

April 2017

Sound Transit Board of Directors **Transit Oriented Development Workshop**



Sound Transit Transit-Oriented Development Board Workshop
Friday, April 21, 2017
1:30 to 4:30 p.m.

Ruth Fisher Boardroom
Union Station
401 South Jackson Street
Seattle, WA

Dave Somers, Board Chair, Presiding

- 1:30 PM** **I. Welcome**
- 1:40 PM** **II. Purpose and Overview**
- III. Background:**
- a. Sound Transit system plan language – equitable TOD, affordable housing and small business/labor consideration
 - b. Equitable TOD and the 2013 Growing Transit Communities Strategy
 - c. RCW requirements regarding equitable TOD and affordable housing
- 2:00 PM** **IV. Framework for Implementation**
- a. Suitability Considerations
Board Discussion: How should suitability be defined?
 - b. Financial Considerations & Discounting Property
Board Discussion: Discounting property value is a new tool that can be used to accomplish equitable TOD. What guiding principles should drive this decision?
 - c. Considerations for the Method of Offer
Board Discussion: How should an offer be developed?
- V. TOD Project Assessment & Board Guidance**
- Board Discussion: Is the proposed framework and approach on the right path for implementing an equitable TOD strategy?*
- 3:15 PM** **VI. Sound Transit Inventory Scenarios: How to Consider Scale (1 parcel vs. master development)**
- VII. 2017 Upcoming Transactions**
- a. First Hill
 - b. Roosevelt
 - c. Operations Maintenance Facility East
 - d. Future Projects

Board Discussion: What guiding principles should be considered in determining the method of offer? Are the paths for First Hill, Roosevelt and OMFE clear?

AGENDA

CHAIR

Dave Somers
Snohomish County Executive

VICE CHAIRS

John Marchione
Redmond Mayor

Marilyn Strickland
Tacoma Mayor

BOARD MEMBERS

Nancy Backus
Auburn Mayor

Claudia Balducci
King County Councilmember

Fred Butler
Issaquah Mayor

Dow Constantine
King County Executive

Bruce Dammeier
Pierce County Executive

Dave Earling
Edmonds Mayor

Rob Johnson
Seattle Councilmember

Kent Keel
University Place Mayor Pro Tem

Joe McDermott
King County Council Chair

Roger Millar
Washington State Secretary of Transportation

Mary Moss
Lakewood Councilmember

Ed Murray
Seattle Mayor

Paul Roberts
Everett Councilmember

Dave Upthegrove
King County Councilmember

Peter von Reichbauer
King County Councilmember

CHIEF EXECUTIVE OFFICER

Peter M. Rogoff

BOARD ADMINISTRATOR

Kathryn Flores

4:15 PM VIII. Summary & Next Steps

4:30 PM IX. Adjourn

ST3 System Plan Language

Transit-Oriented Development (TOD)

Development around transit investments represents a significant opportunity to shape communities that attract jobs and housing opportunities affordable at a range of incomes, increase transit ridership and improve equitable access to opportunities for current and future residents.

Construction for Sound Transit 3 will take place during a period of dramatic regional growth, especially among transit-dependent communities. Under this plan, **Sound Transit will implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities adjacent to Sound Transit stations** that is consistent with transit-oriented development plans developed with the Puget Sound Regional Council (PSRC), the regional transportation planning organization within Sound Transit's boundaries. The necessary board policy changes for implementation must be completed within 18 months of voter approval of this system plan. Sound Transit will use such plans as the 2013 Growing Transit Communities Strategy to inform the content and implementation of its TOD strategy. The Plan allocates funds to support collaborative planning for TOD at the transit capital project development stage, as well as for planning and pre-development activities on agency-owned properties that may be developed as TOD. **Sound Transit will pursue and implement land disposition and development strategies that reduce the cost of affordable housing development, increase transit ridership and otherwise work to leverage and increase the impact of other state, federal and local affordable housing funders, and are consistent with retention of federal grant funds where appropriate.** Sound Transit's policies will specifically promote equitable TOD by:

- + Coordinating with the local land use authority so that TOD activity on Sound Transit property considers and is consistent with, local land use plans, policies and goals and the local community's established vision for growth.
- + Working with local governments, housing authorities, non-profit developers, community organizations and others to **implement a regional equitable transit-oriented development strategy for diverse, mixed-use, mixed-income communities** as required under RCW 81.112.350, consistent with adopted applicable regional and local plans and policies and PSRC's Growing Transit Communities Strategy.
- + Incorporating TOD objectives adopted by the Sound Transit Board as part of the selection criteria during land acquisition to ensure that, where possible, property that is necessary to construct or operate the transit facility, but that may later become surplus, is supportive of its reuse for TOD.
- + Using TOD objectives adopted by the Sound Transit Board, including consideration of local government TOD supportive land use policy and regulation, to analyze and inform alignment and station location decisions in order to support development of mixed-income, mixed-use communities around transit stations.

- + **Offering surplus properties that it deems suitable for housing for either transfer at no cost, sale or long-term lease first to local governments, housing authorities and non-profit developers to develop affordable housing** regardless of acquisition date, in accordance with RCW 81.112.350.
- + Seeking input through public engagement that informs, involves and empowers people and communities. Inviting people to play an active role in shaping the development process of surplus property in the community.
- + Developing policies that evaluate proposals to develop surplus property. The evaluation criteria **may consider whether the development plan includes space for small businesses or other uses that comprise a diverse, vibrant, mixed-use, mixed-income TOD**. The developer selection criteria may also **consider the types of business and whether jobs proposed for the development pay prevailing wages to the extent consistent with law** and the retention of federal grant funds, where appropriate.
- + **Contributing \$20 million (in year of expenditure dollars) to a regional revolving loan fund to support affordable housing creation.**
- + Funding TOD activities in capital projects to ensure adequate consideration and planning for development have occurred as a part of capital projects.
- + Updating policies to require TOD potential and opportunities to be analyzed and incorporated consistent with law and grant requirements throughout the planning and design process.
- + Developing station design policies that appropriately facilitate and accommodate TOD on and adjacent to agency-owned properties. This includes planning for station areas designed to evolve over time as the communities Sound Transit serves mature and transition from auto-dependent to multimodal station access.

