The New Emphasis on Transit-Based Housing Throughout the United States

Michael Bernick and Peter Hall
with Michael Carroll, Subhrajit Guhathakurta, Barbara Hadenfeldt, Asha Jadeja, Jason Munkres, and Robert Schaevitz

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National Transit Assistance Center

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University of California at Berkeley
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National Transit Access Center
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The New Emphasis on Transit-Based Housing Throughout the United States

Introduction

In just the past five years, the idea of utilizing rail transit stations as centers of development, particularly residential development, has attracted increasing attention from city planners and transit districts throughout the United States. The logic is compelling: data on transit-ridership show significantly higher than average transit ridership among commuters who can walk to stations. Further, development at rail transit stations offers an important way out of the housing conundrum common to cities throughout the country: the desire for more housing product, and the opposition to greater housing densities in existing neighborhoods.

This report summarizes the development of transit-based housing and mixed-use development on a number of the major transit lines serving metropolitan areas in North America:

- San Francisco Bay Area Rapid Transit District (BART)
- San Diego Light Rail (San Diego County, California)
- Sacramento Light Rail (Sacramento County, California)
- Los Angeles "Blue Line" Light Rail (Los Angeles County)
- Washington, D.C., Metrorail
- Portland, Oregon, Light Rail
- Atlanta MARTA
- Miami Metrorail
- Boston's MBTA
- Vancouver SkyTrain
CHAPTER 1
San Francisco Bay Area

The following 11 major projects have been built in the past five years within a quarter-mile radius of Bay Area rail transit stations. Each of these projects met the survey criteria of over 50 units in size and over 15 units per acre.

<table>
<thead>
<tr>
<th>Project</th>
<th>Year Built</th>
<th>Number/Type</th>
<th>Units</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission Wells (Pomonti BART)</td>
<td>1989-1991</td>
<td>392</td>
<td>rental</td>
<td>F. Evans</td>
</tr>
<tr>
<td>Texas Commons (Pleasant Hill BART)</td>
<td>1987</td>
<td>510</td>
<td>rental</td>
<td>Trammell Crow</td>
</tr>
<tr>
<td>Veranda Apartments (Union City BART)</td>
<td>1988-1989</td>
<td>360</td>
<td>rental</td>
<td>Oessler Partners</td>
</tr>
<tr>
<td>Wayside Plaza (Pleasant Hill BART)</td>
<td>1985-1986</td>
<td>56</td>
<td>ownership</td>
<td>Desco Group</td>
</tr>
<tr>
<td></td>
<td>1986-1987</td>
<td>60</td>
<td>ownership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1987-1988</td>
<td>60</td>
<td>rental</td>
<td></td>
</tr>
<tr>
<td>Bay Landing (Pleasant Hill BART)</td>
<td>1986-1988</td>
<td>282</td>
<td>rental</td>
<td>Oessler Partners</td>
</tr>
<tr>
<td>The Foothills (South Hayward BART)</td>
<td>1986-1987</td>
<td>188</td>
<td>rental</td>
<td>M.H. Foddell</td>
</tr>
<tr>
<td>Mission Yat Condominiums</td>
<td>1988-1989</td>
<td>52</td>
<td>rental</td>
<td>Marccone &amp; Sons</td>
</tr>
<tr>
<td>(South Hayward BART)*</td>
<td>1988</td>
<td>74</td>
<td>ownership</td>
<td>Summerhill Homes</td>
</tr>
<tr>
<td>Palo Alto Central (Palo Alto CalT+)</td>
<td>1988</td>
<td>273</td>
<td>ownership</td>
<td>Shea Homes</td>
</tr>
<tr>
<td>River Oaks Village (River Oaks SCIL**)</td>
<td>1989</td>
<td>273</td>
<td>ownership</td>
<td></td>
</tr>
<tr>
<td>a. Villagio</td>
<td>1991</td>
<td>941</td>
<td>(rental)</td>
<td></td>
</tr>
<tr>
<td>b. Elan</td>
<td>1989</td>
<td>370</td>
<td>(rental)</td>
<td>Pescutebus</td>
</tr>
<tr>
<td>Villa Montioca (Mt. View CalT*)</td>
<td>1985-1986</td>
<td>248</td>
<td>(rental)</td>
<td>Greiner &amp; Brink Co.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>* CalTrain ** Santa Clara Light Rail</td>
</tr>
</tbody>
</table>

The following four major projects that are proximate to Bay Area rail transit stations are in construction.

<table>
<thead>
<tr>
<th>Project</th>
<th>Expected Opening</th>
<th>Number/Type</th>
<th>Units</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Del Norte Place (Del Norte BART)</td>
<td>August 1992</td>
<td>135</td>
<td>rental</td>
<td>Ibea Group</td>
</tr>
<tr>
<td>Park Regency (Pleasant Hill BART)</td>
<td>November 1992</td>
<td>892</td>
<td>rental</td>
<td>GHIW Properties</td>
</tr>
<tr>
<td>The Gardens (Fremont BART)</td>
<td>August 1992 (first phase)</td>
<td>1,265</td>
<td>(rental)</td>
<td>M.H. Foddell</td>
</tr>
<tr>
<td>Renaissance Village (Planned Vista Montaiza SCIL)</td>
<td>Mid-1993 (first phase)</td>
<td>422 (ownership)</td>
<td>1,120 (rental)</td>
<td>Forest City</td>
</tr>
</tbody>
</table>
A 16th project, San Mateo Center, 358 units, is being developed one block from the San Mateo CalTrain station. San Mateo Center currently is in the Environmental Impact Report stage, to be completed in March 1992.

**Densities**

The densities of the existing 11 projects range from 18 du to 60 du as set out below:

<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type Units</th>
<th>Densities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission Wells (Pryormont BART)</td>
<td>390 (rental)</td>
<td>35 du</td>
</tr>
<tr>
<td>Treat Commons (Pleasant Hill BART)</td>
<td>510 (rental)</td>
<td>63 du</td>
</tr>
<tr>
<td>Veranda Apts. (Union City BART)</td>
<td>360 (rental)</td>
<td>66 du</td>
</tr>
<tr>
<td>Wayside Plaza (Pleasant Hill BART)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Phase 1</td>
<td>36 (ownership)</td>
<td>24 du</td>
</tr>
<tr>
<td>b. Phase 2</td>
<td>60 (ownership)</td>
<td>60 du</td>
</tr>
<tr>
<td>c. Phase 3</td>
<td>60 (rental)</td>
<td>60 du</td>
</tr>
<tr>
<td>Bay Landing (Pleasant Hill BART)</td>
<td>282 (rental)</td>
<td>43 du</td>
</tr>
<tr>
<td>The Foothills (South Hayward BART)</td>
<td>188 (rental)</td>
<td>33 du</td>
</tr>
<tr>
<td>Mission Bay Condominiums (South Hayward BART)</td>
<td>52 (rental)</td>
<td>20 du</td>
</tr>
<tr>
<td>Palo Alto Central (Palo Alto Caltrain)</td>
<td>74 (ownership)</td>
<td>18 du</td>
</tr>
<tr>
<td>River Oaks Village (River Oaks SCLR)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Villagio</td>
<td>273 (ownership)</td>
<td>25 du</td>
</tr>
<tr>
<td>b. Elan</td>
<td>941 (rental)</td>
<td>25 du</td>
</tr>
<tr>
<td>Park Place (Mt. View Caltrain)</td>
<td>570 (rental)</td>
<td>49 du</td>
</tr>
<tr>
<td>Villa Mariposa (Mt. View Caltrain)</td>
<td>248 (rental)</td>
<td>25 du</td>
</tr>
</tbody>
</table>

The projects in construction range in densities from 30 to 72 du.

<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type Units</th>
<th>Densities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Del Norte Place (El Cerrito Del Norte BART)</td>
<td>335 (rental)</td>
<td>50 du</td>
</tr>
<tr>
<td>Park Regency</td>
<td>892 (rental)</td>
<td>72 du</td>
</tr>
<tr>
<td>The Gardens</td>
<td>1,065 (rental)</td>
<td>50 du</td>
</tr>
<tr>
<td>Residences Village (Palmwood Vista Monana SCLR)</td>
<td>421 (ownership)</td>
<td>63 du</td>
</tr>
<tr>
<td></td>
<td>1,120 (rental)</td>
<td></td>
</tr>
</tbody>
</table>

As noted above, the exception to these densities is the proposed San Mateo Center project, which is a proposed 12 stories, and 220 units per acre.
The limited densities in the projects, excepting San Mateo Center, are usually thought of as the result of zoning limitations imposed by local governments. In fact, none of the developers surveyed sought higher densities for their projects. The considerably higher costs incurred in building over four stories, and the perceived lack of a market for higher densities outside of San Francisco and downtown Oakland, have been the main factors in keeping structures at four stories or below, and densities below 70 units per acre.

**Designs**

The existing and planned projects are mainly of three designs:

1. three to four stories of residential, with underground parking;
2. two to three stories of residential above ground-floor retail;
3. three to four stories of residential mixed with retail and commercial; and
4. high-rise residential and retail.

1. **Three or four stories of residential, with underground or ground-level parking.** This is the most frequent design, of such projects as Verandas at Union City (three stories above underground parking), Palo Alto Central at Palo Alto CalTrain (three stories above underground parking), foothills at South Hayward BART (three stories with carports), Mission Wells (three stories above underground parking), Treat Commons at Pleasant Hill BART (three stories with carports), and The Gardens (three stories above underground parking).

   The Gardens, as shown on Figure 1-1, was designed by the San Francisco-based firm of Fisher Friedman Associates; while Treat Commons, as shown on Figure 1-2, was the work of Starnes, Stovall, & Daniels of Houston; and Mission Wells, as shown on Figure 1-3, was the work of Hardison, Komatou & Tucker of San Francisco. None of these designs, nor the designs of the other projects in this section, is influenced by the rail transit station.

2. **Two to three stories of residential, above ground-floor retail.** This is the design of Del Norte Place, a block from the El Cerrito Del Norte BART station, as shown on Figures 1-4 and 1-5.

   As Figure 1-5 indicates, Del Norte Place is an attempt to replicate the higher-end retail shops present at the Rockridge BART station: gourmet coffee bars, french pastry cafes, and fresh produce and fresh meat-fish-poultry shops. The retail shops are intended to serve the residents of Del Norte Place and also BART riders coming to and from the station by car, bus, and walking.

3. **Three to four stories of residential in a mixed-use project with retail and commercial.** The design of Park Place, near the Mt. View CalTrain station, has a mixed-use development which includes nearly 300,000 sq. ft. of residential, 36,000 sq. ft. of retail, and 164,000 sq. ft. of commercial.
The Gardens (Fremont)
3 stories above underground parking, 50 du
Del Norte Place
3 stories above retail
(note depiction of BART train in background)

Figure 1.4
River Oaks Village, the master planned community near the River Oaks Santa Clara Light Rail station, is a second example of mixed-use development, 1,214 residential units when completed, combined with a separate retail center.

Similarly, Renaissance Village near the planned Vista Montana Santa Clara light rail station, as shown on Figure 1-6, features 1,541 units with a separate 10,000 sq. ft. retail center.

4. High-Rise Residential and Retail: As noted above, the exceptional high-density project near rail transit in the Bay Area is the proposed San Mateo Center, at the San Mateo CalTrain stop. The Center, as shown on Figures 1-7 and 1-8, is a mixed-use project of 351,615 sq. ft. of residential and 24,300 of retail, in a 12-story structure.

Government Incentives in the Bay Area

The local Bay Area governments have offered basically four lines of incentives in the achievement of the region's existing transit-based housing.

1. Redevelopment powers in assembling land, writing down land costs, and providing tax-increment financing
2. Tax-exempt financing
3. Reduced parking requirements
4. Density bonuses

1. Redevelopment Powers

Redevelopment powers have been the most influential incentive in spurring transit-based housing. The Contra Costa Redevelopment Authority, in whose jurisdiction the Pleasant Hill BART station area lies, has helped assemble and write-down land for the development of two projects near the station: Park Regency and Wayside Plaza. The El Cerrito Redevelopment Authority assembled and packaged the land for Del Norte Place near the El Cerrito Del Norte BART station.

Del Norte Place

The El Cerrito Redevelopment Agency initiated this project by issuing an RFP to developers in 1989 as part of its more general redevelopment plan for nearby San Pablo Avenue. The Ibe Group, headed by the general partner, San Francisco-based John Stewart Company, won the competition and entered into a development agreement with the Redevelopment Agency, through which the Redevelopment Agency agreed to the following:

The assembling and write-down of land. The Agency assembled the land and owns the 4.4-acre site. It is leasing it to the Ibe Group at $1 per year and 15-20 percent of cash flow. In effect, the Redevelopment Agency is an equity partner in the venture. The Ibe Group partners contribute $3.7 million in equity financing, and share the $115,000 of annual tax credits for ten years.

The use of tax increment financing. The infrastructure improvements and construction cost $14 million, of which over $10 million is financed through a
combination of two tax-exempt bond issues, the largest of which is a tax-
increment bond issue by the Redevelopment Agency.

**Park Regency**

The area surrounding the Pleasant Hill BART station is part of a redevelopment area formed by the County of Contra Costa. For Park Regency, a project of 892 units, the Contra Costa Redevelopment Agency acquired and conveyed to the developer, GBW Properties, various privately owned parcels. The County Redevelopment Agency also wrote-down land costs to subsidize 15 percent of units for low-income families.

**Wayside Plaza**

The developers of Wayside Plaza near the Pleasant Hill BART station had completed 156 condominiums in three phases through 1988. In order to facilitate a fourth phase of 211 rental units, to begin in 1992 and be completed in 1994, the Contra Costa Redevelopment Agency last year entered into agreement with the developer, the Desco Group, to acquire and convey various privately and publicly owned properties. Additionally, the Agency is assisting in tax-exempt financing through an assessment district.

