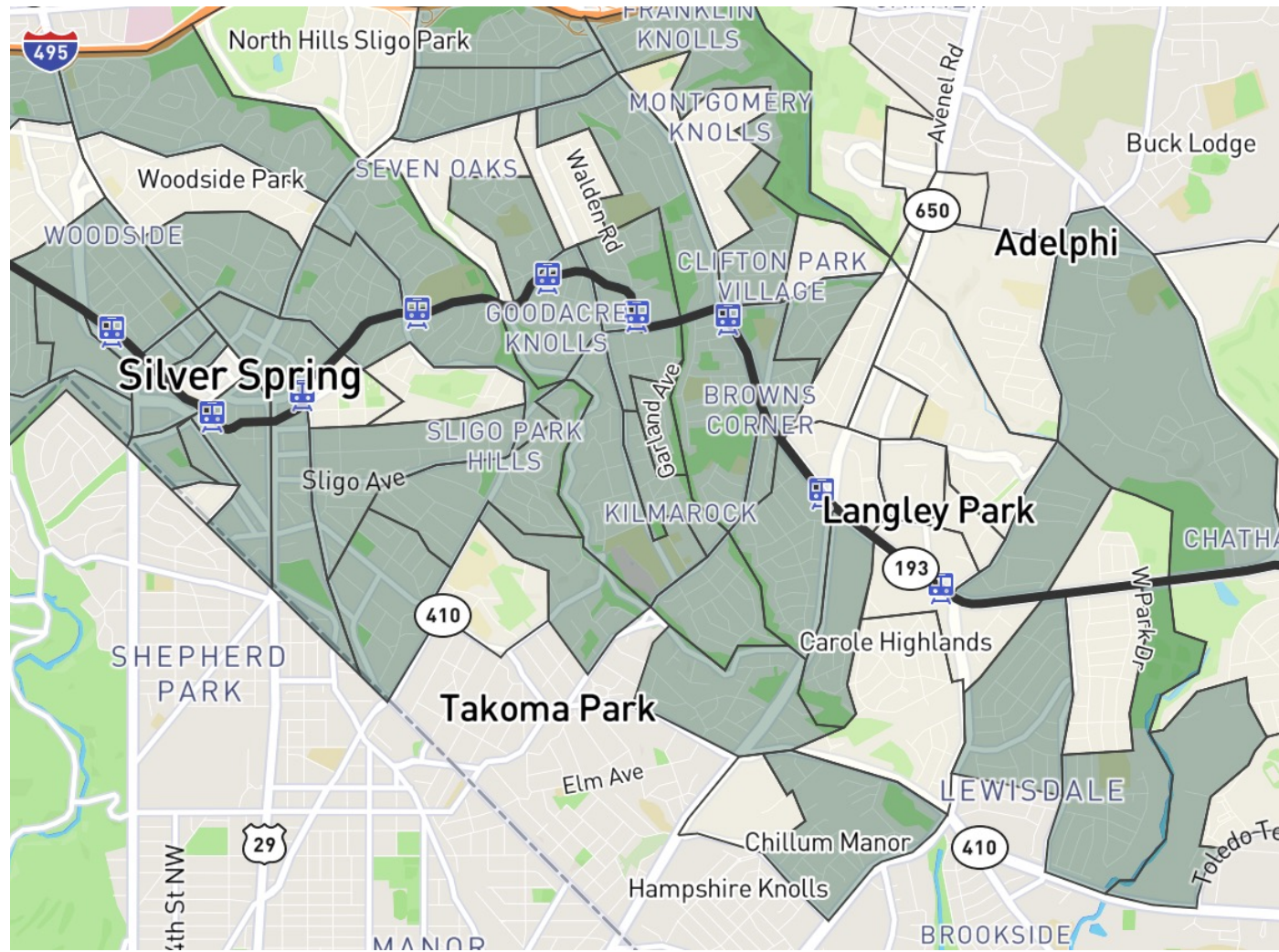
Zoning



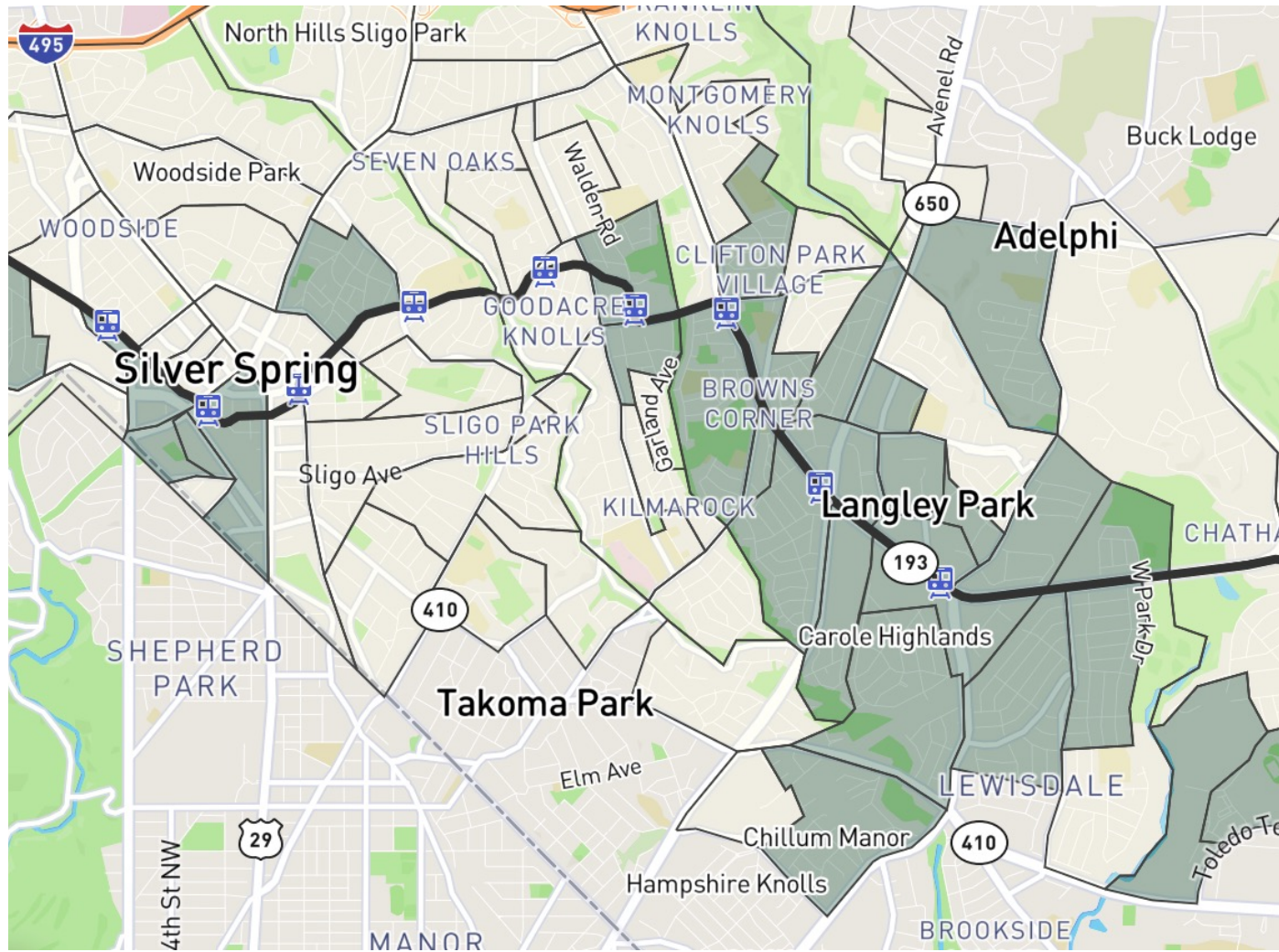
Residential Ownership Premium



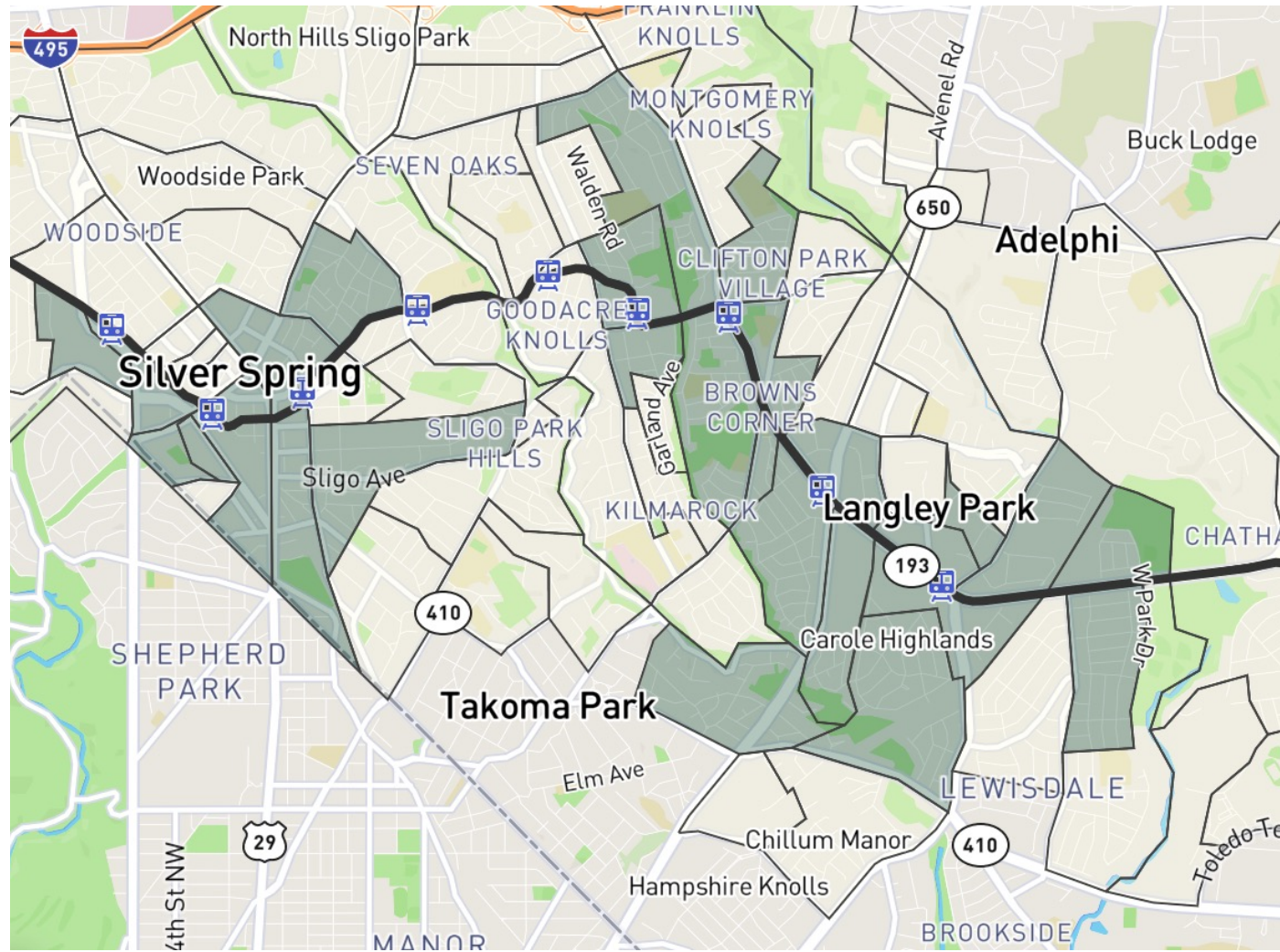
Feasible Single-Family Development



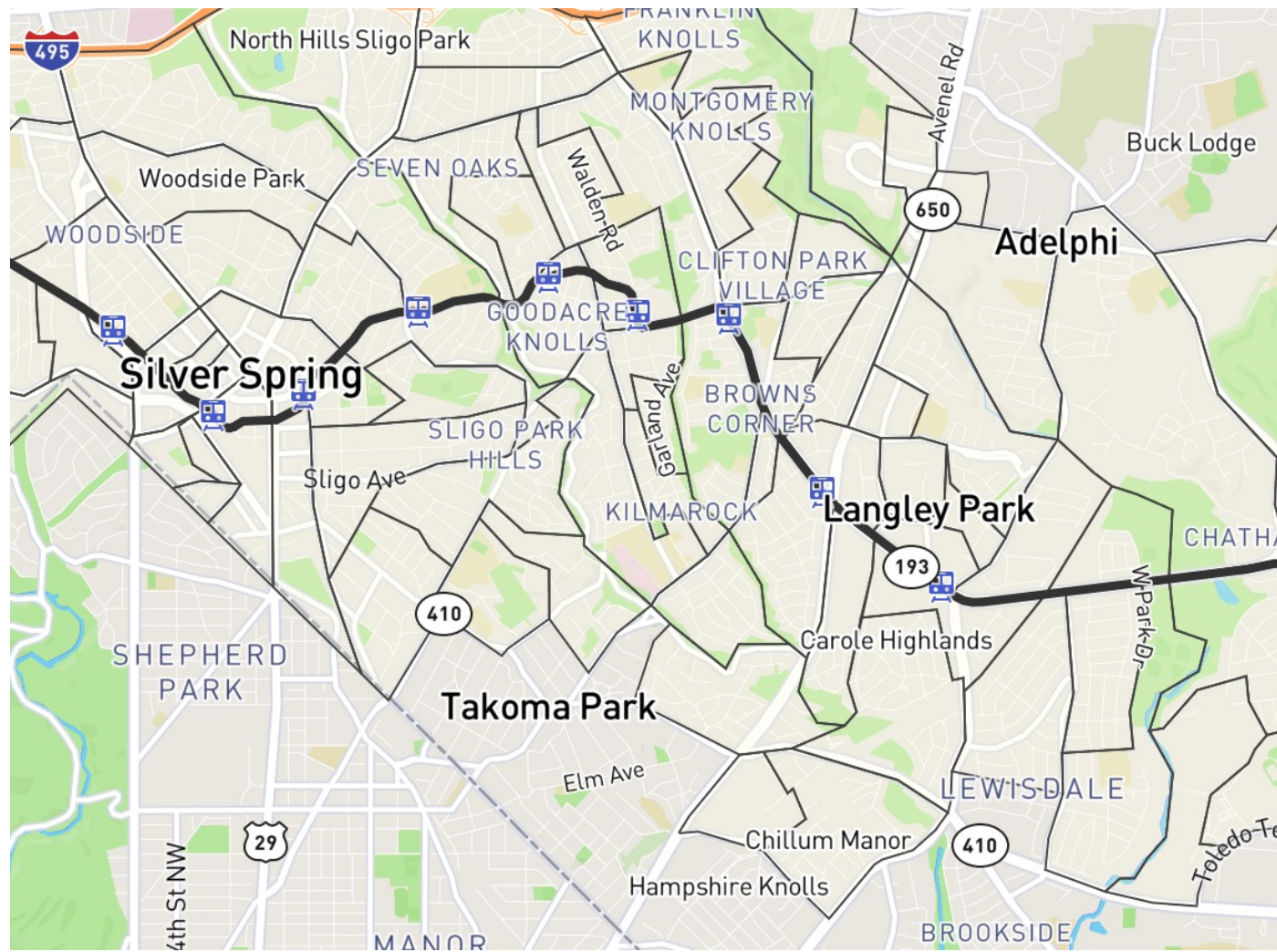
Feasible Low-Rise
Apartment
Development
(3-4 stories)



Feasible Mid-Rise
Apartment
Development
(5-7 stories)