ST3 Plan Funding:

Project-level

TOD allowance: The cost estimates for the projects described in the Sound Transit 3 Plan include allowances to fund appropriate TOD planning activities for each location expected to have surplus property.

System-wide

TOD fund: The Sound Transit 3 Plan includes a TOD fund of \$20 million (2014\$) to incorporate TOD considerations during land acquisition to ensure that, where possible, property that may later become surplus is supportive of its reuse for TOD.

ST3 System Plan – Appendix D – Social, Economic and Environmental Impacts; Integration with Regional Land Use; Transit-Oriented Development

Transit-oriented development is a programmatic component of the ST3 system plan that complements capital project development and guides the disposition of surplus property.

Sound Transit completed a TOD Program Strategic Plan in 2010, which introduced the policy framework for the TOD work program within the context of Sound Transit's mission to implement regional high capacity transit.

Sound Transit's Board adopted a Transit-Oriented Development Policy in December 2012 through Resolution No. R2012-24. This provides the policy foundation for how the agency approaches integrating transit infrastructure and local and regional land use development.

The TOD Policy guides the agency to work toward the following goals:

- + Increase the value and effectiveness of transit by increasing transit ridership;
- + Support economic development efforts;
- + Further implement state, regional and local growth plans, policies and strategies;
- + Foster relationships with regional and local stakeholders;
- + Encourage creation of housing options including market-rate and affordable units;
- + Advance related Sound Transit plans and policies, with an emphasis on the agency's Sustainability Plan;
- + Protect and enhance Sound Transit's assets and investments;
- + Encourage convenient, safe multi-modal access to the transit system, with an emphasis on non-motorized access.

Sound Transit updated its TOD strategic plan in 2014 to reflect the 2012 TOD Policy.

Regional plans and policies, including those of the Puget Sound Regional Council (PSRC), encourage equitable transit communities. The PSRC's Growing Transit Communities Strategy (GTCS), adopted in 2013 and to which Sound Transit is a signatory, defines "transit community" as the approximately one-half mile area around a high-capacity transit station. **Equitable transit communities are further described as:**

"...mixed-use, transit-served neighborhoods that provide housing and transportation choices and greater social and economic opportunity for current and future residents. Although generally defined by a half-mile walking distance around high-capacity transit stations, they exist within the context of larger neighborhoods with existing residents and businesses. These communities promote local community and economic development by providing housing types at a range of densities and affordability levels, commercial and retail spaces, community services, and other amenities that are integrated into safe, walkable neighborhoods." (PSRC Growing Transit Communities Strategy)

The state legislature amended Sound Transit's enabling legislation in July 2015, directing the agency to advance transit-oriented development goals, setting forth specific financial and procedural requirements, and **giving new tools to the agency to advance equitable development through prioritizing affordable housing in surplus property disposition.**

TOD Components within ST3

Transit planning and transit project development

Consistent with the 2015 amendments to the Sound Transit enabling legislation (RCW 81.112.350), **Sound Transit will “implement a regional equitable TOD strategy for diverse, vibrant, mixed-use and mixed-income communities** consistent with TOD plans developed with community input by any regional transportation planning organization within the regional transit authority boundaries.” This strategy includes transit planning and project development.

Sound Transit 3 distributes \$12 million (2014\$) among identified capital projects to support inclusive and collaborative planning for TOD during the transit project planning and development stages. These funds will be available for:

- + Considering TOD opportunities throughout the alternatives analysis, conceptual station design and preliminary engineering processes.
- + Where appropriate during the property acquisition phase, considering TOD potential on property that is necessary to construct or operate the transit facility, but that may later become surplus to construction-related or ongoing transit operations to increase the likelihood that it is supportive of being used for TOD.
- + Evaluating alternative land development strategies that meet Sound Transit’s ongoing and construction property needs and facilitates for the realization of equitable transit-oriented development in station areas.
- + Using TOD objectives adopted by the Sound Transit Board, including consideration of local government TOD supportive land use policy and regulation, to analyze and inform alignment and station location decisions in order to support development of mixed-income, mixed-use communities around transit stations.
- + Developing station design policies that appropriately facilitate and accommodate TOD on and adjacent to agency-owned properties in light of the space needs of transit-supportive facilities and services as well as local community development plans and priorities. This includes planning for station areas designed to evolve over time as the communities Sound Transit serves mature and transition from auto-dependent to multimodal station access.
- + Working with local jurisdictions on station area planning, zoning, and/or other opportunities to leverage the ST3 transit investment to support local and regional growth plans.
- + Seeking input through public engagement that informs, involves and empowers people and communities. Inviting people to play an active role in shaping Sound Transit alignment and station design plans. **Sound Transit will make efforts to include organizations and affordable housing developers who represent communities most at risk for displacement, including low-income communities, communities of color and immigrants and refugees.**

Surplus property

During acquisition of land sufficient to construct and operate the transit facility, Sound Transit will consider how potential surplus property after construction may be used for TOD, including such factors as size, configuration and relationship to the future transit facility. Sound Transit 3 allocates \$20 million (\$2014) to support TOD program activities with respect to planning and pre-development activities on surplus property, air rights and joint development sites. Sound Transit 3 provides funding for TOD analysis and support beyond the early project development phase of transit capital development. The program will fund pre-development activities, community engagement and planning activities required to prepare TOD surplus properties or air rights for sale, lease or transfer.

As required in RCW 81.112.350(1)(b)(i), when Sound Transit disposes or transfers any surplus property, regardless of the date of acquisition, **a minimum of 80 percent of the surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, will be offered for either transfer at no cost, sale or long-term lease first to “qualified entities” that agree to develop affordable housing on the property**, consistent with local land use and zoning laws. A “qualified entity” is a local government, housing authority or nonprofit developer. “Affordable housing” is long-term housing for persons, families or unrelated persons living together whose adjusted income is at or below 80 percent of the median income, adjusted for household size, for the county where the housing is located.