2. Tax-Exempt Financing

Local governments have aided transit-based housing through forms of tax-exempt financing: assessment district financing, Mello Roos financing, and Multi-family Rental Housing financing (see Chart 1-1).

<table>
<thead>
<tr>
<th>Project</th>
<th>Redevelopment</th>
<th>Tax-Exempt Financing</th>
<th>Reduced Parking</th>
<th>Density Bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayside Plaza (Pleasant Hill)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Del Norte Place (El Cerrito)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Park Regency (Pleasant Hill)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mission Wells (Fremont)</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>The Foothills (South Hayward)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Villa Mariposa (Min. View)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treat Commons (Pleasant Hill)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Verdens (Fremont)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Mateo Center (San Mateo)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Assessment district financing:** This traditional form of financing in California for infrastructure improvements enables developers to obtain tax-exempt bond financing for a range of improvements: street paving, sidewalks, curbs, gutters, and local gas and electrical services. For example, assessment financing was made available by Contra Costa County for the Wayside Plaza development.
Mello Roos financing: Mello Roos financing is a variant of assessment financing that enables developers to obtain tax-exempt financing for infrastructure improvements; in a nutshell, Mello Roos enlarges the types of improvements available under assessment financing, and allows greater flexibility to developers in devising the assessed district. Contra Costa County did a $40 million Mello Roos financing for the development of Park Regency.

Multi-family Rental Housing financing: Multi-family rental housing bonds provide tax-exempt funds for residential projects that reserve at least 20 percent of the units for lower-income households. The city of El Cerrito did a multi-family rental housing bond issue for Del Norte Place.

3. Reduced Parking Requirements

Four projects have been given reduced parking requirements, due to their proximity to transit stations. The developers' views toward such reduction, though, have been mixed: some have welcomed the reduction because of the obvious savings in construction costs; others have regarded reduced parking in their circumstances as a detriment to marketing.

1. Mission Wells (Fremont BART): In this project, the City of Fremont agreed to a reduction in parking from 2 spaces per unit to 1.65 spaces per unit, which the developer, AF Evans, favored.

2. Foothills (South Hayward): Because of the proximity to transit, the Foothills parking requirement was reduced from 2 spaces per unit to 1.75 spaces per unit. The developer, the M.H. Podell Company, has come to regard the 1.75 spaces as too restrictive for the South Hayward area.

3. Wayside Plaza (Pleasant Hill): For the first three phases of Wayside Plaza's development, the Desco Group was given a parking requirement of 1.7 spaces per unit. After five years of project performance, the Desco Group has come to regard the 1.7 requirement as too limited for the Pleasant Hill area.

4. Treet Commons (Pleasant Hill): For Treet Commons in Pleasant Hill, the parking requirement was even stricter than Wayside Plaza, at 1.06 spaces per unit. According to the developer, Trammell Crow Residential, this parking requirement has been too strict, and a serious detriment to marketing.

4. Density Bonuses

For a number of projects, the local city or county granted density bonuses, due to proximity to the rail station.

1. Mission Wells (Fremont), The Gardens (Fremont): The City of Fremont in the 1980s zoned for high density around the BART station, requiring at first 30 units per acre, and more recently requiring at least 50 units per acre. Mission Wells was built at 30 units per acre, and The Gardens are at 50 units per acre.

One impact of this zoning and rejection of lower-density projects, though, has been that several of the parcels have been left vacant. In the view of the parcel owners, rents required to
make the densities possible have not been obtainable on the market, and the City of Fremont has rejected lower densities.

2. Wayside Plaza, Park Regency (Pleasant Hill): To encourage residential densities around the Pleasant Hill station, Contra Costa County zoned for minimum densities of 35 units per acre. Wayside came in at 24 to 60 units per acre, Park Regency at over 70 units per acre.

3. San Mateo Center (San Mateo): San Mateo Center, at 12 stories, has benefited from the City of San Mateo's zoning for high-rise residential in its downtown area, near the CalTrain station.
CHAPTER 2
Sacramento, Los Angeles, and San Diego

I. Sacramento

The City of Sacramento and portions of surrounding Sacramento County are presently served by an 18.3-mile light rail transit system operated by Regional Transit. Service began in 1987 and the system serves primarily trips to and from Sacramento's downtown core. Maps of the system are shown on Figures 2-1 and 2-2.

In general, new housing construction in Sacramento near the light rail system since 1985 has been very limited. A 1990 inventory of new development prepared by Regional Transit showed the following residential activity within 1/4-mile of LRT stations since 1985, all of it multi-family:

<table>
<thead>
<tr>
<th>Location</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Core</td>
<td>242</td>
</tr>
<tr>
<td>Folsom Line</td>
<td>112</td>
</tr>
<tr>
<td>TOTAL</td>
<td>354</td>
</tr>
</tbody>
</table>

Present activity in the Multi-Family (MF) sector in Sacramento is at a 20-year low. Real estate analysts predict that total MF building permits issued in 1991 may not even reach 1,000. This condition results from a combination of factors, the most important of which are changes in the economics of MF projects due to tax code revisions (1986), the almost complete lack of financing for multi-family project today (the "credit crunch"), and the lack of appropriate, controversy-free land for new MF construction in the region.

Surprisingly, while the supply of new MF housing has been constrained, analysts have been confounded by the lack of a corresponding increase in achievable rents. For whatever reasons, it appears that the demand for higher density rental housing is, at least for the present, quite weak. A variety of demographic and economic trends suggest, however, that demand for lower-cost rental housing will be strong over the long term, eventually leading to a renewal of new MF development.

Relevant Multi-Family Projects — Description and Analysis

Downtown Sacramento

Without exception, the downtown multi-family projects have been sponsored either by the joint City/County Sacramento Housing and Redevelopment Authority (SHRA) or the state-chartered Capitol Area Development Authority (CADA). The four most important projects developed over this period are:
Indicates bus transfer centers
Connecting buses are indicated by the numbers under the station names.
Stations with park and ride lots
Indicates timepoints on the schedule

Sacramento Regional Transit

Figure 2-1: Sacramento Regional Transit

- Saint Rose of Lima Park Station
- Arden/Del Paso Station
- Marconi/Arcade Station
- Watt/I-80 Station
- Watt/I-80 West - 230 spaces
- Roseville Road - 1,100 spaces
- Marconi Arcade - 280 spaces
- Swanston - 260 spaces
- Royal Oaks
- Arden/Del Paso
- Globe
- Akall Flat/La Valentina
- 7th & I
- 5th & Capitol
- 8th & Capitol
- 5th & O
- 7th & Capitol
- 6th & 9th
- 4th & 9th
- 2nd & 9th
- 1st & 9th
- 20th Street
- University/65th Street
- College Greens
- Watt/Mantlove

Metro map showing various stations and connections.
Figure 2-2: Sacramento Regional Transit

CONSULTANT RECOMMENDED RT METRO EXTENSIONS

LEGEND

- LRT STARTER LINE
- LRT EXTENSION

- Acme
- U.C. Davis Corridor
- West Sacramento
- Downtown Sacramento
- Meadowview Corridor
- U.P. Corridor
- Laguna Corridor
- Roseville
- Sawyer Mall
- Autumn/Greenback Corridor
- Modesto
- San Joaquin River Corridor
- Folsom Corridor
- Central California Friction A.R.
<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type of Units</th>
<th>Sponsor</th>
<th>Year Built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brennan Court</td>
<td>40 (rental)</td>
<td>CADA</td>
<td>1988</td>
</tr>
<tr>
<td>Stanford Park</td>
<td>50 Townhomes (Sale)</td>
<td>CADA</td>
<td>1987</td>
</tr>
<tr>
<td>Riverview Plaza</td>
<td>124 Elderly/Mix. Use (rental)</td>
<td>SHIA</td>
<td>1988</td>
</tr>
<tr>
<td>Capital View Apt.</td>
<td>40 (rental)</td>
<td>SHIA</td>
<td>1991</td>
</tr>
</tbody>
</table>

(Project data sheets are provided for each project on the following pages, with Windsor Ridge discussed below.)

Folsom Line/Unincorporated Sacramento County

The only completely private market-rate multi-family project built within 1/4-mile of the LRT system was opened in 1987, the same year as the rail system began service. Named "Windsor Ridge Apartments" (changed from "Butterfield Apartments"), the project has 112 units on eight acres located approximately one block from the present terminus of the Folsom line, Butterfield Station.

Windsor Ridge

Owners of the project report that it is always over 95 percent occupied, rents are at or above the market, and the project is profitable. The site was acquired "probably" in 1982, a time when the LRT project alignment was tentatively established. The owner's representative indicated that "access to public transportation" figures prominently in their site selection process for rental apartment projects, though the precise influence of the rail project is not clear. (Other rental complexes which predate the LRT by several years are located within a few blocks of Windsor Ridge along the same major arterial — Folsom Boulevard.)

The project, a typical California garden apartment design, was developed without government involvement except normal land use approvals and permitting. There was no involvement of transit agency staff or County housing or economic development staff.

Windsor Ridge leasing agents indicate that "25-30 percent" of all prospective tenants mention public transit as a factor in their location decisions, the nearby LRT station is stressed during preliminary conferences. Parking onsite is one space per unit plus "ample guest parking." This suggests primary use by singles, young married couples, and older "empty nest" couples, all of whom are prime transit users. This is confirmed by a mixed socioeconomic profile for tenants and the generally well-maintained low-to-moderate income character of the surrounding neighborhood.
Brennan Court

Location: 1500 N Street
Sacramento, CA 95814
(downtown)

Type: Rental apartments

Size: 32 market; 8 low-income

Density: 57 DU/acre.

Parking: 40 onsite spaces - 25 covered; 15 uncovered.

Street Access: Alley.

Transit Access: 5 blocks to nearest LRT stop.

Amenities/Features: Secured building. Courtyard fountain.

Neighborhood Character: Older "grid" neighborhood, mixed-use, low-moderate-density, mix of older and newer structures. Neighborhood park nearby.


Project Completion/Cost: 1988 & $2.5 million.

Transit Service: 15-minute peak. 30-minute off-peak.

Project Finance: California Housing Finance Agency. $2.1 million in senior and junior loans.

Developer/Owner: CHFA.

Current Financial Status: 95% Occupancy. Rents at market.

Loan servicing OK. Sale value $2.8 million.

Other Properties: Rents equal or exceed other nearby properties.


Resident Transit Usage: Not available.


Local Government Role in Project Development: City. CHFA.

Transit Agency Role in Project Development: None.

Comments: None.

Contacts: Paul Schmidt 322-2114
Kathy Borowac

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**PROJECT DATA SHEET**

<table>
<thead>
<tr>
<th>Stanford Park</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location:</strong> P Street between 16th &amp; 16th Streets Sacramento, CA 95814 (Downtown)</td>
</tr>
<tr>
<td><strong>Type:</strong> Townhomes, owner-occupied.</td>
</tr>
<tr>
<td><strong>Size:</strong> 50 Units.</td>
</tr>
<tr>
<td><strong>Density:</strong> 28 DU/acre.</td>
</tr>
<tr>
<td><strong>Parking:</strong> 50 garage spaces (1/unit).</td>
</tr>
<tr>
<td><strong>Street Access:</strong> Unisa face street. Garages face alley.</td>
</tr>
<tr>
<td><strong>Transit Access:</strong> LRT - 2 blocks.</td>
</tr>
<tr>
<td><strong>Amenities/Features:</strong> Buzzer entry system.</td>
</tr>
<tr>
<td><strong>Neighborhood Character:</strong> Older “grid” neighborhood, mixed-use, low/moderate density, mix of older and newer structures. Neighborhood park nearby.</td>
</tr>
<tr>
<td><strong>Demographics:</strong> Moderate-to upper-income. Professional singles and young married couples. Downtown workers, white collar.</td>
</tr>
<tr>
<td><strong>Project Completion/Date:</strong> 1987/FTID.</td>
</tr>
<tr>
<td><strong>Transit Service:</strong> 15-minute peak; 30-minute off-peak.</td>
</tr>
<tr>
<td><strong>Project Finance:</strong> First Nationwide Savings &amp; Rubin Glickman.</td>
</tr>
<tr>
<td><strong>Developer/Owner:</strong> Rubin Glickman &amp; Associates 216 First Street, San Francisco, CA 94105.</td>
</tr>
<tr>
<td><strong>Current Financial Status:</strong> Project sold out in 2(?) years. Current sale prices higher than original list.</td>
</tr>
<tr>
<td><strong>Other Properties:</strong> Few comparables in immediate area. Well-designed project holding its own.</td>
</tr>
<tr>
<td><strong>Development History:</strong> Not available.</td>
</tr>
<tr>
<td><strong>Resident Transit Usage:</strong> Not available.</td>
</tr>
<tr>
<td><strong>Transit Influence:</strong> Project location - None. Development approvals - Listed as sat4. Financing - &quot; &quot; Marketing - &quot; &quot; Purchaser Decision - &quot; &quot;</td>
</tr>
<tr>
<td><strong>Local Government Role:</strong> City (indirect).</td>
</tr>
<tr>
<td><strong>Transit Agency Role:</strong> None.</td>
</tr>
<tr>
<td><strong>Comments:</strong> Classic yuppies urban infill project. (&quot;Cont.&quot;)</td>
</tr>
<tr>
<td><strong>Contacts:</strong> Paul Schmidt, 323-2114 Kathy Brevnov, The Bellamy, Long Beach, CA</td>
</tr>
</tbody>
</table>

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PROJECT DATA SHEET

Riverside Plaza

Location: 600 I Street
Sacramento, CA 95814
(Downtown)

Type: Highrise senior housing/mixed-use (16 floor). Maximum income level to qualify.

Size: 123(4) units. 23,000 s.f. office/commercial.