Feasible Office Development

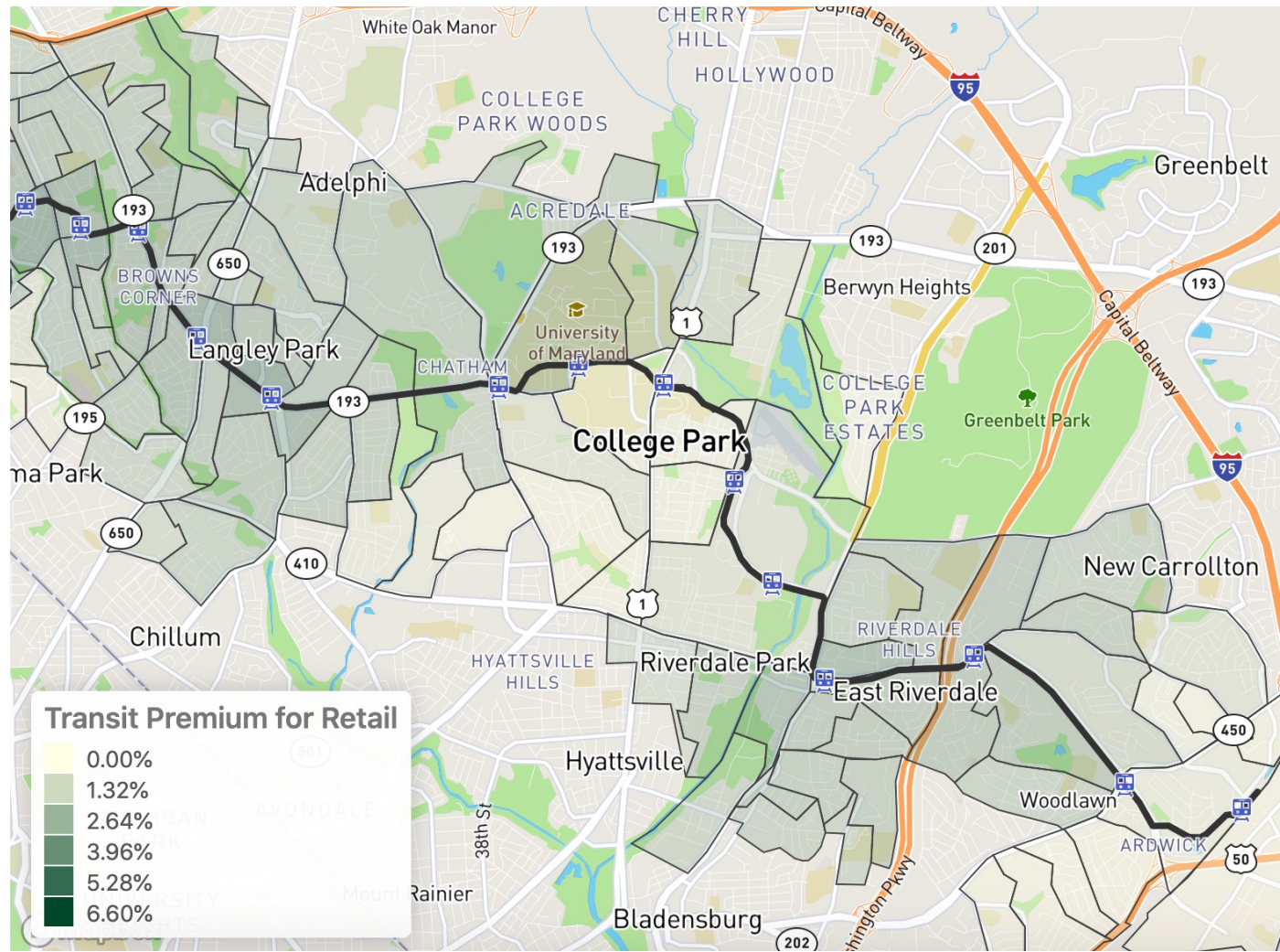


College Park-UMD Maps

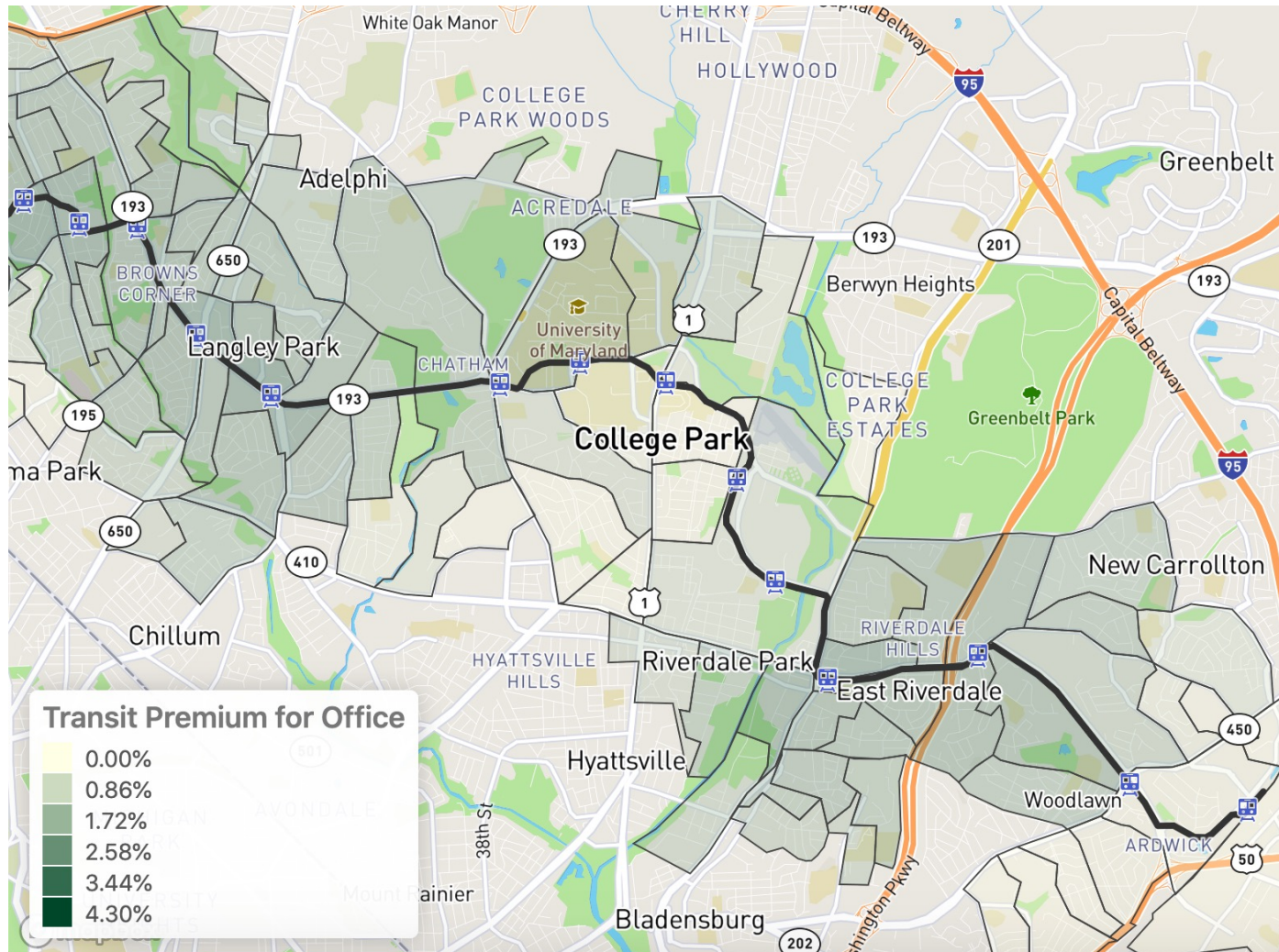


- Transit premiums
- Feasibility with Purple Line premium

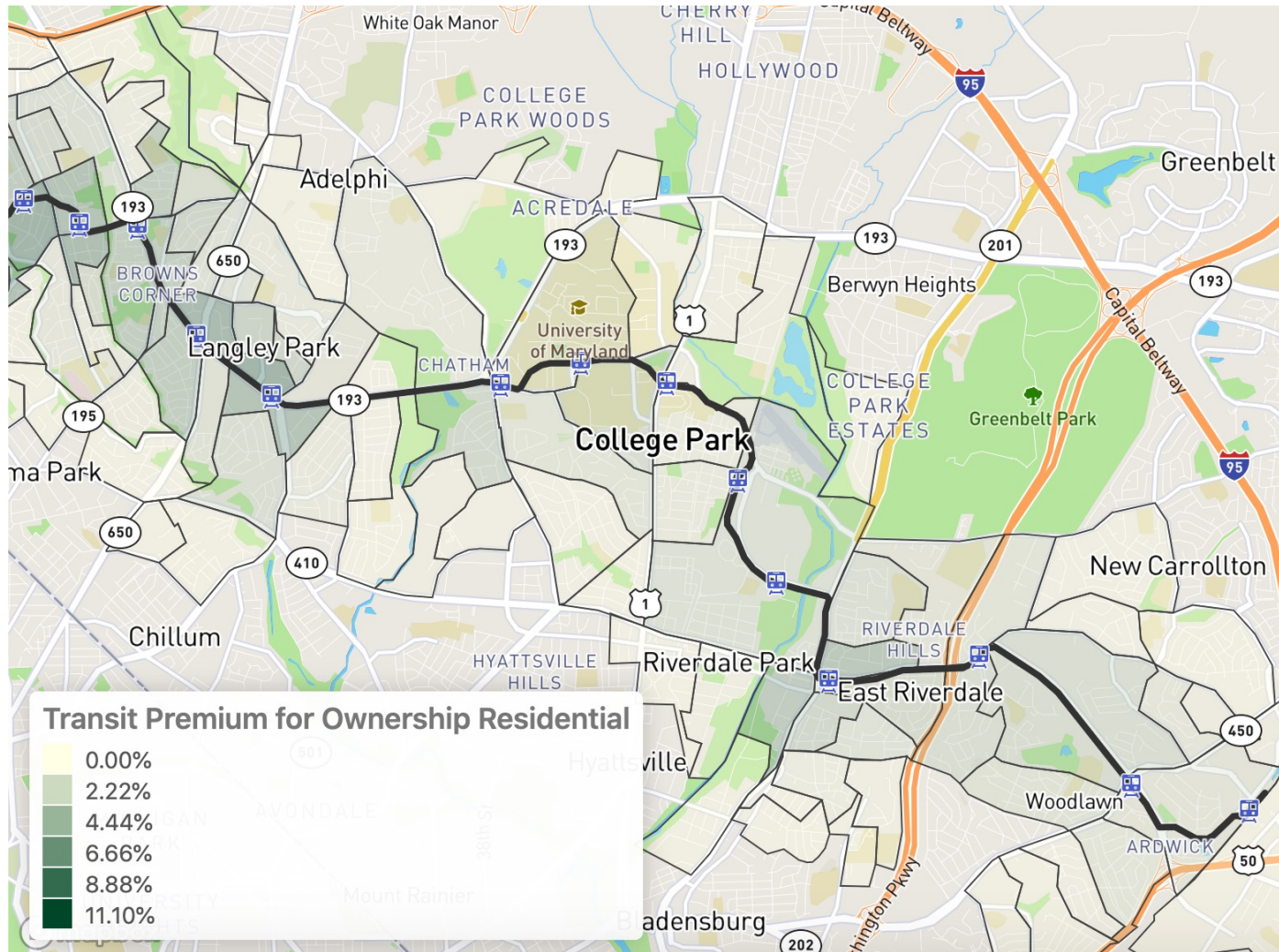