As required in RCW 81.112.350(1)(b)(ii), if a qualified entity receives surplus property after Sound Transit offers the property as provided in RCW 81.112.350(1)(b)(i):

- + Sound Transit **will require that a minimum of 80 percent of the housing units constructed on the property be dedicated to affordable housing.**
- + If a qualified entity sells property or development rights obtained through RCW 81.112.350(1)(b) it must use the **proceeds from the sale to construct affordable housing within one-half mile of a light rail station or transit station.**

The surplus property disposition requirements described above will not apply to property to be transferred to governments or third parties in order to facilitate permitting, construction or mitigation of high-capacity transportation facilities and services. Sound Transit will work in good faith to implement all the requirements of RCW 81.112.350, but it is not required to comply with a requirement of RCW 81.112.350(1)(b)(i) or (ii) imposing surplus property disposition requirements, if the requirement is in conflict — as determined by the relevant federal agency — with provisions of the applicable Federal Transit Administration master grant agreement, Federal Transit Administration Full Funding Grant Agreement with Sound Transit, or the equivalent Federal Railroad Administration agreement necessary to establish or maintain eligibility for a federal grant program.

Sound Transit **will send a report** to the appropriate legislative committee and post a report on its website at the end of each fiscal quarter detailing the following activities:

- + Any transfers of property that have occurred in the previous fiscal quarter pursuant to RCW 81.112.350(1)(b).
- + **Any progress in implementing the agency's regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities as set forth in the ST3 Plan.**

Sound Transit **will advance equitable TOD projects** on surplus property, air rights and joint development sites by:

- + Working with local governments, housing authorities, non-profit developers community organizations and others to **implement a regional equitable transit-oriented development strategy for diverse, mixed-use, mixed-income communities** as required under RCW 81.112.350, consistent with the Growing Transit Communities Strategy and other applicable regional and local plans and policies.
- + Incorporating TOD objectives adopted by the Sound Transit Board as part of the selection criteria during land acquisition to ensure that, where possible, property that is necessary to construct or operate the transit facility, but that may later become surplus is supportive of its reuse for TOD.
- + **Offering surplus properties that it deems suitable for housing to be offered for either transfer at no cost, sale, or long-term lease first to local governments, housing authorities and non-profit developers to develop affordable housing,** regardless of acquisition date, in accordance with RCW 81.112.350.
- + Sound Transit will seek input through public engagement that informs, involves and empowers people and communities. Inviting people to play an active role in shaping criteria to govern the development of surplus property in the community. Sound Transit will make efforts to **include organizations and affordable housing developers who represent communities most at risk for displacement, including low-income communities, communities of color, immigrants and refugees.**
- + Developing policies that evaluate proposals to develop surplus property. The evaluation **criteria may consider whether the development plan includes space for small businesses or other uses that comprise a diverse, vibrant, mixed use, mixed-income TOD. The developer selection criteria may also consider the types of business and whether jobs proposed for the development pay prevailing wages to the extent consistent with law and the retention of federal grant funds, where appropriate.**
- + Funding TOD activities in capital projects to ensure appropriate consideration and planning for development have occurred.

Affordable housing funding

Sound Transit will contribute a total of \$20 million (\$4 million annually for five consecutive years beginning within three years of voter approval of the ST3 plan; year of expenditure dollars) to a **revolving loan fund to support development of affordable housing opportunities related to equitable transit-oriented development** within the boundaries of the Sound Transit District.

2013 Growing Transit Communities Strategy

2013 Growing Transit Communities Strategy

(page 5)

“Working with the Equity Network, the GTC Partnership has defined a vision for ‘equitable transit communities’:

Equitable transit communities are **mixed-use, transit-served** neighborhoods that provide **housing and transportation choices** and greater **social and economic opportunity** for current and future residents. Although generally defined by a half-mile walking distance around high-capacity transit stations, they exist within the context of larger neighborhoods with existing residents and businesses.

These communities promote local community and economic development by providing **housing types at a range of densities and affordability levels, commercial and retail spaces, community services, and other amenities** that are integrated into **safe, walkable neighborhoods**.

Successful equitable transit communities are created through inclusive planning and decision-making processes, resulting in development outcomes that accommodate future residential and employment growth, increase opportunity and mobility for existing communities, and enhance public health for socially and economically diverse populations”

(page 9)

“The GTC Partnership articulated three goals to direct progress toward creating thriving and equitable transit communities across the region:

1. Attract more of the region's **residential and employment growth** to high capacity transit communities.
2. Provide **housing choices affordable to a full range of incomes** near high-capacity transit.
3. **Increase access to opportunity** for existing and future residents of transit communities.”

RCW 81.112.350

Transit-oriented development strategy system plan—Requirements—Definitions—Quarterly reports.

(1) A regional transit authority that includes a county with a population of more than one million five hundred thousand must develop and seek voter approval for a system plan, which meets the requirements of any transportation subarea equity element used by the authority, to implement a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities consistent with transit-oriented development plans developed with community input by any regional transportation planning organization within the regional transit authority boundaries. This system plan, which must be part of any authorizing proposition submitted to the voters after July 15, 2015, must include the following:

(a) The regional transit authority must contribute at least four million dollars each year for five consecutive years beginning within three years of voter approval of the system plan to a revolving loan fund to support the development of affordable housing opportunities related to equitable transit-oriented development within the boundaries of the regional transit authority.

(b)(i) A requirement that when a regional transit authority disposes or transfers any surplus property, including, but not limited to, property acquired prior to July 15, 2015, a minimum of eighty percent of the surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, must be offered for either transfer at no cost, sale, or long-term lease first to qualified entities that agree to develop affordable housing on the property, consistent with local land use and zoning laws.

(ii)(A) If a qualified entity receives surplus property from a regional transit authority after being offered the property as provided in (b)(i) of this subsection, the authority must require a minimum of eighty percent of the housing units constructed on property obtained under (b)(i) of this subsection to be dedicated to affordable housing.

(B) If a qualified entity sells property or development rights obtained through (b)(i) of this subsection, it must use the proceeds from the sale to construct affordable housing within one-half mile of a light rail station or transit station.

(c) A requirement that the regional transit authority must work in good faith to implement all requirements of this section, but is not required to comply with a requirement imposed by (b)(i) or (ii) of this subsection if the requirement is in conflict, as determined by the relevant federal agency, with provisions of the applicable federal transit administration master grant agreement, federal transit administration full funding grant agreement with the regional transit authority, or the equivalent federal railroad administration agreement necessary to establish or maintain eligibility for a federal grant program.