Density: 60+ acre.

Parking: 52 onsite.

Street Access: From 6th and I Streets.

Transit Access: 2 blocks to 7th/K Street LRT stop.


Neighborhood Character: Primarily government and commercial. Project is located across street from county courthouse and jail. Other highrise projects nearby.

Demographics: Limited residential in immediate area. Mixed ethnically, mostly lower-income.


Transit Service: LRT. Open 1987. 15-minute peak headway, 30-minute off-peak. Also bus service.

Project Finance: Primarily government funding (federal, state, local). Some financing provided by First Interstate Bank and Chevron Oil.

Developer/Owner: Sacramento Housing and Redevelopment Agency.

Current Financial Status: Fully leased. Tax-increment subsidy higher than originally anticipated.

Other Properties: N.A.

Development History: ?

Resident Transit Usage: ?

Transit Influence: Considered an amenity. No specific influence on project location.

Local Government Role: Extensive.

Transit Agency Role: None.

Comments: Density of this project may be highest in Sacramento.

Contacts: SIERRA staff.
PROJECT DATA SHEET

Capital View Apartments

Location: 100-120th St. & G Street
Sacramento, CA
(Downtown)

Type: Low-rise condominium (2-story) marketed as rental apartments. 1- and 2-bedroom.
20% qualified low-income (to remain for 20-year life of loan), 80% market rent.

Size: 40 units.

Density: To Be Determined (TBD).

Parking: 24 spaces onsite. Additional structure parking to be shared with adjacent commercial
(next phase).

Street Access: Multiple access points.

Transit Access: 2/3 block walk to nearest station (12th St).

Amenities/Features: None.

Neighborhood Character: Mixed Victorian-era residential and B-class commercial. Some professional office
(renovations). Four-six blocks from county government center. Area under active
redevelopment and renewal. Some yuppie influence.


Project Completion/Cost: Open 12/91. $1.9 million.


Project Finance: Mix of private capital and Sacramento Housing and Redevelopment Agency funds.
SEFA and Union Bank construction loan; take-out lender TBD.

Developer/Owner: Greg Rossi, General Partner (446-1222).

Current Financial Status: Market units to be let at current market rates: $600/mo. for 1BR, $750/mo. for 2BR.
No information on preleasing activity.

Other Properties: Not available.

Development History: Owned by Bill Cook 1978-88. General partnership established in 1988. Land sold and
taken back by SEFA at least twice ($125,000 value).

Resident Transit Usage: Not applicable (new project).

Transit Influence: Project Location - LRT: None.
General transit availability in downtown. Yes.
Development Approvals - None.
Financing - None.
Marketing Strategy - Yes. Transit access is stressed.
Tenant Decision - TBD.

Local Government Role: Extensive. Project developed with full Housing and Redevelopment Authority
participation.

Transit Agency Role: None.

Comments: Project is classic redevelopment infill. Project is unusual in that unit design is
condominium, but will be rented for the foreseeable future.

Contacts: Tim Quinno, SEFA, 410-1355
Hank Spaccone, Broker, 446-1222
PROJECT DATA SHEET

Windsor Ridge Apartments

Location: 9551 Butterfield Way
            Rancho Cordova, CA
Type: Garden apartments.
Size: 112 units.
Density: 15/acre (approx.).
Parking: 1 space/unit + "angle" guest parking.
Street Access: Minor arterials. Limited traffic.
Transit Access: 1 block to Butterfield station (Folsom line terminus).
Demographics: Wide range of ages and incomes. Few children. Rentals are generally long-term.
Project Completion/Cost: N.A.
Project Finance: Standard private financing. Developer is current owner and manager.
Developer/Owner: Pacific Service, Inc.
Current Financial Status: 97%+ occupancy. Rents are at the market. Project is profitable.
Other Properties: N.A.
Development History: Site acquired ("probably") shortly after 1982. MF done simultaneously with SF. First MF occupancy in late 1985 or 1987. Process was straightforward, no unusual problems.
Resident Transit Usage: 25-30% express interest at time of rental.
Transit Influence: Transportation analysis part of all site selection studies. Station location was known by 1982 and was undoubtedly a factor in the developer's decision.
Local Government Role: None. Standard vanilla private project.
Transit Agency Role: None.
Comments: Project is typical of CA garden apt design. Significantly higher densities are unlikely.
Contacts: Dick Swan (Glendale), 309-2200
II. Los Angeles/Long Beach Corridor

The Los Angeles "Blue Line," as shown on Figures 2-3, 2-4, and 2-5, is the one rail transit line currently in operation in the city of Los Angeles. The 22-mile light rail line which runs from downtown Long Beach to downtown Los Angeles opened for revenue service in July 1990, with 22 stations. The major multi-family residential developments near the Blue Line stations are concentrated near the downtown Long Beach stations. Among the major residential developments built in downtown Long Beach since the Blue Line route was announced:

<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type of Units</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellamar</td>
<td>160 (rental)</td>
<td>5th &amp; Pacific</td>
</tr>
<tr>
<td>Pacific Shores</td>
<td>78 (owner)</td>
<td>7th &amp; Pacific</td>
</tr>
<tr>
<td>Villa Capri</td>
<td>40 (rental)</td>
<td>1st &amp; Long Beach</td>
</tr>
<tr>
<td>City Terrace</td>
<td>30 (rental)</td>
<td>1st &amp; Long Beach</td>
</tr>
</tbody>
</table>

Of these projects, the Bellamar, the largest, was chosen as the focus of study.

The Bellamar

The Bellamar, as shown on Figure 2-6, was built in 1989-1990 by Wesco Realty, a Torrance, California-based firm. The project is located one block from the Blue Line station. According to Wesco partner Mr. Ralph Pickett, the proximity to the Blue Line was a factor in the development, though the main factor was the location in downtown Long Beach, near downtown jobs as well as the Marina and beaches, as shown on Figure 2-7.

A promotional brochure for the Bellamar sets out a number of the luxury features of the building — entry access control, heated swimming pool, rooftop sundeck, fitness center with state of the art exercise equipment — as well as the building's location "just minutes from" Long Beach Airport, the newly opened World Trade Center, and "World class restaurants, shopping and entertainment." Although offering ample parking to residents, the brochure tells residents to "leave your car at home during the week . . . because the new light rail line linking Long Beach to Downtown has a stop right at the Bellamar."

The Bellamar, as noted, is a luxury building with a one-bedroom renting for $805-$889 per month, and a two-bedroom for $1035 per month. It is four stories of residential above ground-floor retail, with a total of approximately 17,000 s.f. of retail space.

Unlike other residential projects in downtown Long Beach which benefited from Redevelopment incentives, no government subsidies were used for the Bellamar (outside of the Redevelopment border), and the project does not feature any below-market units. No assistance was provided by the transit operator.

According to Wesco's Ralph Pickett, interviewed in December 1991, at this point commute ridership among residents on the Blue Line is minor, since few residents work in downtown Los
Figure 2-7: Downtown Long Beach with location of The Bellamex on the Metrorail Blue Line
Angeles. The main transit ridership is non-commute, a few blocks around downtown Long Beach. A similar view is expressed by officials of the City of Long Beach Office of Economic Development.

TRAC researchers sought to test out this view with a telephone survey of 54 Bellamar residents. Of those surveyed, only seven residents, or about 13 percent, used the Blue Line regularly to commute to work. About 20 percent of those surveyed used the Blue Line once a month or more, and only two respondents used the Blue Line once a week or more for non-work purposes. Many of the residents did not work downtown and said that they did not ride the Blue Line because they found it useful only if their destination was downtown. The low ridership may also be attributed to the fact that the Blue Line is relatively new.

When asked what role the nearby location of the Blue Line played in the residents’ decision to move to the Bellamar, 20 percent of the respondents said that the location for the Blue Line was the "main" factor or a "major" factor when choosing their residences. However, 28 percent of the respondents said that, should they move, they would actively seek to live near a Blue Line station again.

III. San Diego Area

The San Diego Trolley light rail system was built mainly on the previous San Diego and Arizona Eastern Railroad right-of-way, so that relatively little housing existed along the line or near the stations.

The East Line through the Euclid station was opened for revenue operations in March 1986 and through the El Cajon station in June 1989. The South Line opened for revenue operations in July 1981. The system is shown on Figure 2-8.

The limited number of major residential projects built near the transit stations since the system's development have occurred along the East Line. These projects have been concentrated at the stations in the City of La Mesa and at the 47th Street station. Chief among these residential projects are the following:

<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type of Units</th>
<th>Nearest Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villages of La Mesa</td>
<td>384 (rental)</td>
<td>La Mesa (Amaya)</td>
</tr>
<tr>
<td>La Mesa Village Plaza</td>
<td>95 (owner)</td>
<td>La Mesa (LM Blvd)</td>
</tr>
<tr>
<td>Park Greenmont</td>
<td>160 (rental)</td>
<td>La Mesa (Amaya)</td>
</tr>
<tr>
<td>Creekside Villas</td>
<td>141 (rental)</td>
<td>47th Street</td>
</tr>
<tr>
<td>Harbor View</td>
<td>60 (rental)</td>
<td>47th Street</td>
</tr>
</tbody>
</table>

Spring Hill Apartments at the Spring Street station in La Mesa is an additional residential project of 94 rental units one block from the transit station. It was built, though, in 1979, well before the development of the transit line.

These other five projects noted above all were built with the transit system in mind. They are three to four stories in height: only slightly greater density than the surrounding suburban
uses. Three are fully residential projects, while two—La Mesa Village Plaza and Creekside Villas—are combinations of housing, retail, and commercial.

TRAC researchers focused on two of the newer and larger projects in La Mesa: Villages of La Mesa and La Mesa Village Plaza.

Villages of La Mesa

Villages of La Mesa, as shown on Figure 2-9, is a combination of two-story and three-story structures. 384 units are spread over 19 acres for a density of slightly over 20 units per acre. This density is very low of course by the standards of East Coast transit-based developments and even the developments in the Bay Area, but higher than surrounding suburban densities.

The San Diego Association of Government's Regional Growth Forecast of October 1989 sets an existing average residential density in La Mesa of 6.2 units per acre, with only an average of 6.4 units per acre projected by the year 2000. Similarly, in nearby Lemon Grove, the existing density is 4.8 units per acre, and projected by the year 2000 to be only 5.5 units per acre.

Villages of La Mesa was constructed in 1988-1989 by a local San Diego developer, the Douglas Allred Company. It is aimed at more affluent renters, with a one-bedroom renting for $660 per month, and a two bedroom for $815 per month. The brochure for the project highlights such recreational amenities as "solar-heated swimming pools, hydrotherapy spas, and fully equipped exercise/weight rooms", while also mentioning the convenient location to the "trolley line."

La Mesa Village Plaza

La Mesa Village Plaza, as shown on Figure 2-10, is a mixed-use project of residential, retail and office. Ground-floor retail and office is topped by four stories of residential. The project was built in 1990-1991 by a local San Diego firm, the Commonwealth Companies.

The project is of similar density to Villages of La Mesa. 95 units are spread over 5.4 acres for a density of slightly more than 17 units per acre.

The project is aimed at an affluent market. Condominium prices range from $132,500 to $268,700. The project has a higher percentage of older couples than Villages of La Mesa, though both are aimed at family units without children.

La Mesa Village Plaza is built to tie more closely into the transit stop than Villages of La Mesa. The transit stop is located in a public plaza at the complex, surrounded by the retail shops of the complex. The residential units are grouped within easy walking distance of the project.
Figure 2-9: Villages of La Mesa
San Diego Trolley, Amaya Station
Figure 2-10: La Mesa Village Plaza
San Diego Trolley, La Mesa Blvd. Station
CHAPTER 3
Portland, Oregon

The Transit System

The initial segment of Portland’s MAX light rail system (MAX denotes "Metropolitan Area Express") is a 14.9-mile two-track facility serving the city of Portland, the city of Gresham directly to the east, and (formerly) portions of unincorporated Multnomah County in between. (Since inception of service, all of the unincorporated frontage along MAX has been annexed either by Portland or Gresham.) Often referred to as the "Banfield Light Rail Line," the facility was developed by and is now operated by the Tri-County Metropolitan Transportation District of Oregon ("Tri-Met"). The facility presently includes 27 stations: 9 stations in the downtown core, 3 stations in the Convention Center/Lloyd Center area, 4 stations in the "Midcorridor" section along the Banfield Freeway, and 11 stations along East Burnside Street to downtown Gresham.

The four-county Portland MSA has a population of approximately 1.4 million people, of which approximately 584,000 reside in incorporated and unincorporated Multnomah County. The 1991 Jane’s Urban Transport Systems lists total Tri-Met daily ridership at about 130,000 trips, of which 22,000 are made on light rail. (Tri-Met places current LRT ridership at approximately 23,000 daily.) This translates to a mode share of approximately 3 percent for the transit system as a whole.

The LRT system provides service 17½ hours a day, seven days a week, with 20-minute base headways in both directions and 15-minute headways during peak periods. Five park and ride lots are provided, and timed transfers with several bus routes are made at various stations. One of the more interesting characteristics of the Banfield system is that ridership is heaviest on Saturday, a clear indication that it is perceived as more than just a downtown commuter facility.

The facility has been viewed by many as an unqualified success, and is now a very popular "landmark" with Portland residents. Present expansion plans include a new line from downtown Portland to the west, serving Beaverton (Portland’s "Silicon Valley") and Hillsboro, now scheduled to open in 1997. Other proposed corridors include north/south service along I-5 and I-205, potentially linking the city of Vancouver, Washington, across the Columbia River.