Retail Premium



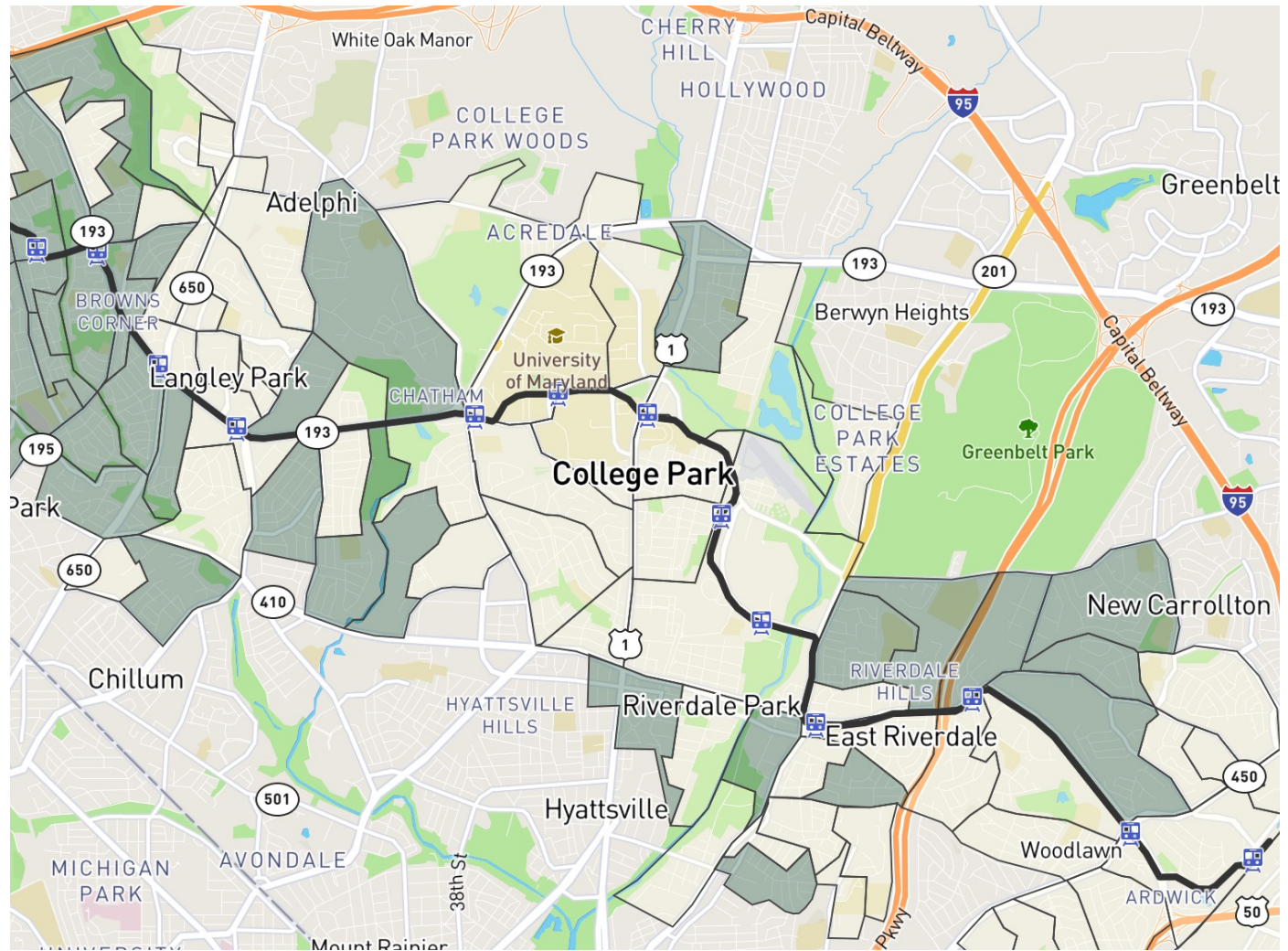
Office Premium



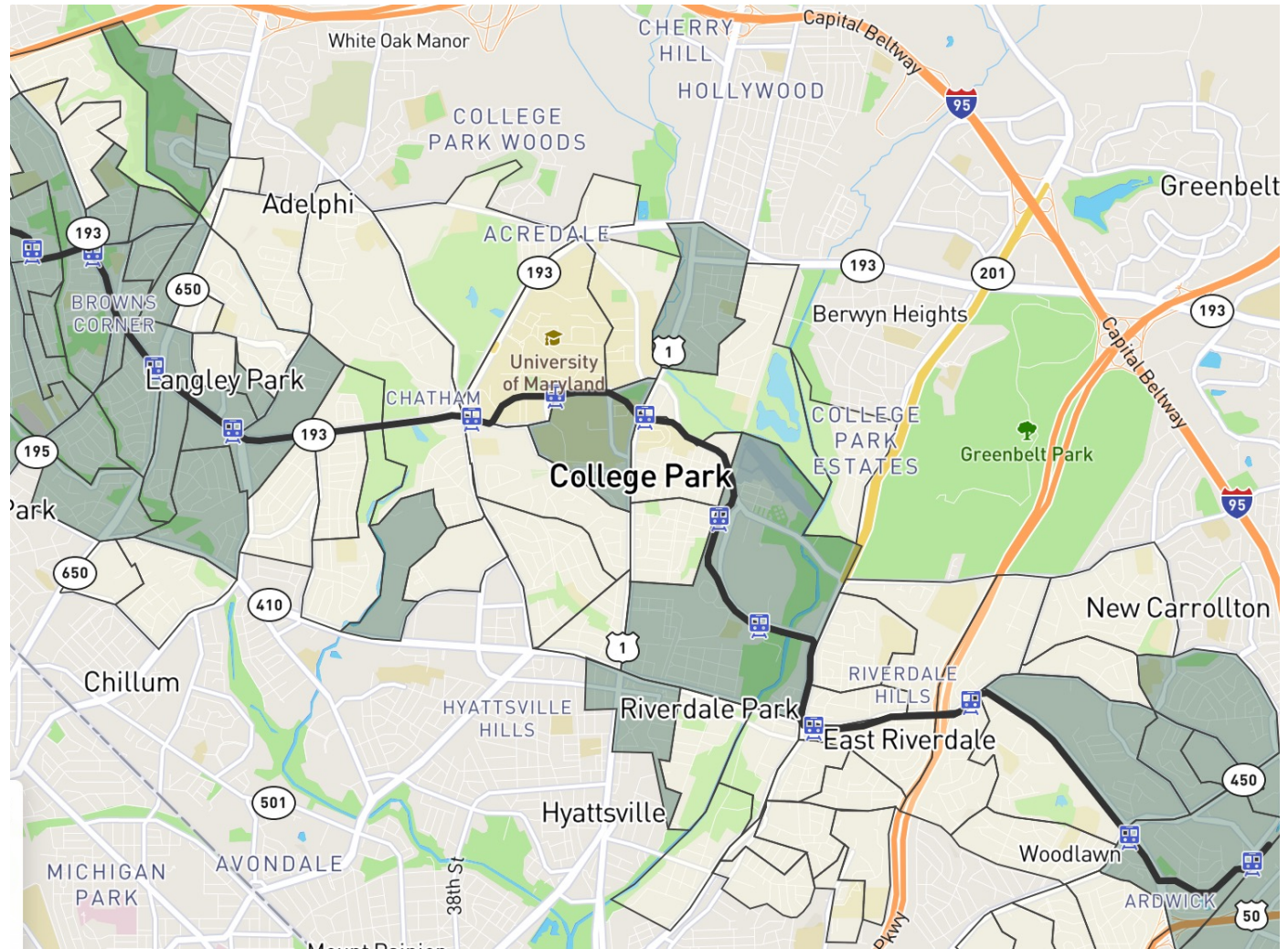
Residential Ownership Premium



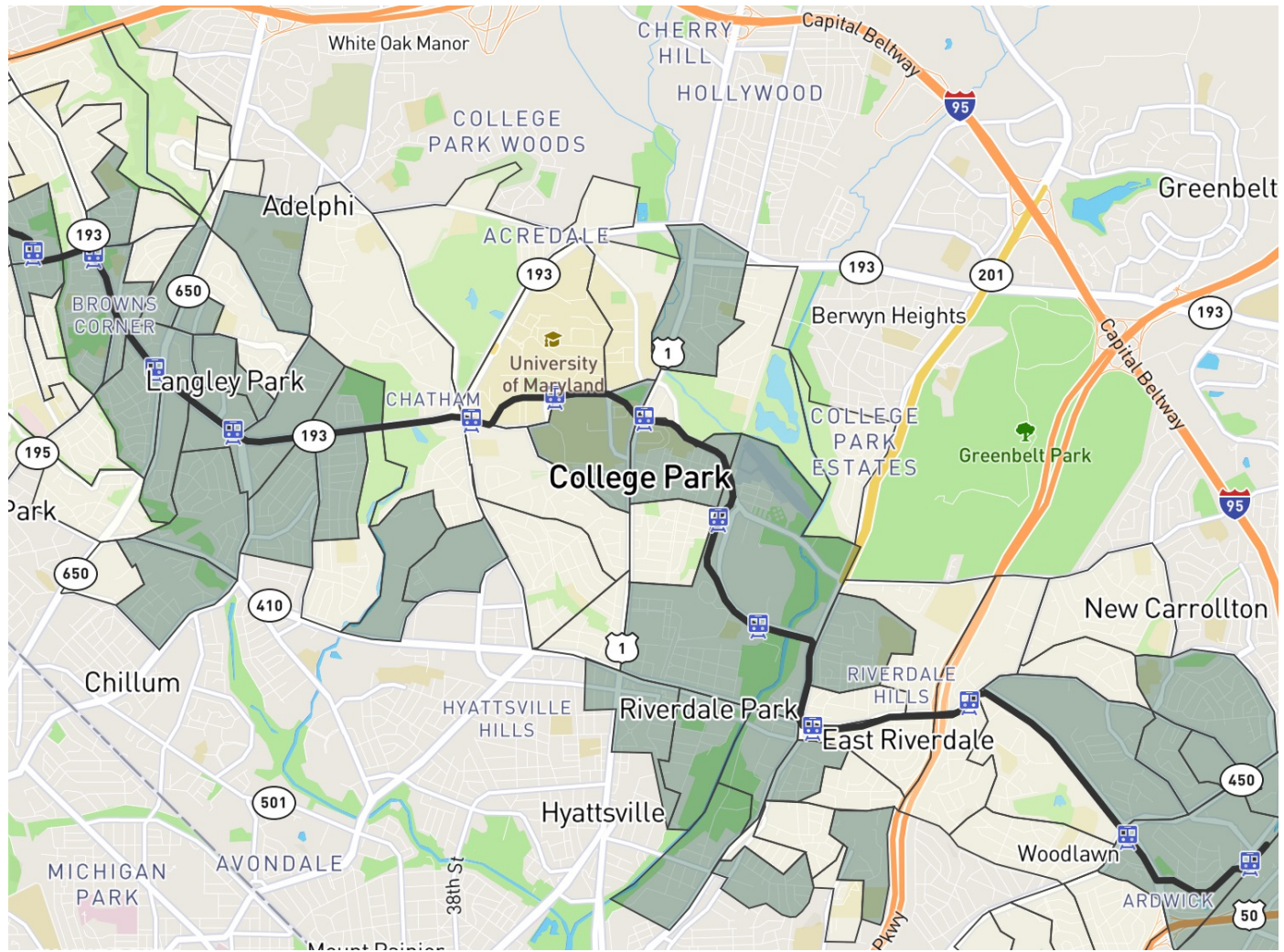
Feasible Single-Family Development