(d) A requirement that (b) of this subsection does not apply to property to be transferred to governments or third parties in order to facilitate permitting, construction, or mitigation of high-capacity transportation facilities and services.

(2) For the purposes of this section:

(a) "Affordable housing" means long-term housing for persons, families, or unrelated persons living together whose adjusted income is at or below eighty percent of the median income, adjusted for household size, for the county where the housing is located.

(b) "Qualified entity" means a local government, housing authority, and nonprofit developer.

(3) A regional transit authority implementing subsection (1)(b) of this section must, at the end of each fiscal quarter, send a report to the appropriate committees of the legislature and post a report on its web site detailing the following activities:

(a) Any transfers of property that have occurred in the previous fiscal quarter pursuant to subsection (1)(b) of this section; and

(b) Any progress in implementing any regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities approved by the voters pursuant to this section.

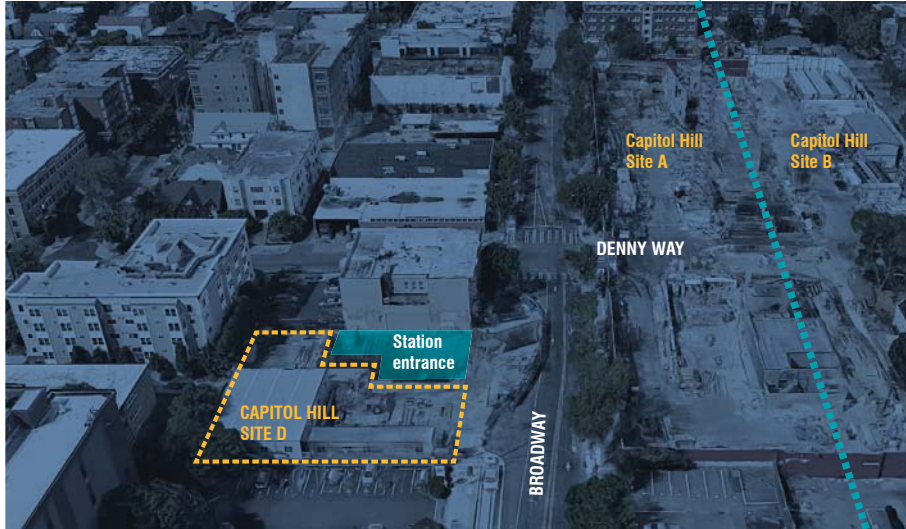
Sound Transit TOD Current and Potential Inventory

Project	Corridor	Parcel	Block (< 2 acres)	Master (> 2 acres)	Approximate Offer Timing
Roosevelt Station – Central TOD site	Central	+			2017
First Hill – TOD site	Central	+			2017
Capitol Hill Station – TOD Site D	Central	+			2017
Columbia City Station – TOD sites	Central	+			2017
Angle Lake Station – TOD site	South	+			2017
Airport Kiss & Ride Station – TOD air space opportunity	South	+			2017
OMF East – TOD sites	East			+	2018
Redmond Technology Center Station – TOD site	East	+			2018
Mount Baker Station – TOD sites	Central		+		2018
Overlake Village Station – TOD site	East		+		2018-2019
Shoreline/185 th Station – TOD site	North	+			2018-2019
U District Station – Roosevelt Way site	Central	+			2018-2019
Kent Sounder Station – Potential TOD site	South	+			2018-2019
Pine Street Triangle – TOD site	Central	+			2018-2019
Roosevelt Station – North and South TOD sites	Central	+			2019
Northgate Station – Potential TOD site	Central		+		2019-2020
Lynnwood Transit Center – Potential TOD sites	North			+	2019-2020
Kent-Des Moines Station – Potential TOD sites	South			+	2019-2020
Federal Way Transit Center – Potential TOD sites	South			+	2019-2020
Southeast Redmond Station – Potential TOD sites	East			+	2019-2020