Tri-Met has a policy of encouraging joint development projects along the MAX line and is currently working with the City of Gresham and the Winmar Development Company to develop an 800,000 s.f. regional shopping mall near downtown Gresham. Financing for the project has been difficult to secure during the present tight credit environment for new construction. However, planners believe that the fundamentals of the project remain sound and that it ultimately will move forward.
Local Planning and Development Policy

Portland has some of the most aggressive land use planning and controls anywhere in the nation. By state law, the region has a designated "urban limit line" within which virtually all new development must occur. Land use approvals must pass muster by a state-level "Land Conservation and Development Commission" (LCDC) which reviews proposals for conformity with state land use law and regulation.

Coincident with development of the MAX project, Tri-Met and the three local jurisdictions undertook a process of transit station area planning for the purpose of maximizing transit-land use linkages in areas where higher-density development was desired, and minimizing growth impacts where it was not desired. As a result, station area plans, transit overlay zoning districts, and other zoning changes were adopted by local governments.

In addition to the station area planning process, the City of Portland has taken a variety of steps to maximize the influence of transit on land use and mode choice, including:

Central City Plan — A downtown plan since 1972 (updated in 1988) which emphasizes pedestrian movement and use of transit for downtown access and egress. Present plans require that all increases in travel to and from the downtown be accommodated by transit.

Downtown Parking Limit — Parking standards provide maximums but no minimums for construction. Rates discourage all-day parking.

The Portland Development Commission (PDC) is a redevelopment agency with powers and responsibilities similar to those of redevelopment agencies in other states. The Commission has been responsible for a variety of redevelopment, reuse, and renewal projects, primarily in the downtown core and in the Lloyd Center area. Commercial projects undertaken by the Commission have coincided with and supported other light rail and land use plans; however, the same has not been true with their residential projects, as described in the following section.

Most recently, the City of Portland has undertaken the development of "Transit Corridor Development Concepts" (TCDGs), under its Regional Rail Program, to actively seek and support desirable new multi-family projects at selected stations where market forces are not active or are pushing development not desired by the city. Project concepts have been developed near stations located at 60th, 99th/Gateway, and 102nd, among other locations. To date, feasibility studies have been completed suggesting various project configurations, public subsidy and other requirements for successful implementation, etc. A plan to create a new redevelopment agency (a "Transit Corridor Development Commission") to act on specific development proposals is not active at this time.
Housing Development Since 1985

Like many other sectors of the Portland economy, the housing industry has prospered since 1985, adding 2-3 percent to the housing stock per year. Of the total regional housing stock today, approximately 180,000 units (35 percent) are apartments, of which the vast majority are rental units. (Condominiums, a major phenomenon in the 1970s, have fared very poorly since that time. It is estimated that approximately 50 percent of those units have been converted to rental or have applied for such conversion.)

The bulk of construction in the region since 1985 has been in western Multnomah County and in Washington County immediately west of Multnomah County. The MAX line, by contrast, serves the eastern side of the urbanized area, where the pace of new construction has been considerably more moderate. City of Gresham planners estimate that multi-family building permit activity within their sphere of influence has averaged no more than 1,000 units per year over the past five years. Multi-family activity in eastern Portland (east of Lloyd Center to 170th Avenue) has been of a similar magnitude.

In addressing trends in multi-family development within the MAX service area, the corridor is commonly divided into three segments:

Downtown Core/Lloyd Center
Midcorridor (Banfield Freeway)
East Burnside/Gresham

The downtown core and Convention Center/Lloyd Center areas are high-density, predominantly commercial districts, which contain the majority of the region's special activity facilities (including the sports arena). The Midcorridor segment is characterized by older commercial and residential, including an extensive supply of smaller pre- and post-war multi-family buildings. The East Burnside segment, including the city of Gresham, is suburban in character, with single-family and lower-density multi-family housing predominating. Remaining discussions of past trends and specific high-density projects are therefore tailored to these three areas.

Downtown/Lloyd Center

A considerable portion of multi-family construction (new and conversion) within the downtown core has been undertaken with the assistance of the Portland Development Commission. Entirely new projects deserving of mention include Park Place, Riverplace, and University Park. All three are high-density projects in good locations (e.g., the "South Park Blocks" district, which includes Portland State University, the Portland Art Museum, and the Performing Arts Center). The Commission has not, however, undertaken residential projects within walking distance of the MAX line. The principal reason cited by past PDC staff and other agencies is the
high cost of land near the MAX line—which does not make residential use very competitive with office commercial.

Riverplace, a major mixed-use project on the Willamette River near the south end of the downtown core, was initially developed in the late 1980s. It includes a considerable quantity of medium-density residential (flats and other cluster housing), some retail, some office, and a marina. The project is 10-12 blocks from the nearest MAX station, and thus cannot be linked in any direct fashion.

Among other proposed projects in the downtown core is a massive mixed-use project along the waterfront just north of Old Town. This site is proximate to the Fareless Square MAX station and would have direct MAX linkage. While an extensive multi-family component is proposed, the project is still years away from realization.

The Lloyd Center area east of the Willamette River is primarily a commercial center, with retail, hotel, special event, and some office development present—the Lloyd Center itself has seen major renewal and reinvestment in recent years; the Portland Convention Center and the Memorial Coliseum are nearby, as well as several hotels. Multi-family projects are notably lacking, however.

Intrawest Development Corp., a U.S. subsidiary of a Canadian firm, recently proposed building two luxury high-rise towers (12- and 18-stories, total of 300 units) near the Lloyd Center MAX station. If the project were successful, it would be the first significant new residential project in the Lloyd Center area ("Inner-East Side") in many years, and would be the first genuinely high-density project near the MAX line anywhere. The project is apparently stalled at present due to difficulties in obtaining financing, and the outlook for the long term cannot be determined.

Midcorridor

Residential construction in the Midcorridor area has been limited to small infill projects, none of which have occurred near MAX light rail stations. As described earlier, the City of Portland has undertaken a program of Transit Corridor Development Concepts designed to spur new multi-family construction near MAX. While several concepts have been advanced to date, market analysis has documented a variety of structural impediments to project realization (prevailing market rents, sites problems, etc.) which still await solution.

East Burnside/Grant

A number of low- to moderate-density multi-family projects have been constructed in the general East Burnside Street corridor since 1985, primarily on infill sites zoned for 12-24 units/acre. A limited number of these projects—all with densities between 20 and 30 units/acre—have occurred near MAX stations, including: Rockwood Station, Rockwood Crossing, St. Vincent DePaul (elderly), Kensington Terrace, Windsor Court, Tri-Max Apartments, and Gateway Terrace.
A greater number of projects have been sited at locations along major arterials to the north and south of Burnside, including Powell, Division, Stark, Gilson, and Halsey.

Within the Gresham city limits (including recently annexed portions of Multnomah County), eight multi-family projects have been developed since the MAX line opened, all within MDR-24 zones (medium density, 12-24 units/acre). None of these projects is located near the MAX line.

Three other projects, including Rockwood Station, the "Tri-Max Apartments," and Eastman Heights, are located within walking distance of MAX. Two of these—Rockwood Station (195 units) and Tri-Max (76 units)—are located within HDR-60 zones (high density, up to 60 units/acre), though each is developed to only half of the permitted density. The Eastman Heights project (76 units; 22 units/acre) is located in an MDR-24 zone.

More detailed descriptions of two projects, one in Gresham (Rockwood Station Apartments) and one in Portland (Windsor Court Apartments) are provided below.

**Multi-Family Case Studies — Description and Analysis**

**Rockwood Station Apartments**

Described by a recent *Portland Business Journal* article (9/30/91) as being "as good as it gets" as far as multi-family development near MAX, the Rockwood Station project was completed in 1990 by David Hunt, a former director of the Portland Development Commission. The project was developed in one of the transit station mixed-use zones, and through a successful appeal for rezoning, only residential was included in the project.

Composed of nine three-story buildings, and at 31 units/acre, the project is among the most dense anywhere in Portland outside of the downtown core. The developer was conscious of the transit line and intentionally sought a site near a transit station; however, he sought and received no direct involvement from Tri-Met or the City of Gresham in the project, and the project was accomplished entirely with private resources.

The owner believes that transit accessibility is a "plus" with residents, and he has sought to implement "joint advertising strategies" with Tri-Met. An onsite resale program for MAX tickets, however, was canceled after a poor response. The project is now over 90 percent leased, though the time to achieve stable occupancy was longer than anticipated. The developer believes the project would not be funded in today's market, with or without MAX, and indeed he is having no success with his attempt to sell the project.

Tenants are a mix of older and younger couples, primarily without children, with household incomes in the $30,000± range. Rents average $500/unit and are comparable with, but not greater than, other post-1985 projects which are not near MAX. (Indeed, they are lower than several of those cited for comparable projects in sales literature.) As with most project analysis, a variety of
regional and local market are contributing to market rent setting, including a perceived undesira-
ble character to the immediate neighborhood.

The parking ratio for the project is 1.5 spaces/unit, barely adequate in the developer's view
given the large preponderance of two-worker households. This characteristic, he believes, is "here
for good" and suggests that less parking than that will make projects unmarketable. The developer
also believes that projects in the 30-60 unit/acre range are "completely impractical," given the
required shift in construction methods required above 30 units/acre (a view echoed by the Metropoli-
tan Homebuilders organization). Densities of 70 units/acre are an absolute minimum when consid-
ering "high-rise" masonry, concrete, or steel construction. The result is that, despite the HDR-60
zone, the Burnside corridor will see nothing above 30 units/acre densities for the foreseeable future.

Windsor Court Apartments

Windsor Court is a much less ambitious project than Rockwood Station. While approxi-
mately the same density, it is one-third the size and has no common amenities. Access to MAX (a
station is virtually across the street) is cited prominently in sales literature, though there is no
direct information relating to usage of MAX by residents.

The project was accomplished with market financing and involved no special participation
by either local government or Tri-Met. Rents are among the lowest for comparable projects cited
in sales materials. The lack of common amenities (pool, spa, etc.) and the very close proximity
("too close") to the MAX station were cited as possible reasons for this. Also, the project has a
slightly lower parking ratio than Rockwood Station (1.45 spaces/unit). For all of these reasons, it
is being offered for sale at a lower price per unit than Rockwood Station.
Rockwood Station Apartments

Location: 19100 SE Burnside Street
Gresham, OR

Type: High-density "garden" (nine 3-story buildings).

Size: 195 units; 6.2 acres.

Density: 51 units/acre (Zoning is 60 units/acre).

Parking: 293 total spaces.

Street Access: Access from Burnside only.

Transit Access: MAX station at Rockwood/188th (4 blocks).

Amenities/Features: Pool, spa, community building, playground.

Neighborhood Character: Low-density suburban area; mixed retail and other commercial, older "country" residential and public use (schools); in slow transition to higher density uses. Area has had problems with "skid row" groups.

Demographics: Low/moderate income ($30,000 household); mix of younger and older tenants. Majority are at least 2-person households. (Affordability is an issue.)

Project Completion/Cost: Completed 1990. Cost? Now offered for sale at $8.2 million ($12,000/unit).

Transit Service: MAX rail service within four blocks (5-10 min walk). Bus service on other nearby streets.

Project Finance: Market financing.

Developer/Owner: Hunt Development Company for Rockwood Associates LP. (Now listed for sale.)

Current Financial Status: 90% leased. Lease-up has been slower than desired.

Other Nearby Properties (Comp rents, prices, etc.): Rents are approximately comparable with other properties, though are actually slightly lower (1-5%) on a s.f. basis.

Development History: Private, market project. MAX was a consideration in site selection and is emphasized in marketing. Intended for immediate resale. Market is poor at this time.

Resident Transit Usage: Application forms indicate high percentage of downtown workers.

Transit Influence: Developer is former executive director of the Portland Development Commission and has a planning focus. Site is within designated high-density mixed-use zone (60 units/acre). (Was rezoned to eliminate retail.)

Local Government Role: Approved rezone to residential-only use.

Transit Agency Role: Minor. Some joint advertising strategies. Owners bought transit tickets for resale at mgmt. office, but discontinued this after poor demand.

Comments: Present financial climate would make this project infeasible today. Market is overbuilt. Parking ratio is absolute minimum for marketability. Owner believes that two-income households will require more parking. Younger families project may appeal to those moving to Portland from "denser" cities (e.g., San Francisco, Los Angeles). Notes that 60/unit zoning is completely impractical given costs of structured parking. Other projects near MAX are "very small."

Contacts: Mr. David Hunt
Hunt Development Company
3030 SW First Avenue
Portland, OR 97201
(503) 656-3449
## PROJECT DATA SHEET

### Windsor Court Apartments

<table>
<thead>
<tr>
<th>Location</th>
<th>15839 East Burnside Portland, OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Medium-density &quot;garden.&quot;</td>
</tr>
<tr>
<td>Size</td>
<td>76 apartments, 4 offices, 2.62 acres</td>
</tr>
<tr>
<td>Density</td>
<td>29 du/ac.</td>
</tr>
<tr>
<td>Parking</td>
<td>110 spaces (uncovered).</td>
</tr>
<tr>
<td>Street Access</td>
<td>From project onto Burnside.</td>
</tr>
<tr>
<td>Transit Access</td>
<td>MAX station at 162nd Avenue. (4 blocks.)</td>
</tr>
<tr>
<td>Amenity/Features</td>
<td>No common area amenities. (&quot;Attractive exterior lighting, landscaping, and wooded surroundings.&quot;)</td>
</tr>
<tr>
<td>Neighborhood Character</td>
<td>Mix of older &quot;rural&quot; homes, lower-income apts. Area was unincorporated Mult. Co. w/o sewer. Now annexed to Portland and will have sewer.</td>
</tr>
<tr>
<td>Demographics</td>
<td>Lower-middle income. Two-person households. Some singles.</td>
</tr>
<tr>
<td>Project Completion/Cost</td>
<td>Phase I: 1989, Phase II: 1990. Cost unknown. Asking price is $2.9 million ($38,000/unit).</td>
</tr>
<tr>
<td>Transit Service</td>
<td>Sales brochure emphasizes MAX; claims that &quot;5,200 MAX [daily] passengers ride directly in front of the subject [complex].&quot;</td>
</tr>
<tr>
<td>Developer/Owner</td>
<td>Granite Equities, Inc. (agents for sale).</td>
</tr>
<tr>
<td>Current Financial Status</td>
<td>Rents average $500/unit, somewhat lower-end but market for non-amenitized project.</td>
</tr>
<tr>
<td>Other Nearby Properties</td>
<td>Rents range from $0.55/s.f. to $0.68/s.f. &quot;This is near bottom of range for &quot;comparables&quot; shown in sales prospectus.</td>
</tr>
<tr>
<td>Development History</td>
<td>Unknown.</td>
</tr>
<tr>
<td>Resident Transit Usage</td>
<td>Unknown.</td>
</tr>
<tr>
<td>Local Government Role</td>
<td>None. Market project.</td>
</tr>
<tr>
<td>Transit Agency Role</td>
<td>None.</td>
</tr>
</tbody>
</table>

### Comments:

Project is typical of several "basic" multi-family complexes along East Burnside. Serving lower-middle income, smaller households. MAX rail service is featured prominently in sales materials. Parking ratio is somewhat low (1.45:1). It is reasonable to assume that a good percentage of residents make use of transit on at least an occasional basis. Developable sites located immediately adjacent to MAX are in short supply.