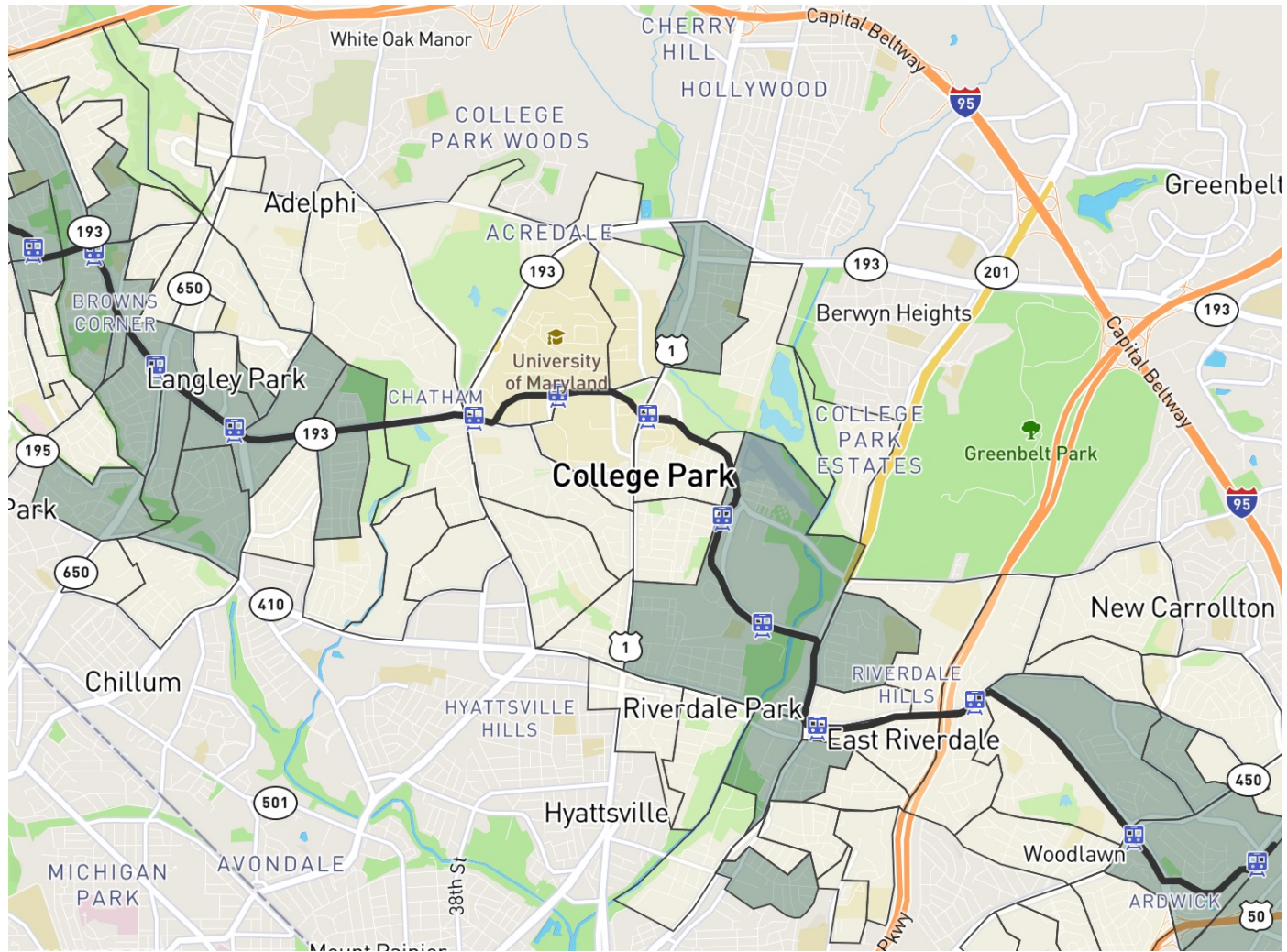
Feasible “Middle Housing” Development



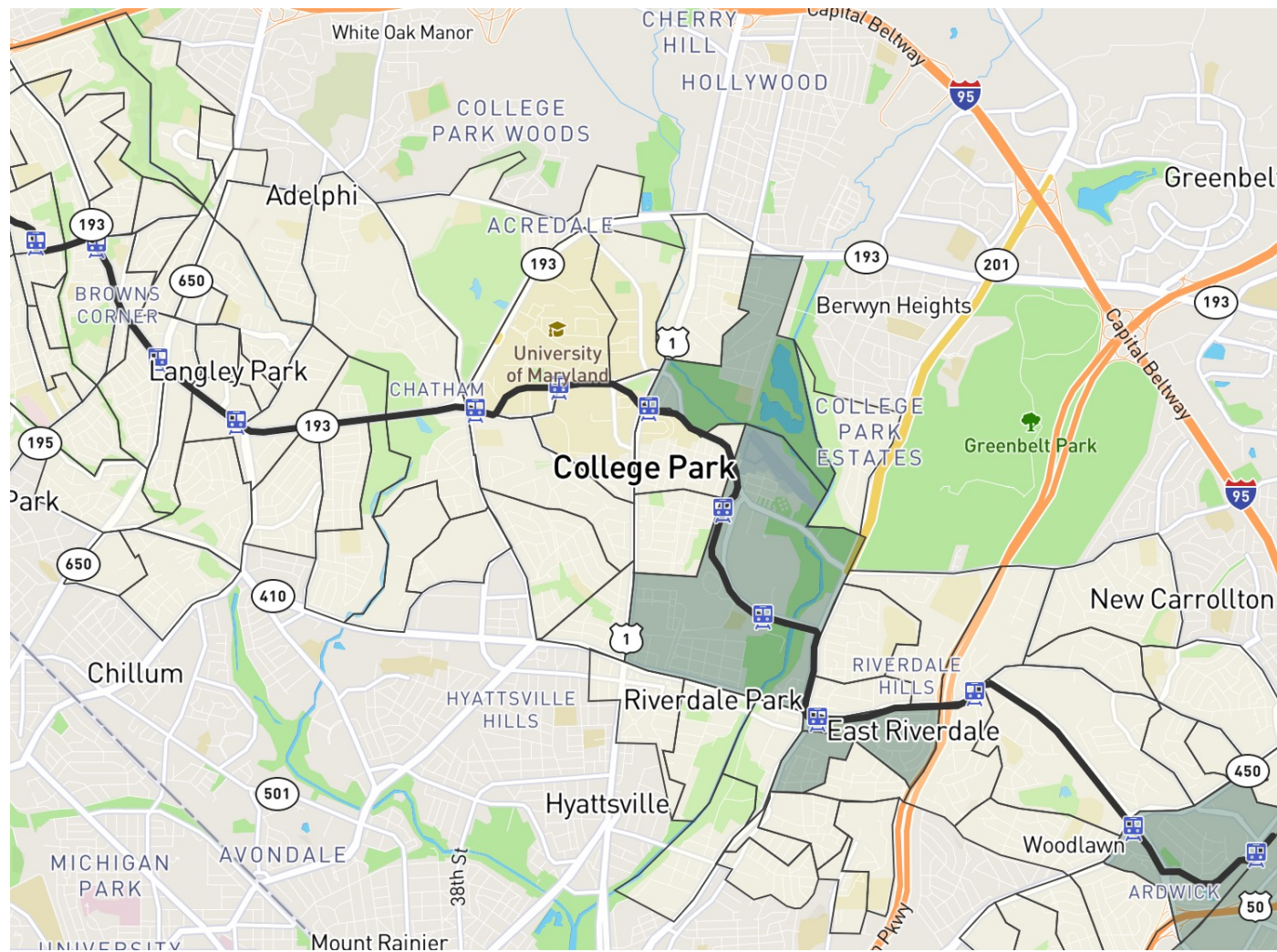
Feasible Low-Rise
Apartment
Development
(3-4 stories)



Feasible Mid-Rise
Apartment
Development
(5-7 stories)