Background

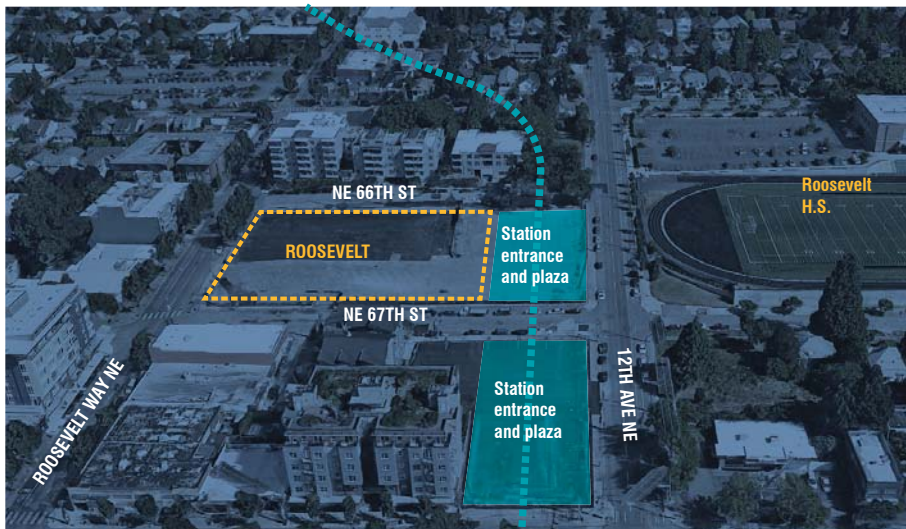
TOD Project Portfolio

2017 Offerings



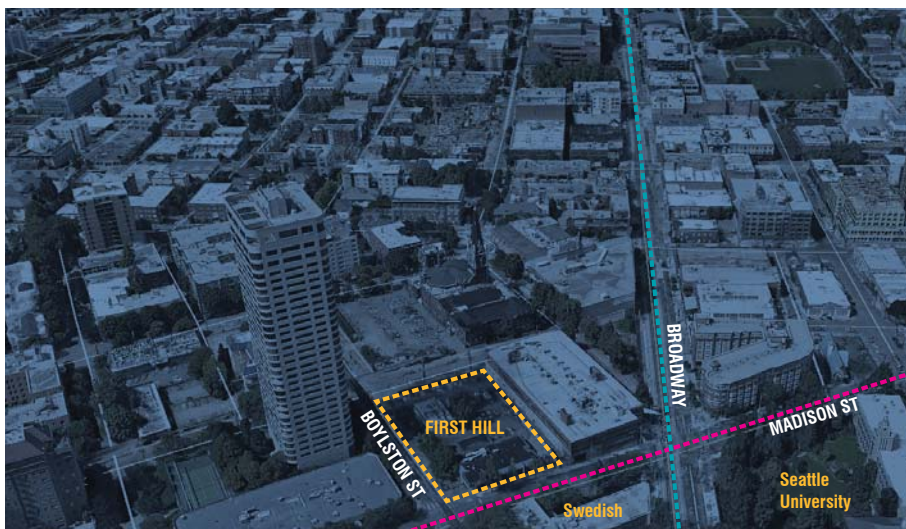
Capitol Hill Site D

Site Area	10,383 SF (0.24 acres)
Zoning/ Program	NC3-P-40 Neighborhood Commercial 3 38 units (est.)
Nearest Station	Capitol Hill



Roosevelt Central

Site Area	53,000 SF (1.2 acres)
Zoning/ Program	NC3-P-85 Neighborhood Commercial 3 200-300 total units (est.)
Nearest Station	Roosevelt



First Hill

Site Area	21,000 SF (0.48 acres)
Zoning/ Program	NC3-P-160 Neighborhood Commercial 3 120-250 total units (est.)
Nearest Station	Capitol Hill

TOD Project Portfolio

2017 Offerings



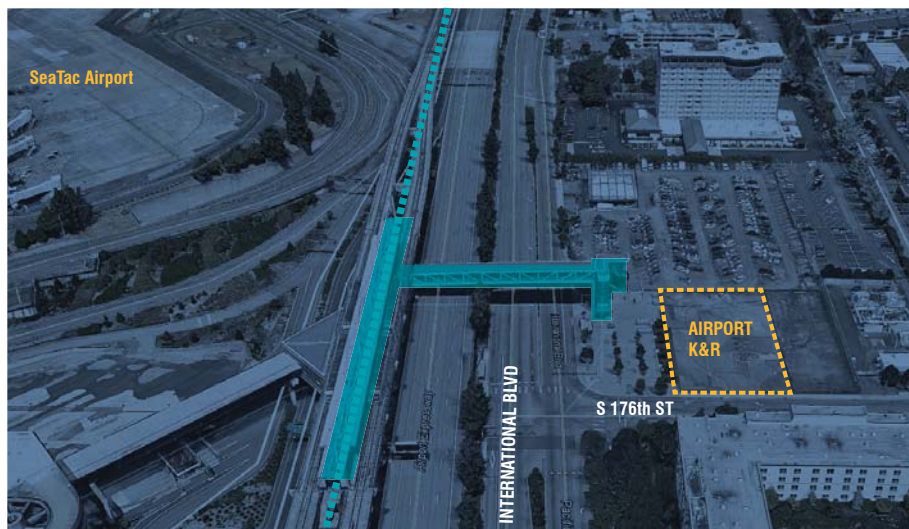
Columbia City

Site Area	34,966 SF (0.80 acres)
Zoning/ Program	LR-2 / LR-3 Multifamily residential/ Townhome 35-53 total units (est.)
Nearest Station	Columbia City



Angle Lake

Site Area	34,000 SF (0.78 acres)
Zoning/ Program	ABC Aviation Business 100-125 total units (est.)
Nearest Station	Angle Lake



Airport Kiss & Ride

Site Area	19,428 SF (0.45 acres)
Zoning/ Program	CB-C Community Business in Urban Center
Nearest Station	Airport Station

TOD Project Portfolio

Complete Projects



Senior City

Location	Federal Way Transit Center
Developer	Korean Women's Association
Program	62 affordable units (Senior - 1 BR) 3,125 SF common room
Site Area	30,834 SF (0.71 acres)
Project Cost	\$16.9 million



Mount Baker Lofts

Location	Mount Baker Station
Developer	Artspace USA
Program	57 affordable units (Artist's studio) 10,000 SF retail (12 bays)
Site Area	23,064 SF (0.53 acres)
Project Cost	\$18 million



Othello Plaza

Location	Othello Station
Developer	Mercy Housing Northwest
Program	108 affordable units (1-3 BR at 30%-80% AMI) 7,450 SF retail
Site Area	31,870 SF (0.73 acres)
Project Cost	\$29.8 million

TOD Project Portfolio

Projects In Progress



Capitol Hill

Location	Capitol Hill Station
Developer	Gerding Edlen Capitol Hill Housing
Program	418 mixed-income units (266 market-rate, 152 affordable) 30,000 SF retail
Site Area	105,890 SF (2.43 acres)

RESOLUTION NO. R2012-24

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority establishing a policy to guide evaluation, facilitation and implementation of transit-oriented development during planning, designing, building and operating the high-capacity regional transit system, and superseding Motion No. M99-60 and Motion No. 98-25.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit's primary responsibility is to complete and expand the high-capacity transit system to deliver transit service that connects the region's urban centers, which is a key step toward meeting local and regional land use goals; and

WHEREAS, the basis for Sound Transit's involvement in transit-oriented development (TOD) is informed by the agency's enabling legislation (RCW 81.104 and 81.112), which provides Sound Transit the authority to use its tax revenues for transit purposes and also guides the agency, in cooperation with public and private interests, to promote transit-compatible land uses and development, which includes joint development; and

WHEREAS, Sound Transit established a TOD program shortly after passage of Sound Move in 1996 in response to the enabling legislation, including adoption of Board policies and guidelines by Motion No. 98-25 and Motion No. M99-60; and

WHEREAS, the Sound Transit Board wishes to establish a new TOD Policy that provides a framework in which Sound Transit will evaluate, facilitate and implement TOD strategies through

cooperation and partnerships with public and private entities, as allowed by applicable laws, regulations, plans and policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Transit-Oriented Development Policy (Attachment A) is adopted; transit-oriented development should be evaluated, facilitated and implemented where appropriate, during planning, design, construction and operation of the high-capacity transit system; and Motion No. M99-60 and Motion No. 98-25 are superseded.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 20, 2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator

Sound Transit Transit-Oriented Development (TOD) Policy

SECTION 1: PURPOSE

The Transit-Oriented Development (TOD) Policy establishes a framework in which Sound Transit will evaluate, facilitate and implement TOD strategies as the agency plans, designs, builds and operates the regional transit system, through cooperation and partnerships with public and private entities, as allowed by applicable laws, regulations, plans and policies.