### Contacts:

Agents for owner:
Scott Mickelis
Granite Equities, Inc.
111 SW Columbia, Suite 900
Portland, OR 97201
(903) 226-0900
CHAPTER 4
Washington, D.C., Metropolitan Area

The Washington Metropolitan Area Transportation Authority (WMATA), as shown on Figure 4-1, is a 73-mile heavy rail system with 65 stations. The system began fare operations in 1976, and averaged over 472,000 passenger trips per day in 1990.

The system goes from downtown Washington, D.C., into suburban areas of Arlington County, Montgomery County, Fairfax, and Prince George's County. In Montgomery County, the stations at Bethesda, Grosvenor, and White Flint stations all boast high-rise residential developments built nearby. Now high-density residential developments have also sprung up around Pentagon City and Crystal City stations on the Orange and Yellow lines. It is Arlington County, though, that has been the most aggressive in the siting of housing around rail transit stations. The corridor between Rosslyn and Ballston on the Orange Line in Arlington County features perhaps the most striking examples of rail-transit-based development in the country, with high-rise residential developments concentrated almost exclusively at the stations.

Montgomery County: Bethesda, Grosvenor, and White Flint Stations

Before turning to the Rosslyn-Ballston corridor in Arlington, it is worth saying a word about the high-rise housing that has gone up next to stations on the Red Line in Montgomery County: at Bethesda, Grosvenor, and White Flint Stations.

Among the major residential projects nearby the rail transit stations:

<table>
<thead>
<tr>
<th>Project</th>
<th>Nearby Station</th>
<th>Number/Type of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethesda Place</td>
<td>Bethesda</td>
<td>100 (rental)</td>
</tr>
<tr>
<td>Hampden Square</td>
<td>Bethesda</td>
<td>57 (owner)</td>
</tr>
<tr>
<td>The Wisconsin</td>
<td>White Flint</td>
<td>203 (owner)</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Grosvenor</td>
<td>552 (owner)</td>
</tr>
<tr>
<td>Phase 1</td>
<td>Grosvenor</td>
<td>2200 (rental)</td>
</tr>
</tbody>
</table>

*Bethesda Place/Hampden Square*

Bethesda Place and Hampden Square both are mixed-use projects of office/retail/residential, and both have been completed in the past four years: Bethesda Place in August 1990 and Hampden Square in November 1988. Further, both are aimed at the luxury market.

Bethesda Place is located one-half block north of the Bethesda Metro stop, and bordered by Wisconsin Avenue, Woodmont Avenue, and Old Georgetown Road. It includes two towers: an office tower of 11 stories and a residential tower of 10 stories. Retail space totaling 66,753 sq.ft. is located in both towers.
The rental units are one- and two-bedroom units. The one-bedroom units range from $1,110-$1,355/month and the two-bedroom units range from $1,630-$1,760/month.

Hampden Square also consists of two towers: a 12-story office tower and an adjacent 8-story residential tower.

**Arlington County**

Arlington County Planning Department controls planning around each of the stations on the Rosslyn-Ballston corridor. For nearly the past 20 years, the County Planning Department has been aggressive in siting development near the five transit stations in the corridor, which opened between 1976 and 1979:

- Rosslyn
- Court House
- Clarendon
- Virginia Square/George Mason University
- Ballston

The General Land Use Plan of Arlington County concentrates high-density uses within walking distance of the Metro stations; tapers densities, heights, and uses down to the existing single-family neighborhoods; and provides for a mix of office, retail, and residential. A number of the station areas have specific functions: Rosslyn is a major business center, Court House is the local government center, and Virginia Square is the site of George Mason University. Yet, even within these functions, all of the station areas except Virginia Square have high-density residential. At Court House, for example, there are four high-rise residential projects, mixed with the Arlington County government buildings.

The Ballston Station area (Figure 4-2) is the most dramatic example of development—office, hotel, and residential—tied to the station. Until 1985, the Ballston station was the end of the line for the Orange Line and the station area featured a large bus terminal. With the extension of the Orange Line to Vienna in 1986, the bus connection was no longer needed. In the next five years, a new town of high-rise residential, office, and hotel structures sprang up within a quarter-mile of the station.

Table 4-1, prepared by the Ballston Partnership, shows the general station area, and location of developments. All of these projects have been built within the past five years, or are in the process of being built. Chief among the residential projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summerwalk</td>
<td>173 (owner)</td>
</tr>
<tr>
<td>Randolph Towers</td>
<td>509 (rental)/8000 s.f. retail</td>
</tr>
<tr>
<td>Chase at Ballston</td>
<td>544 (rental)</td>
</tr>
<tr>
<td>Ballston Place</td>
<td>159 (rental)</td>
</tr>
<tr>
<td>Ballston Metro Center</td>
<td>277 (owner)/26,174 s.f. retail/203,000 of office</td>
</tr>
<tr>
<td>Lincoln Towers</td>
<td>714 (rental)</td>
</tr>
<tr>
<td>Quincy Street Station</td>
<td>222 (rental)/180,000 s.f. retail/of.</td>
</tr>
<tr>
<td>Project</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>1. Balloon Common Mall</td>
<td>689,000 s.f. shopping mall with three 100,000 sq. ft. stores and 25 small shops</td>
</tr>
<tr>
<td>2. Artigiano Financial Center</td>
<td>53,000 s.f. office building</td>
</tr>
<tr>
<td>3. Summerwind</td>
<td>132-unit condominium complex</td>
</tr>
<tr>
<td>4. Paradise Towers</td>
<td>516-unit apartment building</td>
</tr>
<tr>
<td>5. Enterprise Square</td>
<td>129,000 s.f. retail and office</td>
</tr>
<tr>
<td>6. Balloon One</td>
<td>250,000 s.f. office</td>
</tr>
<tr>
<td>7. Balloon Plaza</td>
<td>1.1 million s.f. office</td>
</tr>
<tr>
<td>Phase I</td>
<td>450,000 s.f. office</td>
</tr>
<tr>
<td>Phase II</td>
<td>235,000 s.f. office</td>
</tr>
<tr>
<td>8. Chase at Balloon</td>
<td>341,000 s.f. office</td>
</tr>
<tr>
<td>9. Balloon Holiday Inn</td>
<td>221-room hotel</td>
</tr>
<tr>
<td>10. Balloon Common Office Ctr</td>
<td>170,000 s.f. office</td>
</tr>
<tr>
<td>11. Artigiano Square</td>
<td>126,000 s.f. office</td>
</tr>
<tr>
<td>12. Balloon Station</td>
<td>284,000 s.f. office building with 180 condominium units</td>
</tr>
<tr>
<td>Phase I</td>
<td>200,000 s.f. office</td>
</tr>
<tr>
<td>Phase II</td>
<td>81,000 s.f. retail</td>
</tr>
<tr>
<td>13. Balloon Metro Center</td>
<td>277,000 s.f. office, retail and residential</td>
</tr>
<tr>
<td>14. Westland Place</td>
<td>680,000 s.f. office/retail</td>
</tr>
<tr>
<td>15. One Stafford Place</td>
<td>186,000 s.f. office</td>
</tr>
<tr>
<td>16. Lincoln Towers</td>
<td>274 resident units</td>
</tr>
<tr>
<td>17. President of Balloon</td>
<td>280,000 s.f. office</td>
</tr>
<tr>
<td>Phase I</td>
<td>100,000 s.f. office</td>
</tr>
<tr>
<td>Phase II</td>
<td>190,000 s.f. office</td>
</tr>
<tr>
<td>18. Hyde Park Plaza</td>
<td>489,954 s.f. office/retail</td>
</tr>
<tr>
<td>Phase I</td>
<td>22,000 office</td>
</tr>
<tr>
<td>Phase II</td>
<td>11,000 office</td>
</tr>
<tr>
<td>Phase III</td>
<td>16,000 office</td>
</tr>
<tr>
<td>19. The Ellipse</td>
<td>615,000 s.f. office/retail</td>
</tr>
<tr>
<td>Phase I</td>
<td>250,000 s.f. office</td>
</tr>
<tr>
<td>Phase II</td>
<td>200,000 s.f. office</td>
</tr>
<tr>
<td>20. Quinney Street Station</td>
<td>180,000 s.f. office</td>
</tr>
<tr>
<td>21. Quinney Street Station II</td>
<td>250,000 s.f. office</td>
</tr>
<tr>
<td>22. Townes at Balloon</td>
<td>280,000 s.f. office</td>
</tr>
<tr>
<td>Office Building</td>
<td></td>
</tr>
<tr>
<td>Office Building</td>
<td></td>
</tr>
<tr>
<td>24. 100 N. Cedar Rd.</td>
<td>175,000 s.f. office</td>
</tr>
<tr>
<td>Office building</td>
<td></td>
</tr>
<tr>
<td>25. Stuart Park</td>
<td>276,000 s.f. office</td>
</tr>
<tr>
<td>26. Townes at Balloon</td>
<td>55,000 s.f. retail</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Jefferson Square</td>
<td>240,000 s.f. office, retail</td>
</tr>
<tr>
<td>28. Jefferson Square</td>
<td>264 resident units</td>
</tr>
<tr>
<td>29. Birch's Crossroads</td>
<td>232,000 s.f. office</td>
</tr>
<tr>
<td>30. North Vermont Site</td>
<td>5,500 s.f. retail</td>
</tr>
</tbody>
</table>

**Ballston Retail Master Plan**

<table>
<thead>
<tr>
<th>The Ellipse</th>
<th></th>
<th>Delivery date: 1 July 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000 s.f. ground-floor retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8,000 s.f. Arlington County Zoo Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>253 parking spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase I</td>
<td></td>
<td>Delivery date: 7SA</td>
</tr>
<tr>
<td>Phase II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29,000 s.f. ground retail</td>
<td></td>
<td>741 s.f.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balloon Plaza</th>
<th></th>
<th>Delivery date: 7BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 s.f. ground-floor retail</td>
<td></td>
<td>325 s.f.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18,000 s.f. ground-floor retail</td>
</tr>
<tr>
<td>Phase I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>900 s.f.</td>
<td></td>
<td>December 1990</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balloon Plaza</th>
<th></th>
<th>Delivery date: 7BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 s.f. ground-floor retail</td>
<td></td>
<td>353 s.f.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18,000 s.f. ground-floor retail</td>
</tr>
<tr>
<td>Phase I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>900 s.f.</td>
<td></td>
<td>October 1990</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stafford Place</th>
<th></th>
<th>Delivery date: 7BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>17,000 s.f. retail</td>
<td></td>
<td>31,550 s.f. ground-floor retail</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,500 s.f. above second level retail</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,075 s.f.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jefferson Square</th>
<th></th>
<th>Delivery date: 7BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office building</td>
<td></td>
<td>11,141 s.f. ground-floor retail</td>
</tr>
<tr>
<td>Residential building</td>
<td></td>
<td>2,805 s.f. ground-floor retail</td>
</tr>
<tr>
<td>791 s.f.</td>
<td></td>
<td>791 s.f.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quincy Street Station</th>
<th></th>
<th>Delivery date: 7BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 s.f. ground-floor retail</td>
<td></td>
<td>310 s.f.</td>
</tr>
</tbody>
</table>
Among these projects are 2471 new units. An additional 1,206 units are in stages of pre-construction and development.

**Lincoln Towers**

Lincoln Towers, 714 residential units as shown on Figure 4-3, is to be completed in January 1992. It is two towers of 22 stories each, with a projected 13,500 sq.ft. of ground-floor retail among the towers.

Lincoln Property Company is the developer, and according to Lincoln partner Jeff Franzen, Lincoln actively sought a site near the Street. Lincoln Towers was built without government subsidies or incentives. It is a market-rate project, aimed at more affluent renters, with a one-bedroom of 808 sq.ft. renting for $1,025 and a two-bedroom of 1,215 sq.ft. at $1,385.

According to Doug Brown, leasing agent for the project, the target renters are singles and couples without children, and to a lesser degree, older couples or individuals who no longer want to live in larger suburban homes, and who see living near the rail line as an advantage.