Feasible Office Development

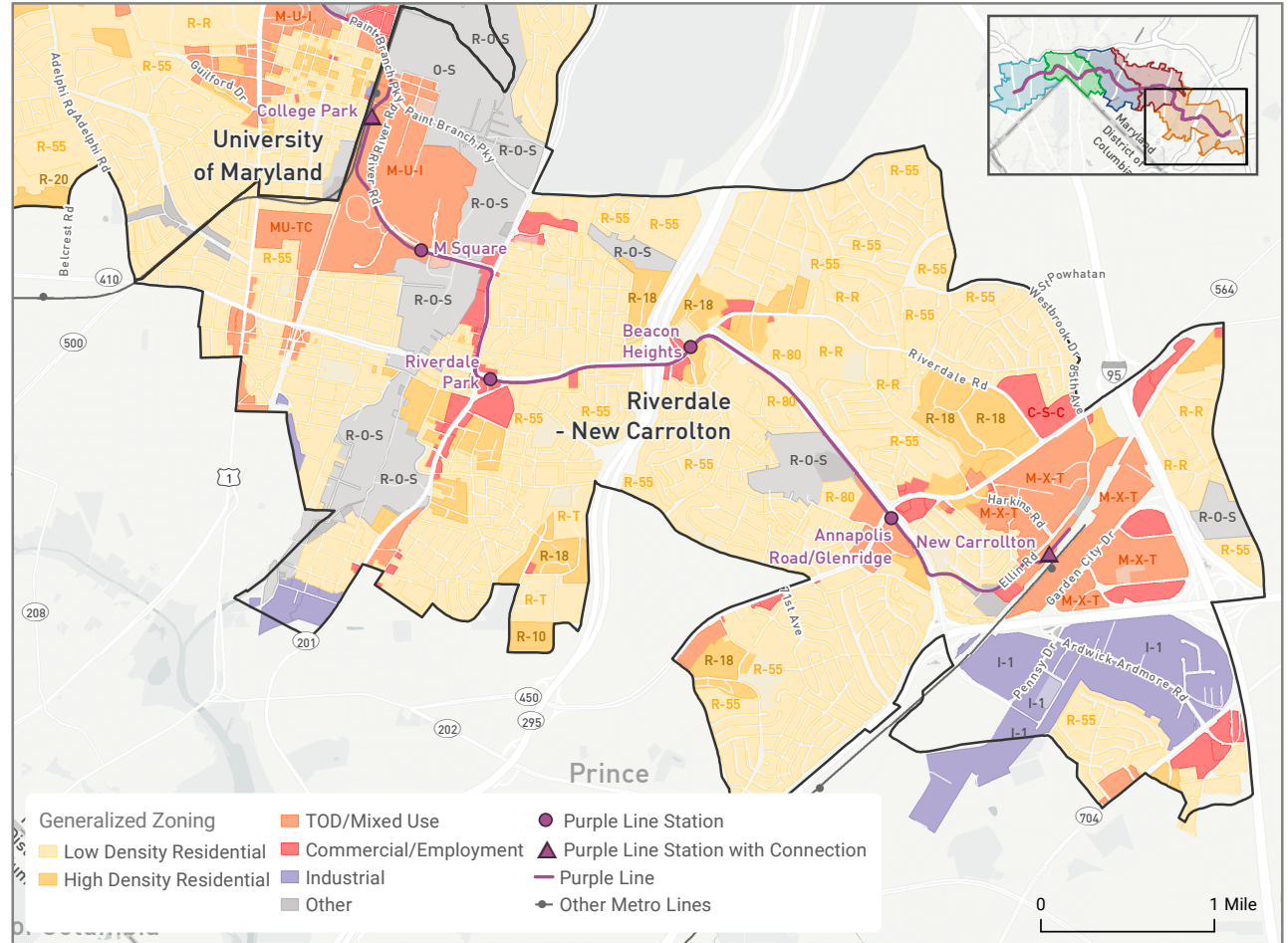


Riverdale-New Carrollton Maps

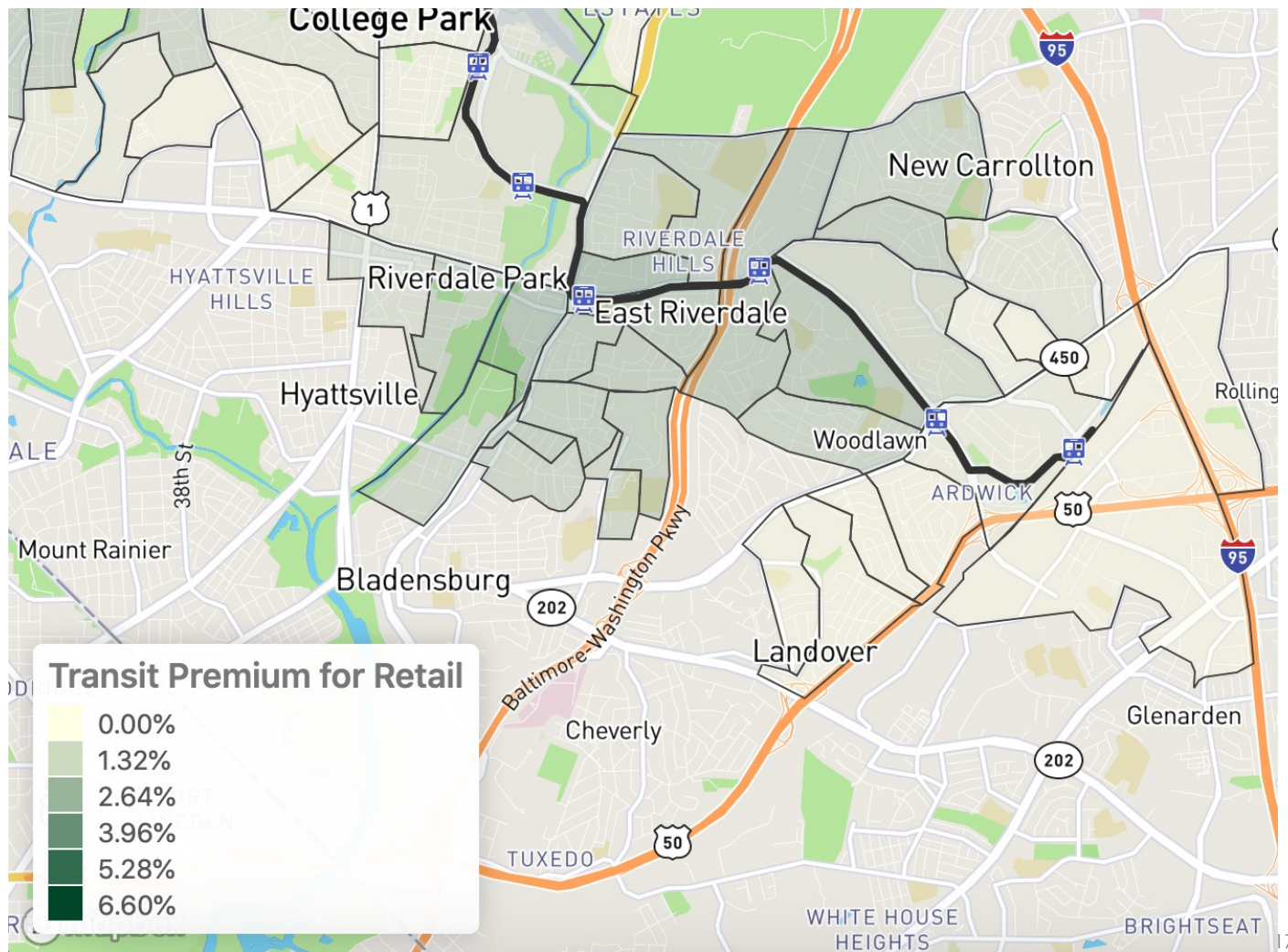


- Transit premiums
- Feasibility with Purple Line premium

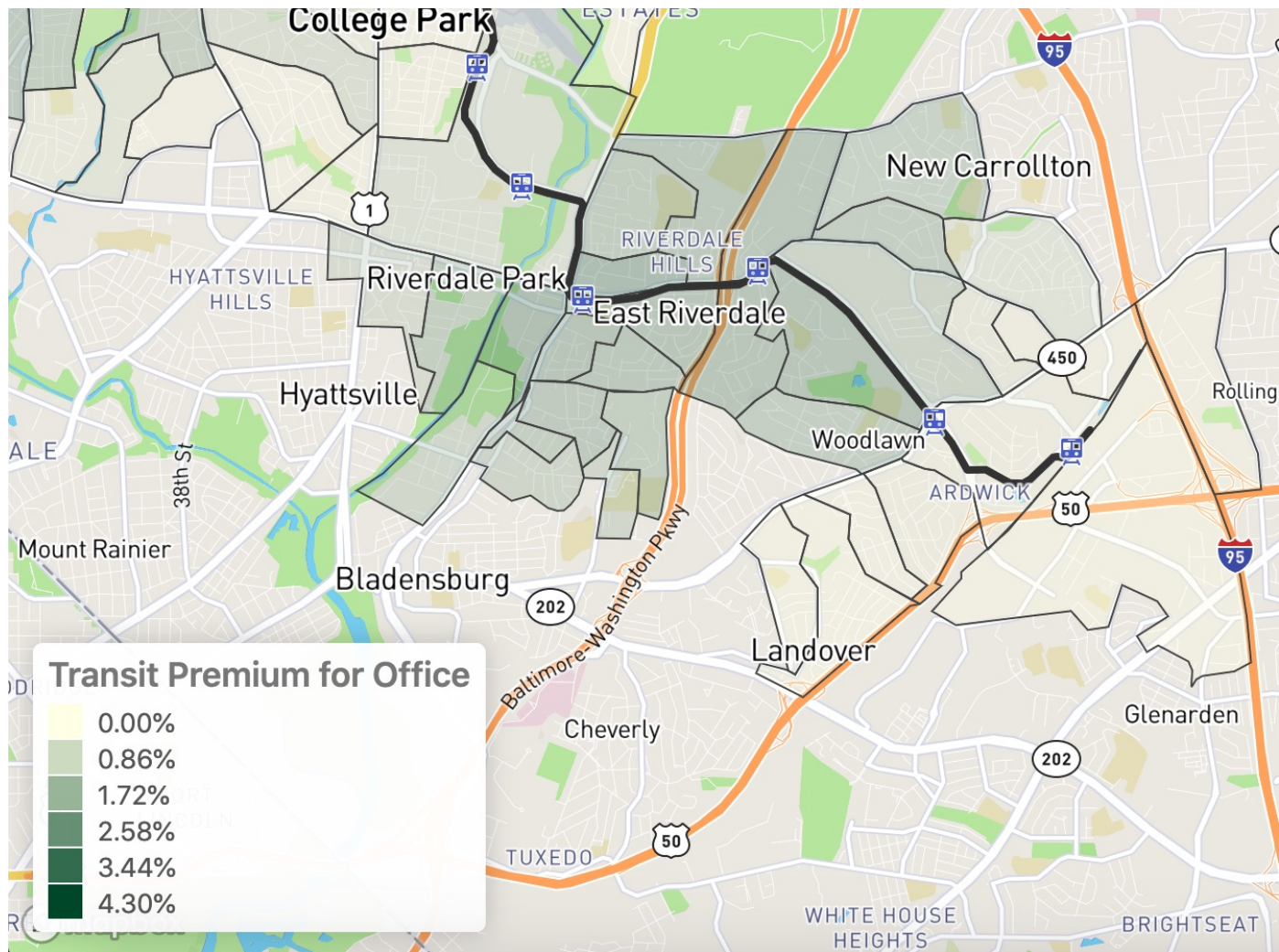
Zoning



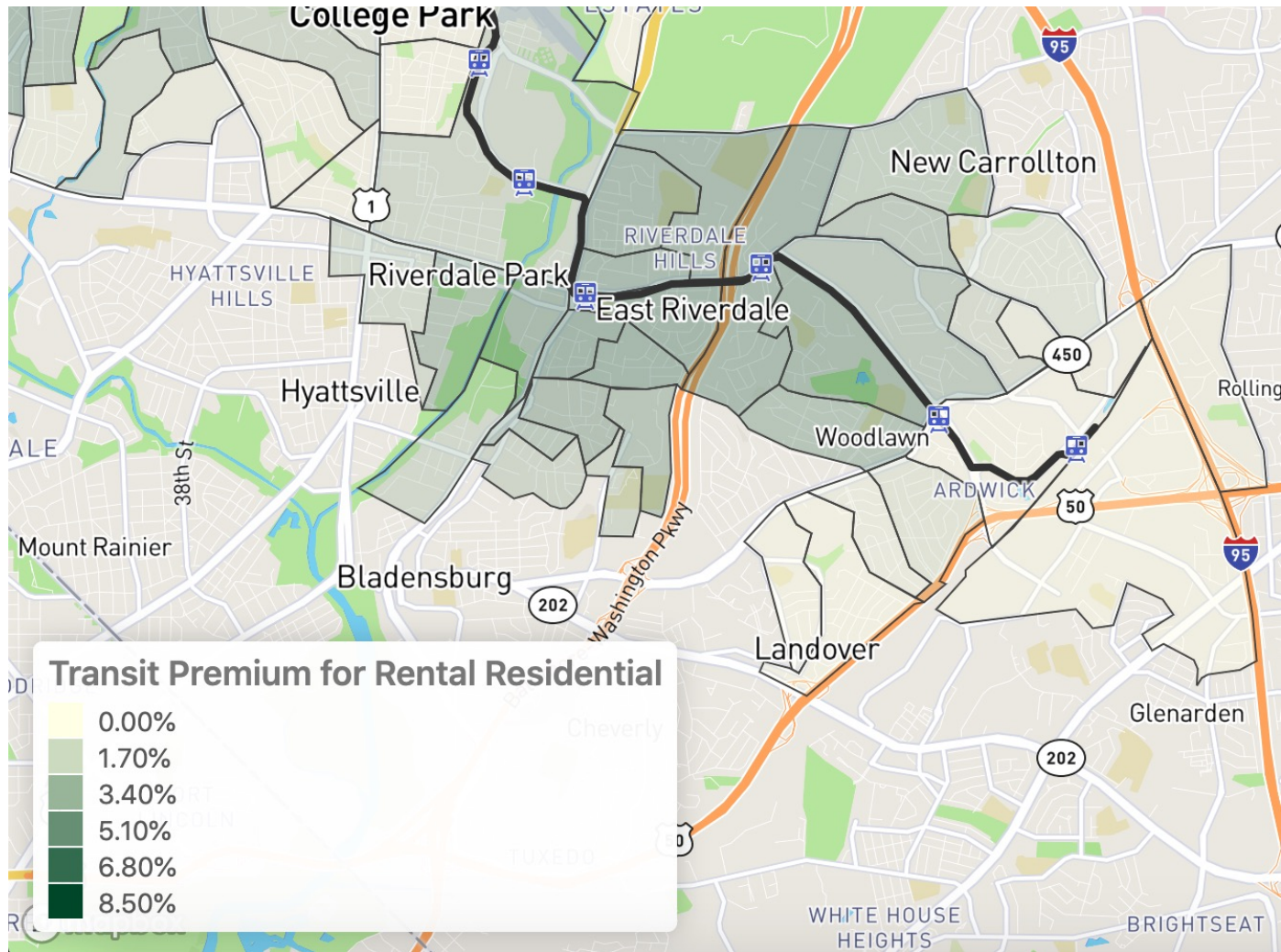
Retail Premium



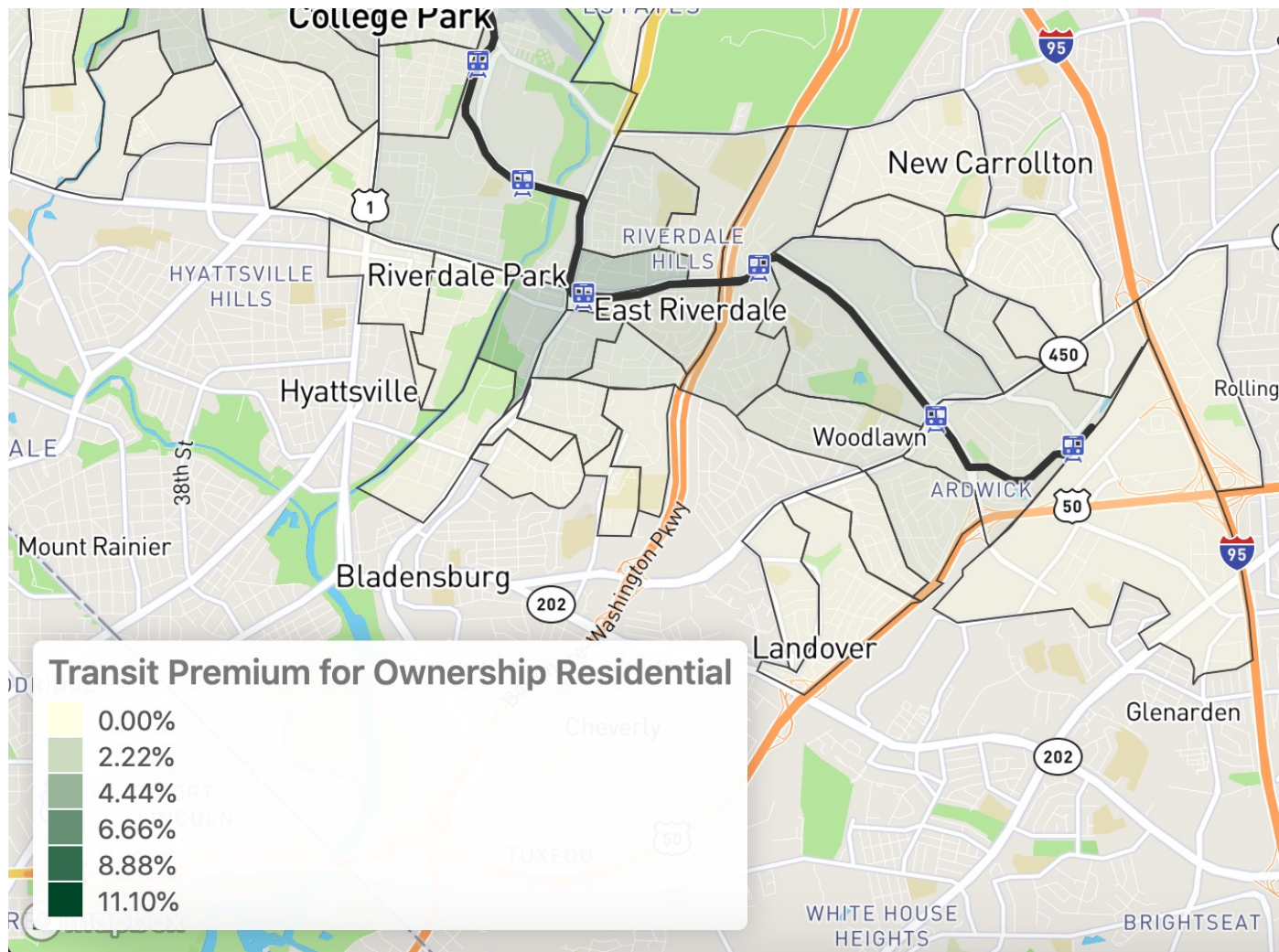