TOD is a land development pattern that integrates transit and land use by promoting transit ridership while supporting community land use and development visions. TOD strategies focus urban growth around transit facilities and leverage transit investments to help produce regional and local benefits, such as increases in transit ridership, development of walkable communities, improved access to jobs and economic opportunities, and reduced household driving and thus lowered regional congestion, air pollution and greenhouse gas emissions.

Sound Transit's primary responsibility is to complete and expand the high-capacity transit system to deliver transit service that connects the region's urban centers, which is a key step toward meeting local and regional land use goals. The basis for Sound Transit's involvement in TOD is informed by the agency's enabling legislation (RCW 81.104 and 81.112). Pursuant to the legislation, Sound Transit is authorized to plan, design, build and operate the regional transit system and to use its tax revenues for transit purposes. The legislation also guides Sound Transit to work with public and private interests to facilitate TOD. For example, Sound Transit is guided to work with local jurisdictions to set forth conditions for assuring land uses compatible with development of high-capacity transportation systems, such as providing for sufficient land use densities through local actions in high-capacity transit corridors and near passenger stations, preserving transit rights-of-way, and protecting the region's environmental quality. Additionally, the legislation guides the agency, in cooperation with public and private interests, to promote transit-compatible land uses and development, which includes joint development.

This policy provides guidance on the goals, strategies and tools that Sound Transit may use to evaluate, facilitate and implement TOD as it delivers the regional transit system.

SECTION 2: GOALS

Through implementation of its TOD policy, Sound Transit will work toward goals including:

- Increase the value and effectiveness of transit by increasing transit ridership.
- Support implementation of state, regional and local growth plans, policies and strategies.
- Foster relationships with local jurisdictions, regional agencies, private developers, local residents, businesses, community groups and other stakeholders to facilitate TOD.
- Encourage convenient, safe multi-modal access to the transit system, with an emphasis on non-motorized access.
- Support economic development efforts.
- Encourage creation of housing options including market-rate and affordable units.
- Support implementation of other related Sound Transit plans and policies, with an emphasis on the agency's Sustainability Plan.
- Protect and enhance Sound Transit's assets and investments.

SECTION 3: STRATEGIES

- A. Sound Transit will work cooperatively to evaluate and facilitate TOD strategies on its own property and in areas around its transit facilities through participation in two types of TOD strategies – Agency TOD and Community TOD (see also Section 7: Definitions). The distinction between Agency TOD and Community TOD strategies is intended to clarify the roles that Sound Transit may play in evaluating and facilitating TOD, recognizing that TOD may, and often does, involve a combination of actions by the transit agency, local and regional government involvement, and private and public development. Sound Transit will foster coordination, cooperation, and partnerships with public and private interests to advance both Agency TOD and Community TOD strategies.
1. **Agency TOD:** Agency TOD strategies facilitate or create TOD on Sound Transit property that has been acquired for a transit purpose. Agency TOD may include joint development and other partnerships. Sound Transit takes the lead role in identifying and implementing Agency TOD strategies.
 2. **Community TOD:** Community TOD strategies support and promote TOD within the larger area around a Sound Transit facility (generally ½ mile, or a 10-15 minute walk, around a transit facility and along corridors that provide key connections to the regional transit system.) Community TOD strategies may be identified and implemented by Sound Transit or by others and may include partnerships. Sound Transit may take either a lead or a support role in identifying and implementing Community TOD strategies.
- B. Sound Transit will assess TOD early in system planning, throughout all phases of its transit projects and during transit system operations and will document evaluations and decisions regarding TOD in coordination with the Phase Gate process.
- C. Sound Transit will allocate sufficient resources and develop a strategic plan, procedures and guidelines to implement a TOD program consistent with Board-adopted policies and in the context of its financial plan.
- D. Sound Transit staff will report at least annually to the Sound Transit Board to inform the Board on TOD activities and progress toward TOD goals, and to seek direction on implementation priorities.

SECTION 4: TRANSIT SYSTEM PLANNING

- A. **Assessing TOD in Transit System Plans and Studies.** Sound Transit will assess opportunities to encourage TOD through further development and expansion of the transit system. During development of and updates to the Regional Long-Range Plan, System Plans, and Corridor Studies, Sound Transit will:
1. Ensure that these plans and studies are consistent with state, regional and local urban growth strategies.
 2. Identify Agency and Community TOD opportunities and strategies based on information available at the time of plan development, including input from stakeholders.
 3. Assess the extent to which future expansion of the transit system may encourage achievement of Agency and Community TOD opportunities and strategies.

4. Ensure that evaluation criteria for transit plan alternatives include TOD measures.
5. Inform and involve the Sound Transit Board and the public on how plan and study alternatives affect achievement of TOD goals.
6. Record decisions to inform decision making on future plans and projects.

B. Coordination and Cooperation. Sound Transit will foster coordination and cooperation with other governmental entities, communities, and the private sector to encourage and facilitate TOD. Coordination and cooperation will seek to:

1. Identify and preserve right-of-way for transit facilities.
2. Develop regional and local policies and plans that support TOD.
3. Assess whether plans and policies are leading to achievement of the adopted regional and local growth strategies.
4. Develop and implement financial, land use and other strategies and tools to encourage and implement TOD.
5. Develop and implement stakeholder involvement and advocacy strategies.