**Consumer Preferences**

Are consumers in the Washington, D.C., area willing to pay more to live near the rail transit station? The rapid pace at which the units at Lincoln Towers are being rented out provides some indication of this preference. In the two months since the opening of this complex in January 1992, over 150 units have been rented out. This is quite significant when compared to rental properties in most areas of the Washington, D.C., metropolitan area. Table 4-2 shows a comparison of rents at Lincoln Towers with rents at other major residential projects built mainly in the past five years in the area around Ballston in Arlington County, including:

- Chase at Ballston
- Quincy Place
- The Cascade
- Randolph Towers
- Oakwood Apartments
- Shirlington Village
- Ballston Place

As noted above, nearly all of the construction in Arlington County has been concentrated near the rail transit stations, especially at the Ballston station (Figure 4-4). Thus, these comparable projects almost all, like Lincoln Towers, have been built near the transit station—most near Ballston Station, and Courthouse Plaza near the Court House station. The differences in rent largely seem due to the quality of projects, rather than the specific distance from the station, since almost all are within a one-quarter-mile radius. Randolph Towers, shown in Figure 4-3, shows lower rents,
Figure 4-3: Two developments at the Ballston Station Area, Washington, D.C.
<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>SQUARE FT.</th>
<th>RENTAL RATES</th>
<th>RATES/FT.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln Towers</td>
<td>800</td>
<td>$1,035</td>
<td>$1.30</td>
</tr>
<tr>
<td>Chase At Ballston</td>
<td>800</td>
<td>$1,010</td>
<td>$1.26</td>
</tr>
<tr>
<td>Shireling Village</td>
<td>840</td>
<td>$680</td>
<td>$0.81</td>
</tr>
<tr>
<td>Quincy Place</td>
<td>800</td>
<td>$945</td>
<td>$1.18</td>
</tr>
<tr>
<td>The Cascade</td>
<td>800</td>
<td>$936</td>
<td>$1.17</td>
</tr>
<tr>
<td>Randolph Towers</td>
<td>800</td>
<td>$855</td>
<td>$1.07</td>
</tr>
<tr>
<td>Oakwood Apartments</td>
<td>850</td>
<td>$825</td>
<td>$1.00</td>
</tr>
<tr>
<td>Courthouse Plaza</td>
<td>700</td>
<td>$1,000</td>
<td>$1.43</td>
</tr>
<tr>
<td>Lincoln Towers</td>
<td>700</td>
<td>$940</td>
<td>$1.34</td>
</tr>
<tr>
<td>Chase At Ballston</td>
<td>700</td>
<td>$915</td>
<td>$1.29</td>
</tr>
<tr>
<td>Shireling Village</td>
<td>740</td>
<td>$935</td>
<td>$1.26</td>
</tr>
<tr>
<td>Balston Place</td>
<td>720</td>
<td>$910</td>
<td>$1.28</td>
</tr>
<tr>
<td>Courtyard Park</td>
<td>780</td>
<td>$935</td>
<td>$1.27</td>
</tr>
<tr>
<td>The Lennox Club</td>
<td>785</td>
<td>$960</td>
<td>$1.27</td>
</tr>
<tr>
<td>Quincy Place</td>
<td>750</td>
<td>$965</td>
<td>$1.27</td>
</tr>
<tr>
<td>The Cascade</td>
<td>730</td>
<td>$910</td>
<td>$1.25</td>
</tr>
<tr>
<td>Shireling Village</td>
<td>730</td>
<td>$900</td>
<td>$1.22</td>
</tr>
<tr>
<td>Balston Place</td>
<td>740</td>
<td>$985</td>
<td>$1.32</td>
</tr>
<tr>
<td>Randolph Towers</td>
<td>720</td>
<td>$935</td>
<td>$1.28</td>
</tr>
<tr>
<td>The Lennox Club</td>
<td>727</td>
<td>$939</td>
<td>$1.28</td>
</tr>
<tr>
<td>Park Vista</td>
<td>700</td>
<td>$990</td>
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Table 4-2: Comparison of rents at Lincoln Towers with other major residential projects around Ballston Station, Washington, D.C.
Figure 4-4

Ballston Metro Center
even though it is within a few blocks of the station, due to other unattractive characteristics. So too, Oakwood Apartments shows lower rents, though it is an older building.

One exception to the location near rail transit is the Shirlington Village project, a high-quality new project not built near the transit station. Shirlington's rents generally are below those of the most comparable projects of Lincoln Towers, Chase at Ballston, and Ballston Place, though not significantly lower.

At Shirlington, for example, a one-bedroom of over 800 sq.ft. rents for $1.14 sq.ft., compared to $1.27 for Lincoln Towers and $1.26 for Chase, while a two-bedroom of over 1,100 sq.ft. rents for $1.15 sq.ft. at Shirlington, $1.17 at Lincoln, and $1.15 at Chase.
CHAPTER 5
Atlanta, Georgia’s MARTA

The Transit System

The Metropolitan Atlanta Rapid Transit Authority (" MARTA") is authorized to provide public transportation services within the city of Atlanta and five of the eight counties which comprise the metropolitan area (see Figures 5-1 and 5-2). At present, service is delivered only in the city of Atlanta and two of the five authorized counties—DeKalb and Fulton. The three remaining counties have either never voted to join MARTA or have never approved its plan and associated funding package.

A one-cent sales tax generates local funding for MARTA. The federal government also is a major source of MARTA revenue—to date, federal funds have covered approximately 56 percent of the cost of the rail system. User fees (fares) are a third major source of revenue to the system.

MARTA is a " heavy rail" system—fully grade-separated, third-rail power supply, etc. Its authorized configuration includes 60 miles of track, 45 stations, and 33,000 parking spaces on five rail corridors, plus an exclusive busway. The system presently has 32 miles of track in operation serving 29 stations and 16,794 parking spaces. Another 12 miles of track and 6 stations are now under construction or undergoing detailed design, all of which is scheduled to be operational by 1996. The Authority currently operates a fleet of 240 railcars and 713 buses with a full-time staff of 3,300.

Total estimated daily boardings in FY92 are 181,000 on rail and 249,000 on bus. Approximately 251,000 passengers use the rail and bus system daily, yielding a transit mode share of slightly less than 3 percent. With an estimated regional population of 2.4 million people and 69.9 million annual revenue passengers on MARTA, annual transit use is just over 29 trips per capita.

The four primary rail corridors are oriented essentially north, south, east, and west, and all meet at the downtown Five Points station. The outer extremity of the former North Line is now renamed the Northeast line, and a new North Line will extend from the existing Lenox station area for several miles up the median of a new toll highway (Georgia 400) to the Medical Center area, and ultimately to North Springs. The current expansion program also includes extensions of the East Line to Indian Creek, the Northeast Line to Doraville, and a spur off the West Line to Bankhead. The terminus of the South Line will remain at Atlanta's Hartsfield International Airport for the foreseeable future.

In addition to the North Springs extension of the North Line, future work authorized but not funded includes a rail spur and busway off the East Line, a short extension of the West Line, and a spur off of the South Line to the north of Hartsfield Airport. There are no plans at present to extend beyond Fulton and DeKalb Counties.
The Regional Economy

During the 1980s, Atlanta was widely touted as the economic success of the "new south." It became synonymous with "growth," "boom times," and "success." In that decade, the city began to evolve from a regional service center to a center of national and international economic activity. From 1980 through 1989, the eight-county region added an estimated 550,000 people and 460,000 jobs, maintaining a favorable jobs/population ratio in the face of trends such as growing labor force participation of women, smaller households, and a general in-migration of people from across the South and the Northeast.

During the peak growth years of 1984-1987, Atlanta ranked nationally second only to Los Angeles in its rate of job creation. It ranked fourth for the entire decade behind Los Angeles, Dallas-Fort Worth, and San Francisco. It is now the 12th largest MSA in the nation with a population of approximately 2.4 million people.

While perimeter and suburban areas have been the sites of most of the region's growth, it is estimated that the Atlanta Central Business District added 14,000 jobs during the 1980s, reversing a pattern of job losses during the 1970s. Like the nation as a whole, job growth in Atlanta was strongest in the services and retail trade sectors. Manufacturing growth was healthy through 1987, but fell off as major employers faltered and retrenched, and virtually ceased in the last two years of the decade. Overall, Fulton County (which includes Atlanta) had the highest rate of employment growth in the region, followed by DeKalb County. (Note that both counties are served by MARTA.)

Atlanta business leaders speak of the maturation of the region in the following ways:

- Approximately 200 foreign companies which have their U.S. headquarters in Atlanta, as well as numerous offices of foreign banks and government trade organizations.
- The region functions as a financial, services, and communications center. It is home to Turner Broadcasting.
- Hartsfield Airport is the fourth busiest airport in the U.S., fifth in the world.
- Atlanta has one of the largest convention and trade facilities in the country, the 1.5 million sq ft World Congress Center.
- A wide range of government, cultural, and infrastructure projects have been completed which assure the continued vitality of the core district and the region, as well as numerous corporate headquarters buildings and hotels.
- Atlanta will host the 1996 Summer Olympic Games.

Total housing stock in the region grew by 42 percent during the decade, from approximately 700,000 units in 1980 to just under 1 million units by 1990. Two of the northern suburban counties (Gwinnett and Cobb) led the region in total housing growth—together they accounted
for 53 percent of the total net increase. During that same period, total single-family units increased by 36 percent, while the stock of multifamily units grew by 54 percent.

As a further measure of development activity during the 1980s, 174 separate projects of major magnitude were submitted to the Atlanta Regional Commission (ARC) for review during the period 1984-1990. While only a portion of these projects have been built, development activity continues on most of those still pending.

Growth in Atlanta has slowed considerably since its mid-80s peak—it is estimated that fewer than 30,000 jobs were added during the 1988-89 period. Average annual population and employment growth for the period 1990-93 was forecast in 1990 to be 72,000 and 58,000, respectively; given that the national economic recession has made its way to Atlanta, however, it is probable that this forecast will be proven overly optimistic.

The near-term outlook for Atlanta is mixed. Development activity continues, with several new office towers nearing completion in the Midtown area just north of Downtown (including the C&S Plaza and AT&T’s Promenade II). Employment continues to grow, though at a markedly reduced rate. Since the bulk of this job growth is in the services and retail sectors, the greatest concern to local economic planners is the condition of “base” or export-related employment. Housing production has fallen off, though mid-sized multifamily projects not requiring third-party lenders continue through the pipeline. As apartment complexes begun in the 1986-88 period are now coming on line, projects proposed since 1988 have generally been placed on hold.

The current slackening of growth notwithstanding, it is widely believed that the long-term potential for Atlanta’s economy is excellent, and population and employment growth and associated land development should resume at a more robust pace by late 1992 or early 1993. Numerous development plans are now on the shelf awaiting better economic times and improved availability of capital. It is expected that a significant proportion of that development will occur at or near MARTA stations. Two projects, one of which is just being constructed, are at MARTA Stations just south of Downtown.

Local Planning and Development Policy

General. The Atlanta region has what are perhaps the most market-oriented land use and development policies of any major metropolitan area in the United States. While the city of Atlanta and surrounding counties do maintain current comprehensive land use plans and zoning codes, development proposals requiring zoning changes, conditional use permits, etc. are, in general, granted with a minimum of controversy. Zoning codes tend to be more reactive than proactive.

1In 1984, the Atlanta Regional Commission (ARC) was given authority to review “major development area plans” for their impact on regional services, quality of life, etc. Minimum thresholds for review were set at 500,000 sq. ft. for office projects and 500 units for residential developments, to give just two examples.
In DeKalb County, for example, the County does not produce a "top-down" zoning plan, but rather makes zoning changes only at the request of property owners. Impact fees and other forms of mitigative exactions are just beginning to become common.

**City of Atlanta Programs.** The City of Atlanta has two development tools which it applies in order to further land use and development goals: (1) Special Public Interest districts ("SPI") and (2) Housing Enterprise Zones ("HEZ").

SPI districts are high-density, mixed-use zones intended for the highest concentrations of development. Conditional use permits are required, while floor/area ratios of up to 25 are allowed. Downtown, Midtown, and Buckhead, areas with greatest evidence of multifamily activity, are examples of SPI districts, all of which coincide with major MARTA lines and stations.

**Housing Enterprise Zones (HEZs)** are modelled on the urban enterprise zone concept, where areas with housing deficits are targeted for developer assistance in the form of a temporary, though lengthy, property tax abatement. The section below on Atlanta's Department of Housing contains a detailed description of how HEZs are being used to construct affordable and middle-income housing adjoining MARTA Stations. Several HEZ multifamily projects have already been implemented in the Civic Center area (located between Downtown and Midtown), though none of these projects is within walking distance of a MARTA station.

**Transit Station Area Development Studies (TSADS).** Coincident with the development of the MARTA system plan in 1972, the TSADS program was begun to prepare comprehensive land use and development plans for each of the future MARTA station areas. Prepared cooperatively by the Atlanta Regional Commission (ARC), MARTA, Georgia DOT, and local governments, the purpose of TSADS was, in the words of the program summary report (1977): "...to develop land use plans which minimize traffic impact to established neighborhoods and communities and to maximize development opportunities at [other] specified stations. The TSADS program [recognized] that portions of the rapid transit system will draw significant amounts of new development which will mean increased land values, other private benefits, and long-term public benefits through increased tax revenues."

The TSADS station area plans defined a series of influence zones (walk: 1,500 feet; direct influence: 2,500 feet; indirect influence: 2 miles) and sought to classify the stations in the following way:

- **High-Intensity Mixed-use Stations** — Intense mixed-use development should be encouraged.
- **Community Center Stations** — Mixed-use development at a community scale should be encouraged.
- **Neighborhood Stations** — Preservation and rehabilitation should be encouraged.
Transportation Interface Stations — Provide linkages between modes and facilities; land use and development should be consistent with local plans.

Funded primarily by UMTA, the last of the TSADS plans was completed in 1977, roughly coinciding with the completion of preliminary engineering of the initial MARTA system. Under an UMTA-funded follow-up program entitled "Transit Impact Monitoring Program" (TIMP), the ARC and MARTA monitored land use changes at MARTA stations for approximately ten years following completion of the TSADS plans. Due to changes in funding priorities, the TIMP program was suspended in the late 1980s.