Office Premium



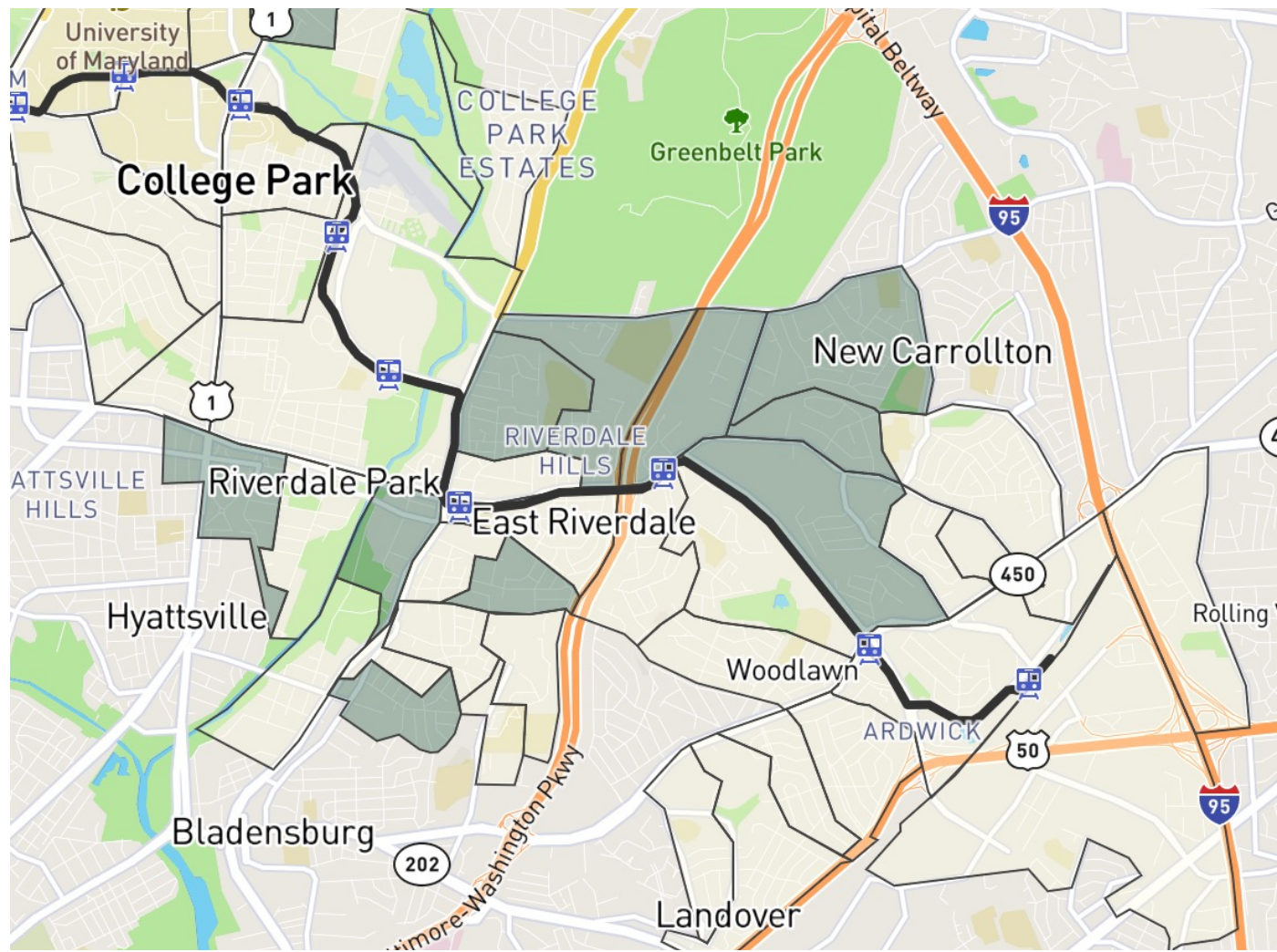
Residential Rental Premium



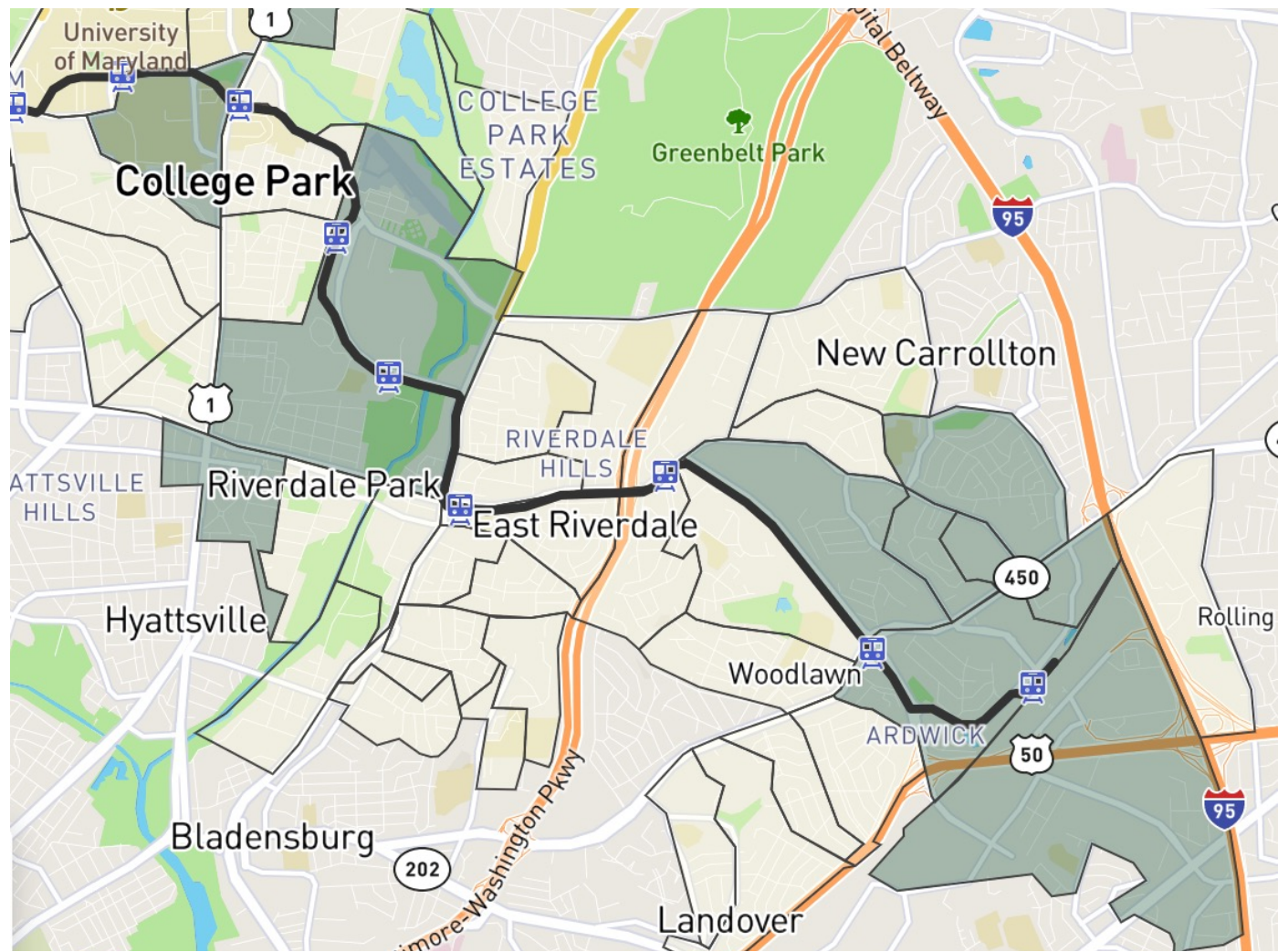
Residential Ownership Premium



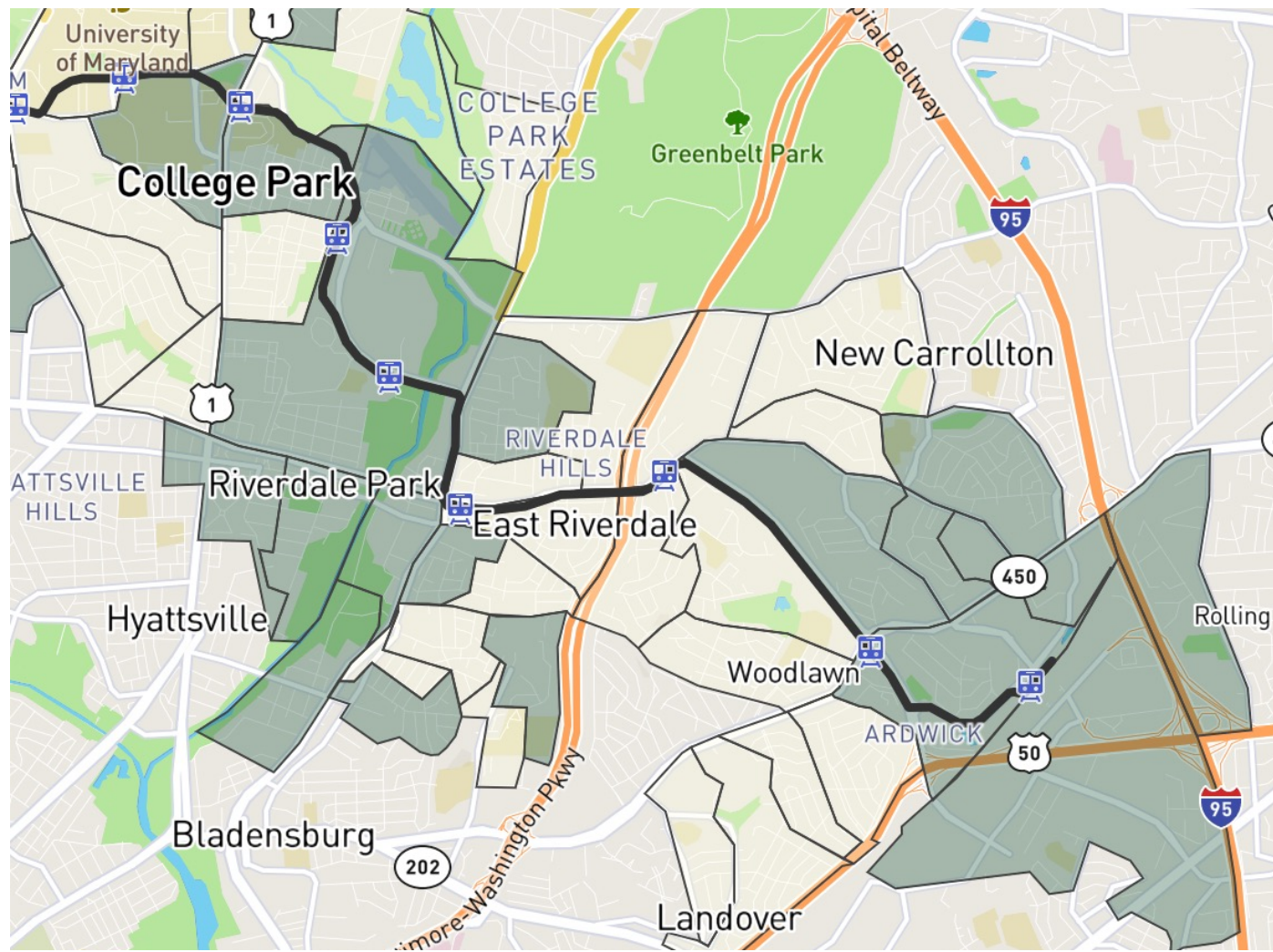
Feasible Single-Family Development



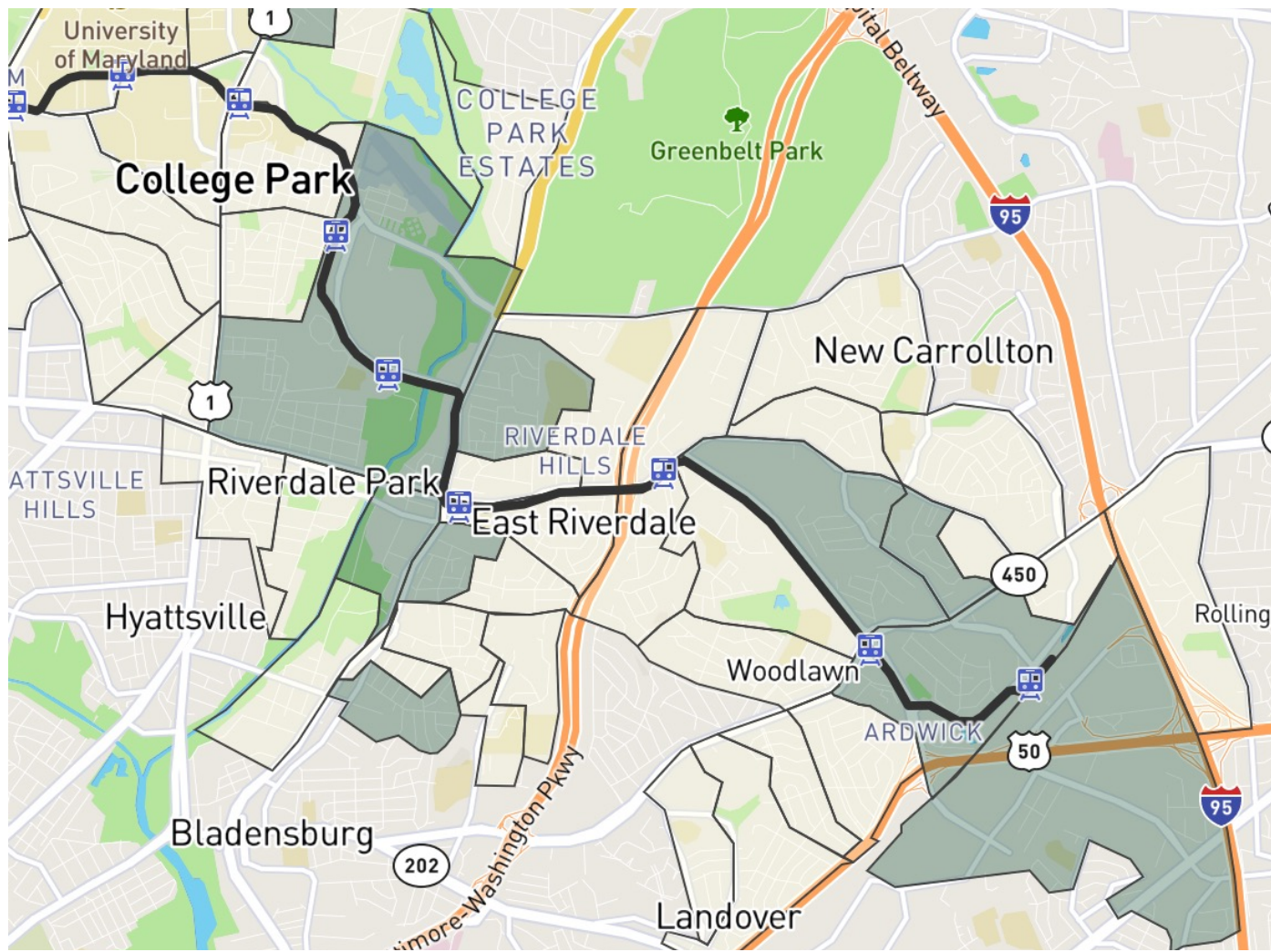
Feasible
“Middle
Housing”
Development



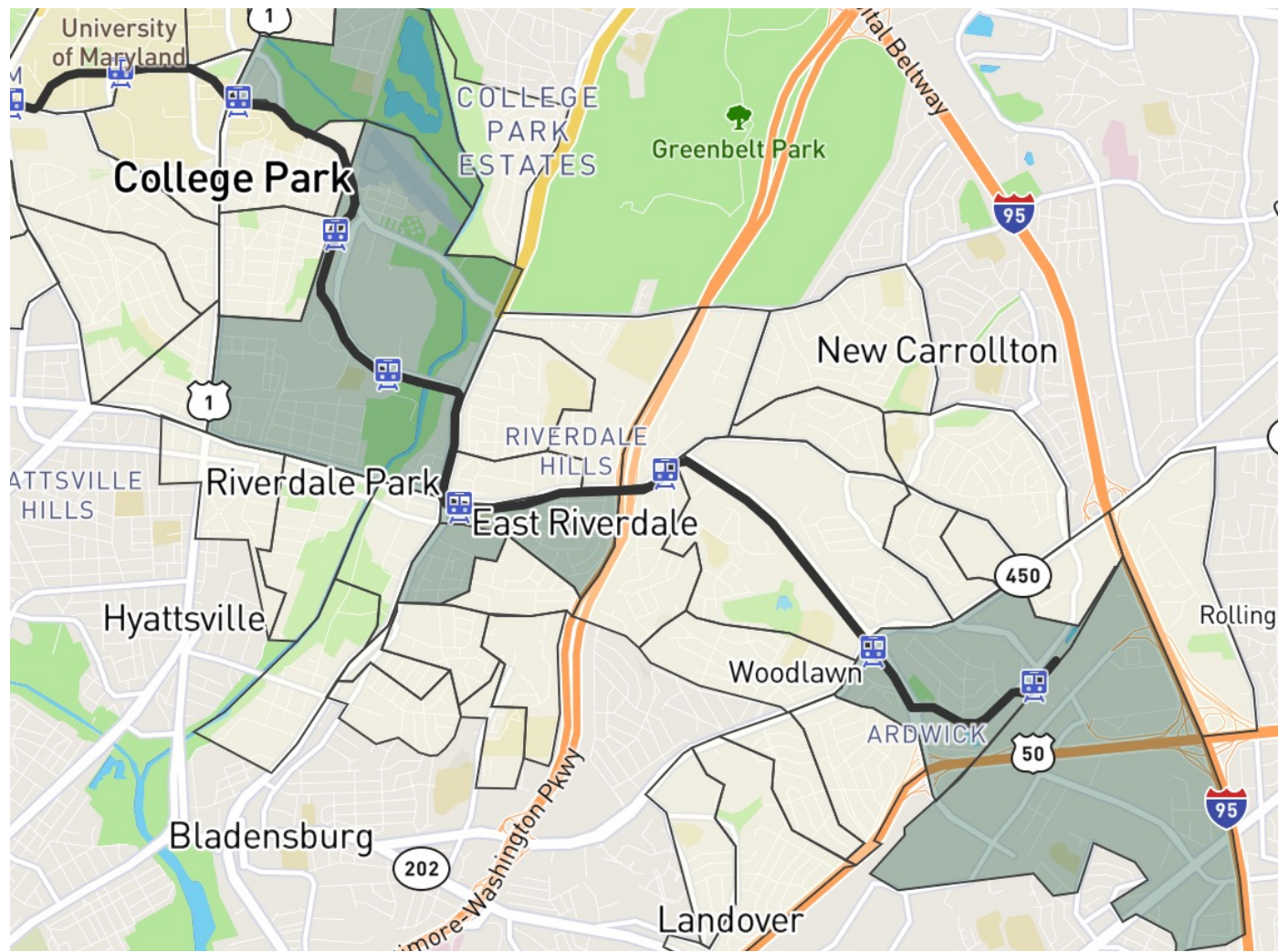