SECTION 5: TRANSIT PROJECT DEVELOPMENT

A. Assessing TOD during Project Development. As Sound Transit progresses through the project development phases of its transit facilities, the agency will study TOD potential and identify and implement Agency and Community TOD strategies. Sound Transit will:

1. Identify and document Agency and Community TOD opportunities and strategies based on information available at the time of plan development, including input from stakeholders.
2. Assess the extent to which development of alignments, station locations, and transit support facilities affect and support implementation of Agency and Community TOD strategies.
3. Ensure that evaluation criteria for project alternatives include TOD measures.
4. Inform and involve the Sound Transit Board and the public on how project alternatives affect achievement of TOD goals.
5. Record decisions to inform further project development and decision making.

B. Alternatives Identification and Conceptual Engineering. During identification of alternatives and conceptual engineering of projects, Sound Transit will assess Agency and Community TOD opportunities and strategies in the context of:

1. Transit facility physical elements, including:
 - a. Physical needs, footprints and profile (at-grade, elevated, tunnel) of each transit facility.
 - b. Needs for construction staging and operation of the transit facility and transit support facilities.
 - c. Transit support facilities to provide multi-modal access to the facility, consistent with Sound Transit's system access policies.
2. Transit system performance measures, including transit ridership.
3. Adopted and formally proposed regional and local plans and policies, including:
 - a. Regional transportation and land use plans.
 - b. Local land use plans, policies and development regulations.
 - c. Local short- and long-range capital plans, and financing capacity.
4. Project scopes, schedules and budgets and agency financial resources.
5. Real estate development market characteristics, including development trends and market studies.
6. Community and stakeholder input.

- C. Preliminary Engineering and Final Design.** During preliminary engineering and final design, Sound Transit will identify options to incorporate Agency TOD into project delivery and/or engage in other Agency or Community TOD strategies and discuss options with the Sound Transit Board in coordination with the Phase Gate process. Sound Transit will assess Agency and Community TOD opportunities and strategies in the context of:
1. Project scope, schedule and budget and agency financial resources.
 2. Delivery of other elements of the regional transit system.
 3. Transit ridership and farebox revenue.
 4. The ability to create a favorable financial return to Sound Transit and to realize revenue assumed in agency financial plans for property disposal.
 5. Multi-modal access to the transit system, especially non-motorized access.
 6. Adopted and formally proposed regional and local plans and policies.
 7. Real estate market characteristics and feasibility analysis.
 8. Opportunities to be a catalyst for other TOD activities.
 9. Opportunities to enter into mutually beneficial partnerships.
- D. Cooperation and Partnerships.** Sound Transit will coordinate, cooperate and consider partnerships with public and private interests to identify and implement Agency and Community TOD strategies. Sound Transit will assess, on a voluntary basis, whether to enter into TOD partnerships. Sound Transit generally defines a TOD partner as a public or private entity that adequately shares in risks and benefits, and that commits time and financial resources for the purpose of leveraging Sound Transit projects to meet TOD goals. Prior to entering a TOD partnership, Sound Transit will consider:
1. Whether there is sufficient Sound Transit staff time and financial resources available for initiating, evaluating, and implementing the partnership.
 2. Evidence that the prospective partner has the financial and technical capacity and capability specifically for the purpose of initiating, evaluating and implementing the partnership.
 3. Whether the specific goals, expected outcomes, and duration of the partnership would meet Sound Transit TOD policy.
 4. Whether Sound Transit and the prospective partner have any mutually exclusive goals or objectives.
 5. Whether Sound Transit and the prospective partner adequately share in both risks and benefits of the partnership.
 6. That the benefits of the partnership exceed the efforts of the partners.
 7. That the partnership meets all applicable laws, regulations, plans and policies.
- E. Considering TOD in property acquisition, use and disposition.** Sound Transit acquires real property for transit purposes. Sound Transit may consider TOD in selecting among otherwise reasonable alternatives for the acquisition, use and disposition of land. During the TOD assessment process, Sound Transit will consider how the siting, configuration or design of a transit facility may affect or facilitate:
1. Availability of air rights for TOD.
 2. Availability of property for TOD that may become surplus to transit project needs.
 3. Access and connections between the transit facility and adjacent uses.

SECTION 6: TRANSIT SYSTEM OPERATIONS

- A. Implementing and Assessing TOD.** During operation of the transit system, Sound Transit may implement previously identified TOD strategies and identify new strategies at existing

and proposed Sound Transit facilities. Sound Transit may assess Agency and Community strategies as transit system develops and as conditions change, based on evaluation of factors including:

1. Adopted transit system plans.
2. Ridership studies and trends.
3. State, regional and local plans and policies.
4. Transit system access needs, consistent with agency access policy.
5. Real estate market conditions.

B. Disposition of Surplus Property. The TOD assessment process conducted during planning and project development should inform the appropriate use of real property to facilitate TOD where opportunities are determined to exist. Sound Transit will follow its real property disposition policies, procedures and guidelines for disposition of surplus property.

SECTION 7: DEFINITIONS

Corridor Study: Corridor studies of alignments, modes and station locations help narrow the range of high-capacity transit alternatives; evaluate potential routes; inform local comprehensive planning; prepare for formal environmental and engineering; and position the Sound Transit Board of Directors to evaluate options and establish the next highest priorities for transit system implementation. Corridor studies generally include public outreach; preliminary environmental assessment and ridership forecasting; and conceptual engineering and cost estimating.

High-Capacity Transit (HCT) System: As provided by 81.104.015 RCW, high capacity transit system means a system of public transportation services within an urbanized region operating principally on exclusive rights-of-way, and the supporting services and facilities necessary to implement such a system, including interim express services and high occupancy vehicle lanes, which taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

Joint Development: Joint development is a formalized relationship between Sound Transit and a public or private entity to include TOD as part of a Sound Transit project or using Sound Transit property. Joint development is further defined in Sound Transit's real property disposition policies, procedures and guidelines.

Phase Gate: Phase Gate is a Sound Transit process which reviews a capital project and determines the readiness of the project to advance to the next stage. The process consists of a series of project phases and gates. Gates represent key transition and/or decision points in a project's progression through design and environmental review, construction, and transition to operations. The process also provides the Board with visibility into projects and control over key project decisions -specifically scope, schedule, and budget.

Regional Long-Range Plan: The Regional Long-Range Plan represents Sound Transit's goals, policies, and strategies to guide the long-term development of the HCT system. It guides how the Sound Transit system can best address the region's mobility needs and support growth management objectives. The long-range plan is implemented in a series of phases and is updated over time.