According to Karl Fromberg, Principal Planner with ARC, their report on development around MARTA in 1987 was ARC's last such study.2 As all across the country, there were ambitious planning efforts in Atlanta to construct high-density, affordable, and subsidized housing around rail stations in conjunction with planning and construction of the rail lines themselves. Then (post-1984) HUD and UMTA funding dried up, and cities were left with plans for large joint-development projects that never materialized.

In the view of planning professionals, the station area plans have so far been more successful in protecting communities from undesired growth than they have been in focusing growth on targeted station areas. According to the ARC, "While MARTA has affected the Region's growth and development patterns, particularly in station areas, the level and scale of growth is considerably less than anticipated in the mid-1970s."3 For the most part, higher-density development has occurred in only a limited number of station areas, most of which lie on the existing North Line (Five Points Station to Lenox Station). In general, these areas have developed in response to market forces and a planning emphasis that has included rail transit only as one factor among many.

Atlanta's Department of Housing is attempting to mitigate the lack of affordable and middle-income housing near MARTA stations, especially near the heart of the City. Projects underway at the Vine City and West End Stations, just south of Downtown, are described below.

Dekalb County. Dekalb County lies to east of Fulton County and is the only other metro county other than Fulton to join MARTA. Two MARTA lines and six stations lie within DeKalb County, and present extensions will add three more stations. Housing stock in the County is primarily low- and moderate-density, and the County does not have a formal planning process designed to encourage higher densities at rail stations. Present maximum density for residential is 30 units/acre. Zoning to permit that density is created on a site-specific basis by property owner request. The County does not have a policy of rezoning in advance of development proposals.

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High-Density Development Since 1985

High-density development since 1985 has been concentrated largely in two areas in metropolitan Atlanta: the Downtown-Midtown axis, and the Lenox-Buckhead area. The vast majority of new projects have occurred within sight of development prior to 1985.

There is some evidence of new development along the East Line (Decatur) and South Line (East Point).

Decatur. "All housing built since 1979," says Hugh Saxon, Planning Director for Decatur, "has been built with rail transit in mind." MARTA increased development and consequently the value of land around transit stations. The City of Decatur has some high-density housing around MARTA as well as an innovative civic center design incorporating the MARTA station (Figure 5-3). There are several highrise projects for the elderly sponsored by churches and private developers. Swanton Hill is planned to include townhouses plus (possibly) Section 8 housing for elderly.

Neighborhood resistance at Inman-Park Reynoldstown Station on the East Line prevented implementation of a revised zoning ordinance (1982) to encourage "transit development districts." A 230-unit medium-density residential development was planned just north of the station, but this and many other plans were defeated by community resistance to such high housing densities in their midst.

Public Housing. Emerson Bryan, Human Services Planner with ARC, explained that when MAHGA was first proposed in the late 1960s it failed. The second vote was approved with the stipulation that MARTA would serve low-income neighborhoods. There is a great deal of public housing near MARTA stations, particularly on the South and West Lines, much of which was constructed prior to MARTA's existence.

The planned West Line Spur will serve the communities of Perry Homes and Bankhead, where extensive public housing exists and more is being planned around the MARTA stations.

There are several low-income housing developments in East Point near the College Point MARTA station and near the Atlanta Airport (which is served directly by MARTA).

The Olympics in 1996. There is an increase in housing development currently underway in central Atlanta to accommodate participants in the 1996 Olympics. Techwood Park is one of the largest of these developments, which will incorporate elderly and student housing as well as middle-income and upscale condominiums. Kristen Lindelow, Manager of Planning for Techwood Park, Inc., said proximity to MARTA is "not a factor" in its development, which is several blocks and across the major Highway 1-85 from the North Avenue Station. A neighborhood is planned, however, between the proposed student housing for Georgia Tech and the MARTA. The project is in the beginning stages of development. It is anticipated that funding will come from HUD, local foundations, private developers, and the Atlanta Committee for the Olympic Games.
Decatur Station.
Medium-density housing projects are shown in the distance. Decatur's civic center incorporates the MARTA Station (below).

Figure 5-3
There is controversy surrounding construction of Techwood Park. Techwood Homes, the first public housing project in the United States, will be renovated; Clark Howell homes, built in the 1930s, will be totally rebuilt; two existing highrises for elderly residences will be renovated. Although the original plans called for much of this housing stock to revert to affordable housing after 1996, current residents have already been evacuated to other housing projects throughout the City and are skeptical they will ever be allowed to return to Techwood Park. (The Department of Housing later confirmed the City's commitment to return Techwood Homes and Clark Howell occupants to their residences after 1996. Plans are geared to creating more affordable housing than was available before the redevelopment.)

Downtown-Midtown. Past efforts by the City of Atlanta and Central Atlanta Progress (CAP) have historically paid off in the form of a strong central business district for the region. Despite the success of many redevelopment projects and extensive private investment in projects such as Peachtree Center and the more-recent Underground Atlanta, there is now evidence of a migration of new high-density commercial development away from the Five Points district and into the Midtown/Arts Center area. With the exception of new commercial buildings in the Peachtree Center station area (Mariott Marquis, Apparel Mart expansion, 'technology Mart), the bulk of new highrise construction — commercial and residential — is now occurring in Midtown, not downtown.

In downtown and Midtown Atlanta, most high-density housing developments cater to upper-middle-class professionals, although they are often designated as "moderate."

The target area of corporate migration, which includes four MARTA north line stations (Civic Center, North Avenue, Midtown, Arms Center), has been the location of perhaps 30 new high-density commercial and residential projects since 1980. Among the most notable recent commercial projects are:

- Atlantic Center (IBM)
- AT&T Promenade II
- Gateway Office Tower
- 1100 Peachtree Building
- CAS Tower
- GLG Grand (Mixed Use)

Scandinavian House, at 710 Peachtree Street N.E., is located near the North Avenue Station and serves as student housing for Georgia Tech. It has been developed by Immobiliia International with private financing. There are retail businesses at street level, including a restaurant catering to students. Promotional material touts MARTA's proximity. There are 534 units, mostly one-bedroom ($455 and up) and studios ($375 and up), with four two-bedroom suites. It is estimated that 95 percent of Scandinavian House residents are students, of whom at least 50 percent use MARTA frequently.

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As of this writing, all market signals continue to suggest that the Midtown area will continue indefinitely to receive the greatest attention from those desiring to build/locate within site of the region’s CBD. Indeed, the Swedish developer of the GLG Grand project also has assembled nine city blocks between North Avenue and Midtown in the expectation of constructing or converting 15 million sq.ft. of office space, thousands of apartment units, and hundreds of hotel rooms.

The size of this market will be determined only by the competitiveness of the Buckhead district, discussed immediately below.

**Buckhead.** The Buckhead area, located just a few miles to the north of Midtown, now functions as the second-largest mixed-use growth node in the region (some would say "the largest")—comparable to areas such as Post-Oak/Galleria in Houston, the Irvine Business Park in Orange County, California, or Tyson’s Corner in Fairfax County, Virginia. Spurred by the presence of two regional malls—Lenox Mall (the oldest in Atlanta) and Phipps Plaza—and extensive existing and committed transportation infrastructure (including a new MARTA rail line and toll-financed expressway), there has been and continues to be conversion of older single-family residential tracts into high-density mixed-use development.

Recently developed projects in the Lenox-Buckhead area include:

- The Atlanta Financial Center (two phases)
- Technology Park (fmr. Sid. Club)
- Lenox Square Office Tower
- Capital City Plaza
- City Center One
- Ritz-Carlton Hotel
- Atlantic Plaza I
- Resurgents Plaza

There are several medium density housing developments at the Lenox Station. The Lenox Forest Apartments (Figure 5-4) are located directly behind the MARTA Lenox Station. Lenox Forest caters to elderly and retired people. They provide a bus shuttle to the Lenox Mall and the MARTA Station, even though both are within easy walking distance of Lenox Forest. The grounds are extremely well-kept and spacious. There are six residential buildings on eight acres. Density is at 80/acre for the 432 units. There is ample open parking. Promotional materials emphasize proximity to MARTA. Although many younger singles and students are currently living at Lenox Forest, most of whom rely on MARTA to commute to work, the management of Lenox Forest plans to revert to their historic policy of encouraging retired residents and elderly. Rents range between $565 for a studio and $900 for a three-bedroom unit.
Lenox Forest is located on Lenox Road in Buckhead... the most prestigious address in Atlanta's most fashionable neighborhood.

The very best of Atlanta awaits you. Within a few minutes walk, you can explore the department stores, shops, and restaurants of Lenox Square and Phipps Plaza, feel the exhilarating pace of the city's newest and most impressive business centers, or enjoy the genteel services of luxury hotels. You also have immediate access to a rapid transit system that will quickly and comfortably take you to almost any point within the city.

The ingenious three-wing design of each building at Lenox Forest assures a sweeping, unobstructed view from each apartment home. Lenox Forest also offers the unusual luxury of choices: studio, one, two, and three bedroom apartments in 17 different floorplans. All reflect Lenox Forest quality with such standard features as spacious living areas, patios or balconies, ceramic baths with vanities, and fully-equipped kitchens.

Gracious living at its finest... Lenox Forest.
Across the street from Lenox Forest are the St. James Apartments (Figure 5-5), at 3201 Lenox Road N.E. There are 100 units, mostly 2-bedroom. As with the Lenox Forest Apartments, financing was strictly private.

North Area. Outside of the Downtown/Midtown core and the Buckhead area, the bulk of new development has occurred and will continue to occur in the northeast and northwest quadrants of the region—at or beyond the I-285 Perimeter Highway. Much of recent and pending development, while pre-dating MARTA, nevertheless is or will be located near pending new MARTA stations on the North Line: Medical Center, Dunwoody, Sandy Springs, and North Springs. Of greatest note are:

- Peachtree-Dunwoody Pavilion (Medical Center)
- The Ravinia Complex (Dunwoody)
- Potomac Hills (Proposed, Sandy Springs)
- Peachtree-Dunwoody (Proposed, North Springs)

Multifamily Case Studies — Description and Analysis

Atlanta is a housing market where multifamily construction has typically outpaced single-family construction, even after the impact of adverse changes in tax laws and lending practices. While the bulk of multifamily development has consisted of projects with densities of 15-20 units/acre, a number of high-density projects have moved through the development pipeline in the past five years. Numerous other projects have been proposed, though most project development is currently stalled pending improvements in the real estate and financial markets.

Department of Housing and Incentives

The following information on housing near MARTA funded by public/private schemes derives in great part from a meeting with D. Scott Carlson, Commissioner of Housing, and Brenda Gammage, Redevelopment Property Specialist, at Atlanta’s Department of Housing in City Hall. The Comprehensive Housing Affordability Strategy (CHAS) prepared by the Department of Housing, other housing and human services agencies, and local Community Development Corporations (CDCs) for the U.S. HUD for fiscal year 1992 describes in detail plans made to assist high-density housing development throughout the City (see Table 5-1). Profiles below are of developments at or near the Vine City, Omni, West End, West Lake, and Georgia State MARTA Stations.

Mayor Maynard Jackson and Mr. Carlson work closely with Neighborhood Planning Units (NPU) to plan assisted housing and mixed-use developments that meet with community approval. In the current project underway at the Vine City Station (Profile below), for example, several neighborhood groups and CDCs are involved in developing the comprehensive plan for residences, retail businesses, and a child care center.
Lenox Station.
St. James Apartments, 1.5 blocks from the MARTA Station.

Figure 5-5
<table>
<thead>
<tr>
<th></th>
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<tr>
<td>OLYMPIC NEEDS - CDC SF REHAB</td>
<td>100</td>
<td>50</td>
<td>50</td>
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<td>OLYMPIC NEEDS - CDC NF REHAB</td>
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<td>OTHER CDC SF REHAB</td>
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<td>100</td>
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<td>200</td>
</tr>
<tr>
<td>OTHER CDC NF REHAB</td>
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<td>CDC/NPHF REHAB II</td>
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<td>1000</td>
<td>1000</td>
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<td>OTHER AID/COC</td>
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<td>MDH REHAB CARE REHAB</td>
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</tr>
<tr>
<td>ELDERLY REHAB - CIVIL</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
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<tr>
<td>POST REHAB/REHAB</td>
<td>225</td>
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<td>225</td>
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<tr>
<td>MDH REHAB SENIOR/ELDERLY REHAB</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
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<td>10</td>
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<tr>
<td>MEDICAL REHAB PROGRAM</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>SMALL RENTAL (1-7 units)</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3627</td>
<td>3055</td>
<td>2395</td>
<td>1926</td>
<td>1626</td>
<td>1752</td>
</tr>
</tbody>
</table>

**Note:** The total number of units reserved for homeless is 720.
Based in part on his experience with the Urban Development Corporation in New York State, Commissioner Carlson advocates a housing mix at the ratio of 70 percent middle-income to 30 percent low-income. The 30 percent low-income should include 10 percent elderly housing.

**Housing Enterprise Zones**

Housing Enterprise Zones (HEZs) described above are established when the community petitions the State Legislature, which must rule on any such zoning or effort that affects taxation levels, to create an HEZ for their area. The community then receives petitions from developers who want to take advantage of HEZ inducements to housing development. Such incentives under the provisions of the Housing Enterprise Zones legislation include temporary but lengthy property tax abatement. For the first five years, the developer pays no real estate tax. Tax then increases by 20 percent increments over the next five years until 100 percent taxes are paid in year ten.

The developer is prohibited from selling the development during the first five years, during which period the tax abatement creates an artificially inflated net cash flow. The developer may sell the land during this initial five-year period only if he repays the City in full the equivalent of all benefits received under the HEZ program. Repayment of the land note on the land which was originally bought from the City is paid out of 20 percent of cash flow after debt service on the first mortgage. Net cash flow is defined as the money left over after paying all direct operational costs to construct improvements on the site (not including, in other words, administrative or other costs incurred by the developer). Of the repayment money, 20 percent goes to the City and 80 percent back to the developer.

