

TRANSIT ORIENTED COMMUNITIES

Avoiding TOD Pitfalls

Charles Di Maggio

Chief Operating Officer

Greystone Management Solutions

GREYSTONE



Greystone Management Solutions

- 18 years partnering with transit agency real estate departments developing programs that maximize revenue from existing portfolios
- TOD Real Estate Advisory
- Disposition/Acquisition Support Services
- Administration of Public Procurements
- Key clients: New York Metropolitan Transportation Authority, NJ Transit, Massachusetts Bay Transportation Authority, Massachusetts Department of Transportation, Metropolitan Atlanta Rapid Transit Authority

Overview

- The new role of Transit Agency Real Estate Departments
- New responsibilities in guiding TOD
- The pitfalls of this new charge



Insufficient Value

Riverside Station- Newton, MA

Existing



Proposed



Project:

- Fully permitted
- 225,000 square feet of office space
- 20,000 square feet of retail and community space
- 290 residential units, 15% are to be affordable

Evolving Responsibilities

- No longer just the home of right of way agreements and lost procurements
- Now charged with:
 - Economic development
 - Non-fare box revenue
 - Leading TOD



Insufficient Value

'**Value**' required to relocate/replace transit facilities/properties is often greater than the value of the potential land development

- Transit property includes commuter parking and other active uses. To justify a consolidation, covering or relocation of such uses – property “development value” must equal (or exceed) the value to replicate transit uses on site or offsite.
- Relocating surface parking into a newly constructed parking structure or relocating operational needs often exceeds potential value through Transit Oriented Developments.
- Local objections to project density, traffic generation, etc. can result in insufficient value to fund replacement parking or other operational impacts required to create development opportunities.
- Without public subsidies, certain transit oriented developments may not be feasible.
- Operational improvements could be acceptable value received

Inconsistent Priorities

Local permit granting authority priorities are often inconsistent with transit needs

- Development density is required to create sufficient value to justify and support relocation of transit uses. Historically density is not often embraced at the local level.
- Local communities often prioritize 'local' development impacts on infrastructure (local traffic, schools, public safety) above the value to justify costs to relocate transit uses.
- Negotiated 'mitigation' by local permit granting authorities often focuses on 'local impacts' (such as traffic, street scape, etc.) vs specific transit improvements.
- Local permit granting authorities are often not part of the same political body – state vs. local governments

Millennium Tower at Downtown Crossing Station- Boston, MA



MBTA Concourse



Project

- Tallest residential building in downtown Boston. (625 feet)
- 442 one, two and three bedroom 8

Missed Opportunities

'Value capture' for transit agencies can be missed if not made a priority for local permit granting agencies

- Transit improvements often support local economic growth, yet local growth often does not equate to financial support for the transit system
- Transit agencies do not benefit monetarily from revenue generated from transit oriented developments
- No correlation between local economic growth/development and revenue generation for transit agencies

Missed Opportunities

Seaport Development- Boston, MA

Project	
Area	6.3 million SF on 23 acres
Residences	2.75 million SF
Offices	1.25 million SF
Retail	1.25 million SF
Hotels	800,000 SF (1,000 keys)
Cultural/Civic	265,000 SF
Parking	2.25 million SF (6,000 spaces)
Open Space	37% open space 25% green space



TOD Successes

Back Bay Station- Boston, MA



Hingham Shipyard- Hingham, MA



Boston Landing Station- Boston, MA



North Station- Boston, MA



Bottom Line

Good things happen when you proactively manage the process and consider true costs and stakeholder positions