Feasible Low-Rise
Apartment
Development
(3-4 stories)



Feasible Mid-Rise
Apartment
Development
(5-7 stories)

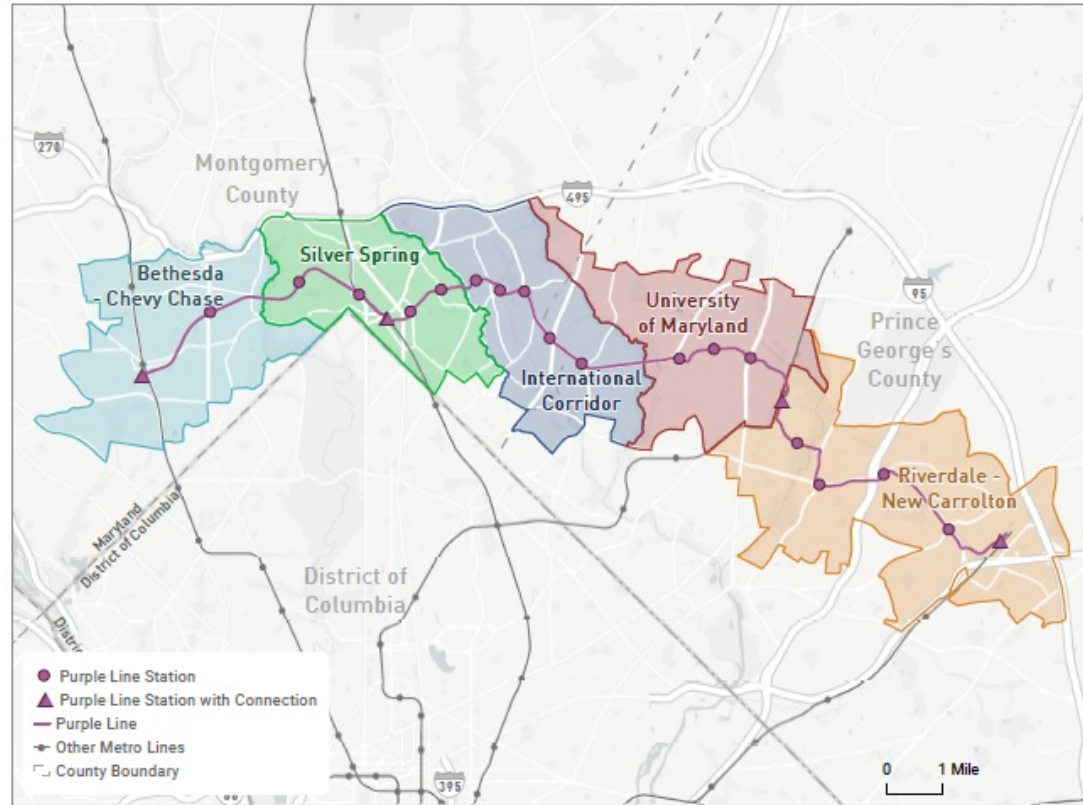


Feasible Office Development



Report Outs by Segment

Bethesda/Chevy Chase
Silver Spring
International Corridor
University of Maryland
Riverdale/New Carrollton



Next Steps for you

- Respond to follow-up email and survey
- Check out our website where we will share materials
- Reach out to us directly if you have info to share
- Attend September meeting

Next Steps for us

- Create and evaluate TOD policy scenarios
- Draft recommendations

Next Meeting

Late September

**Virtual or in person?
TBD!**



Contact

nfinio@umd.edu