System Plan: System plans are those submitted to the voters for approval (e.g., *Sound Move*, ST2) that address the types of HCT to be provided; identify alignments and station locations;

describe performance characteristics of modes included; present ridership forecasts; detail a financing plan with the phasing and costs of each HCT line; describe the relationship of HCT and land use plans; assess impacts; and describe mobility characteristics of the transit system.

Transit-Oriented Development (TOD): TOD is a land development pattern that integrates transit and land use by promoting transit ridership while supporting community land use and development visions. TOD typically consists of public and private development projects that create dense, pedestrian-oriented environments with a mix of land uses and activities at and around transit facilities. The design, configuration and mix of buildings and activities around the transit facility, as well as the location and design of the transit facility, should encourage people to use transit and foster a healthy, livable environment. TOD is generally focused on land within approximately one-half mile, or 10- to 15 minute walk, of a transit facility and along corridors that provide key connections to the regional transit system.

Sound Transit may participate in Agency and Community TOD strategies, as illustrated below:

	AGENCY TOD	COMMUNITY TOD
Definitions	Agency TOD strategies facilitate or create TOD on Sound Transit property that has been acquired for a transit purpose. Agency TOD may include joint development and other partnerships.	Community TOD strategies promote and facilitate TOD within the larger area around a Sound Transit facility (typically ½ mile, or a 10-15 minute walk, around a transit facility and along corridors that provide key connections to the regional transit system.) Community TOD strategies may be identified and implemented by Sound Transit or by others and may include partnerships.
Roles	Sound Transit takes the lead role in identifying and implementing Agency TOD strategies. Sound Transit may consider delegating to a partner a prominent role in implementing certain aspects of a partnership, as agreed by the partners.	Sound Transit may take either a lead or a support role in identifying and implementing Community TOD strategies.
Example Activities	<p>Implementing Agency TOD strategies may consist of activities such as:</p> <ul style="list-style-type: none"> • Sound Transit evaluating TOD potential associated with development of plans and projects. • Sound Transit creating joint development or other partnerships to sell or lease transit property or air rights for development. • Sound Transit conducting market, feasibility, and due diligence studies on properties no longer needed for a transit project. • Sound Transit selling or leasing excess property. • Sound Transit studying TOD case studies and best practices to support Agency TOD efforts. 	<p>Implementing Community TOD strategies may consist of activities such as:</p> <ul style="list-style-type: none"> • Local and regional agencies creating plans, policies and incentives that promote compact, mixed-use development and mix affordable and market-rate housing. • Public or private entities focusing economic and community development activities around transit facilities. • Private developers producing dense, mixed-use development that emphasizes non-motorized access to transit. • Sound Transit cooperating and providing technical assistance to local jurisdictions on station area planning or other efforts. • Sound Transit advocating for TOD through stakeholder involvement or marketing.



TOD Work Program

February 17, 2017

2017 Work Program: Emphasis on TOD

- ST3 Passed with **big plans for TOD** ... Now we **get to work**
- RCW has new requirements regarding affordable housing
- ST3 Plan also has requirements, including a timeline for Board to update policy/procedures, and articulate equitable TOD strategy
- **Today's briefing reviews:**
 - **Proposed process** for applying & implementing new requirements
 - **Work plan w/ Multiple projects** to inform Board choices during 2017/2018

Key considerations for the Board

- Suitability for housing
- Protocol for determining method of offering
- Valuing property
- Reimbursement of federal interest
- Best method to administer Sound Transit's regional revolving loan fund for affordable housing

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Proposed Next Steps:

- TOD Workshop with Board in spring
 - Discussion of new requirements
 - Staff develop tools to help address questions
 - Identification of Board priorities
- Continued refinement of priorities during 2017 work plan:
 - Apply priorities in context of 2017 projects
 - Updates to Board throughout TOD process
- Build staff capacity within TOD program
- Leverage relationships with external and internal stakeholders

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Potential Strategies:

Develop a flexible framework

- No property transactions are the same:
 - Varying market conditions, federal funding levels, physical attributes, land use/zoning requirements
- Establish criteria/checklist to inform “suitable for housing” and method of offering
- Establish methods for valuing property
 - Best practices
 - Delineate federal and local shares
 - Discounting
- Sound Transit administer regional revolving loan fund for affordable housing

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TOD Overview: Board Policy & Oversight

Project Development:
*Assessing & Defining
 TOD Opportunities*



**Construction and
 Redevelopment:**
TOD Offering

Board
 approves
 Project
 Contract

Draft EIS
 released: Board
 directs analysis
 of alternatives

Final EIS issued:
 Board selects
 preferred
 alternative

Record of
 Decision

Board approves property
 surplus and authorizes
 selection of developer

Board
 approves of
 property
 transaction

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TOD Overview

Phase	What We Do
Assessing TOD Opportunities	<ul style="list-style-type: none"> • Provide technical support to project teams and jurisdictions • Assess TOD potential in possible station areas • Identify development partnerships • Evaluation element through project scoping and through project planning
Defining TOD Opportunities	<ul style="list-style-type: none"> • Provide TOD guidance during station design • Define development opportunities on land to be acquired for construction where feasible • Develop framework for partnerships, strategies
TOD Offering	<ul style="list-style-type: none"> • Lead TOD-specific community engagement process • Develop solicitation document • Offer properties • Evaluate proposals • Negotiate transactions

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2017 Project Activity

Assessing TOD Opportunities

- West Seattle to Downtown
- Ballard to Downtown
- I-405 BRT
- SR 522 BRT
- Federal Way to Tacoma

Defining TOD Opportunities

- Downtown Redmond
- Southeast Redmond
- Redmond Tech Center
- Overlake Village
- OMF East
- Lynnwood Transit Center
- Mountlake Terrace
- Shoreline/185th St NE
- Kent-Des Moines
- Federal Way Transit Center
- 130th: Coordination with City of Bellevue

TOD Offering

- Roosevelt
- Capitol Hill – Site D
- First Hill
- Columbia City parcels
- Angle Lake
- Airport Kiss & Ride

Where implementation of new affordable housing requirements need to be considered