The City is currently embarked on a successful campaign to sell and develop the land it owns adjoining MARTA stations, and the Department of Housing is working to include affordable housing components in these development agreements.

The HEZ allows the public agency to perform as a "subordinate developer," with an active role in the project's completion and subsequent operation. A public agency must invest public money in exactly the same way as would a private investor. If properly controlled and enforced, an HEZ agreement is better than a pure land grant to a developer. A pure land grant carries no provisions to ensure the developer follows development guidelines as established by the NPU. Government must take care to behave as would a similar investor from the private sector. Too often, public-private deals are flawed when public agencies fail to enforce default provisions of the deals. The City's rights to cure and recover have in the past been restricted, allowing private real estate developers to take unfair advantage.

City officials emphasize that it is essential to have "mutually reinforcing incentive arrangements." Developers must be encouraged to perform to agreed standards and on time. Failure to perform must result in punitive action by the city or other public agencies involved.

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Attention is being paid to local banks and how they are adhering to provisions of the Community Reinvestment Act (CRA) passed by the federal government in 1978 to mitigate racial discrimination and the lack of affordable housing stock. Atlanta’s Department of Housing will aggressively monitor banks’ and other lending institutions’ contributions to community redevelopment as mandated in the CRA.

The City will assist in building 16,000 units over the next five years. The emphasis will be on generating public acceptance of "strong densities" with urban-driven design approaches around transit stations. For example, the City may offer air rights to one developer over the Five Points MARTA Station at Underground Atlanta in exchange for re-designing the MARTA Station to incorporate 5,000 affordable-to-middle-income residential units and to more directly tie in with retail activity.

As another example of a "density-driven urban solution," the City is negotiating with a developer at Midtown/Arts Center who is preparing nine blocks for commercial development. The Housing Department proposes donating air space over public facilities within or adjoining the development to be dedicated to 5,000 units of housing priced for the workers who will service the area. The City may be able to assist in creating the affordable housing using URFA financing.

MARTA makes landing of major employers with housing possible. However, MARTA’s station designs sometimes "defeat pedestrian walkways" and other strategies to incorporate transit directly into housing developments.

The City is playing a "planning and packaging role" to encourage development near rail transit. The Candler Warehouse property, 38 acres of abandoned commercial land directly adjacent to MARTA at the West End Station (see below), is an example of how government can make the best of a potentially poor investment. The City first sold the Candler property to a developer, who defaulted under terms of the performance bond established through an urban renewal program. The City called the property in for foreclosure proceedings. The Federal Bankruptcy Court became the trustee of the property and its $250,000 bond money owed to the City. The Housing Department petitioned the Bankruptcy Court to allow the City to invest $150,000 of this money in a feasibility study for a large mixed-use residential complex. Should the study favor development on the site, the Court will direct the package, eliminating necessity for lengthy bidding and other administrative procedures. The Federal Government and the City would in effect be development partners, which could be a most propitious and powerful partnership.

**URFA Financing**

One of the programs of Atlanta’s Department of Housing, the Urban Residential Finance Authority (URFA) provides financing for all types of housing within the City. URFA administers bonds such as the $1.5 million revolving construction loan funds for "the acquisition, new construction and
rehabilitation of residential housing within the community adjacent to the Georgia Dome Stadium Project. This is Parcel 25 (profiled below) and other development at the Vine City Station.

The Northside Plaza development profiled below was funded with assistance from URFA, as were the Borders and Cochran Towers, student housing at the Morris Brown College of Atlanta University.

Table 5-2 (below) presents a selection of recent, pending, and proposed high-density multifamily projects, organized by MARTA station area. Though not exhaustive, the list includes a good cross-section of projects in all areas where high-density multifamily activity is evident. The majority of projects shown in Table 5-2 are market rental properties aimed at the upper-income or "luxury" market. Just three of the projects are condominiums, also targeted to upper-income households. One of the three condominiums, Park Place on Peachtree, is not located near a MARTA station, but has enjoyed considerable success as an address for non-resident music celebrities and business people, particularly Europeans. A second project (The Oaks at Buckhead) is still under construction and in pre-sale status. The third project (The Villa at Buckhead Heights) has been selling since March 1991, but has had only one of its 58 units close to date.

Three upscale rental projects have been selected for more detailed analysis, two in the Midtown/Arts Center area and one in the Buckhead area. All of the projects are relatively new—only one is considered to have achieved stabilized occupancy. A fourth project, Club Tower, was considered an excellent candidate for detailed study; however, that project has suffered financial problems (including a rumored foreclosure action by its primary outside lender, Texas Teachers Fund) and its owners did not respond to requests for an interview. Project data sheets for the three projects, as well as profiles of selected low- to middle-income residential and mixed-use developments at MARTA Stations, follow.

Georgian Terrace. This 294-unit project (196 units/acre) involves the renovation and expansion of a historic property in the rapidly redeveloping Midtown area. It is nominally a mixed-use project, though the retail space is a small component of the total area. The project is located one block from an existing MARTA station, though given the owner's desire to renovate this specific historic structure, the proximity of MARTA was not a factor in site selection. The entire project was accomplished in approximately four years without active government involvement.

The cost, location, extensive amenities, and marketing of this project suggest it is currently the most "upscale" location in Atlanta, and the asking rents confirm this. Approximately 20 percent of the units are leased, and the developer believes that virtually all residents are middle- or upper-middle-income, white-collar workers. Parking is extensive on-site, and the developer believes that tenants view transit service as "nice to have," but that actual usage is very low—limited to special events and a small percentage of airport travelers. Transit is not pushed by leasing agents.
<table>
<thead>
<tr>
<th>Name</th>
<th>Size</th>
<th>MARTA Stn</th>
<th>Status</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore Row</td>
<td>15 T.H.</td>
<td>Civic Center</td>
<td>Operational</td>
<td>Historic renovation.</td>
</tr>
<tr>
<td>City Chateau</td>
<td>1,200 Units</td>
<td>Civic Center</td>
<td>Approved/Not active</td>
<td>Former MARTA maint. facility.</td>
</tr>
<tr>
<td>Renaissance City Center</td>
<td>200 Units</td>
<td>Civic Center</td>
<td>Under Constr.</td>
<td>One-half mile to station.</td>
</tr>
<tr>
<td>Northside Plaza</td>
<td>127 Units</td>
<td>Omni/Vine City</td>
<td>Leasing/operational i</td>
<td>PROFILE.</td>
</tr>
<tr>
<td>Vine City Parcel 25</td>
<td>182 Units</td>
<td>Vine City</td>
<td>Under Constr.</td>
<td>PROFILE.</td>
</tr>
<tr>
<td>West End</td>
<td>558 Units</td>
<td>West End</td>
<td>Under Constr.</td>
<td>PROFILE.</td>
</tr>
<tr>
<td>Sadie Maye</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elderly Housing</td>
<td>236 Units</td>
<td>West Lake</td>
<td>Proposed</td>
<td>PROFILE.</td>
</tr>
<tr>
<td>Georgia State Student Housing</td>
<td>600 Units</td>
<td>Georgia State</td>
<td>Proposed</td>
<td>CASE STUDY.</td>
</tr>
<tr>
<td>Georgian Terrace</td>
<td>294 Units</td>
<td>North Avenue</td>
<td>Leasing</td>
<td>Student housing; older project.</td>
</tr>
<tr>
<td>Scandinavian House</td>
<td>523 Units</td>
<td>North Avenue</td>
<td>Operational</td>
<td>50 acre mega-project. 15 million s.f. incl. extensive residential.</td>
</tr>
<tr>
<td>GLG Park Plaza</td>
<td>Unknown</td>
<td>North Avenue</td>
<td>Proposed</td>
<td>Only 60% leased after 3 years. Under foreclosure and in bankruptcy. Owner did not return phone calls.</td>
</tr>
<tr>
<td>Club Tower</td>
<td>&gt;300</td>
<td>Midtown</td>
<td>Operational</td>
<td>Mixed use &quot;stacked&quot; tower: hotel, office, residential.</td>
</tr>
<tr>
<td>GLG Grand</td>
<td>129 Units</td>
<td>Arts Center</td>
<td>Under Constr.</td>
<td>CASE STUDY.</td>
</tr>
<tr>
<td>Mayfair Apts.</td>
<td>323 Units</td>
<td>Arts Center</td>
<td>Leasing</td>
<td>CASE STUDY.</td>
</tr>
<tr>
<td>Grandview</td>
<td>226 Units</td>
<td>Lenox</td>
<td>Operational</td>
<td>First phase of &quot;Technology Park&quot; mixed-use project on former &quot;Standard Club.&quot; Project presently NOT within walk distance to MARTA. People-mover system proposed.</td>
</tr>
<tr>
<td>The Oasis at Buckhead</td>
<td>217 Units</td>
<td>Lenox</td>
<td>Under Constr.</td>
<td>201 condominiums &amp; 16 townhomes.</td>
</tr>
<tr>
<td>Lenox Gables</td>
<td>336 Units</td>
<td>Lenox</td>
<td>Leasing</td>
<td></td>
</tr>
<tr>
<td>Villas at Buckhead Heights</td>
<td>58 Units</td>
<td>Lenox</td>
<td>Selling</td>
<td>Condominiums. Sales have been poor to date.</td>
</tr>
<tr>
<td>St. James Apts.</td>
<td>100+</td>
<td>Lenox</td>
<td>Operational</td>
<td>Mid-rise rental. Near walk distance to station.</td>
</tr>
<tr>
<td>Noble Center</td>
<td>4 Towers/500 Units</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>Part of mixed-use project. Total site is 12 acres.</td>
</tr>
<tr>
<td>Unnamed Ackerman</td>
<td>Unknown</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>22 acre mixed-use project including HD residential.</td>
</tr>
<tr>
<td>&amp; Co. project</td>
<td></td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>11.5 acre mixed-use project, including HD residential.</td>
</tr>
<tr>
<td>Capital City Plaza</td>
<td>Unknown</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>8 acre mixed-use project, including HD residential.</td>
</tr>
<tr>
<td>Stratford Yall</td>
<td>3 Towers/ 1,400 Units</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>21 acre project on former Alexander Estate. Combination of mid-rise &amp; highrise.</td>
</tr>
<tr>
<td>Unnamed Pope &amp; Land Project</td>
<td>Up to 2,500 Units</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>Second phase. All-office first phase.</td>
</tr>
<tr>
<td>Equitable/Monarch II</td>
<td>Unknown</td>
<td>(Buckhead)</td>
<td>Proposed</td>
<td>107 acre mixed-use project.</td>
</tr>
<tr>
<td>Peachtree-Dunwoody Pavilion</td>
<td>200 Units</td>
<td>(North Springs)</td>
<td>Proposed</td>
<td>Very &quot;high end&quot; condominiums. Not located near MARTA.</td>
</tr>
<tr>
<td>Park Place on Peachtree</td>
<td>288 Units</td>
<td>NONE</td>
<td>Sold Out</td>
<td></td>
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</tbody>
</table>

*Stations shown in parentheses are under construction or final design.
Mayfair (Tower 1). The 323-unit first tower of this ultimate two-tower project has been leasing since September 1990 and is now about 75 percent leased. Density is approximately 125 units/acre with the first tower. Unlike the Georgian Terrace project, the developer (Laing Properties, a wholly-owned American subsidiary of a British company) actively searched for sites in the Midtown/Arts Center area that were "within 3-4 blocks, but no close" to a MARTA station. Thus, unlike Club Tower, which is across the street from the MARTA Midtown station, Laing chose a site closer to existing single-family neighborhoods and some four blocks from the Arts Center MARTA station.

The developer believes that having MARTA nearby is important to Mayfair tenants (whether or not they actually patronize MARTA) and therefore to the project's financial success. Resident surveys suggest that 15-20 percent of existing tenants use MARTA 'to some extent.'

Mayfair rents are above all other nearby multifamily projects (including Club Tower) with the exception of Georgian Terrace. Mayfair was actually the first of the current crop of multifamily projects to receive building approval, and took approximately three years to bring from site acquisition to first occupancy. There is no timetable for the second phase of the project (330 units), and it appears unlikely that this will process in the near future. There was no government involvement in the project, and financial return is expected to be in the 6-7 percent range (cash on cash), adequate to Laing but unacceptable to most American lenders, particularly pension funds.

Grandview at Buckhead Heights. The Grandview is the first high-density rental apartment tower in the immediate Lenox/Buckhead area. Like the Mayfair, this project was begun in 1987 and opened in 1990. It boasts the "second-highest" rents in Atlanta, and is now 92 percent occupied (considered to be stabilized). Containing 226 units on 36 floors, it provides an attractive amenity package and is well-marketed. The developer states that cash flow is meeting expectations.

The building is located one block from the existing Lenox MARTA station, and is approximately three blocks from the pending Buckhead station. The project is located within the so-called "Buckhead Superblock," which is slated to contain extensive high-density mixed-use development (including two of the three condominium projects listed in Table 5-1). He believes that the transit linkage was absolutely necessary to make the project a success, and looked only at potential sites within walking distance of a rail station. Proximity to MARTA is highlighted by leasing agents and is listed by most residents as a "plus," though actual transit usage is believed to be limited (perhaps 15 percent use transit once a month).

The amenity value of transit notwithstanding, the original developer does not believe that proximity to MARTA correlates directly with financial performance now. Grandview is performing well now because of its site, amenities, and management. In his view, the importance of transit should increase in the future.
It is worth noting that one factor that distinguishes the troubled Club Tower from the three case-study projects of upscale residential projects is its use of an outside lender for take-out financing (as opposed to use of internal funds, as in the case of the other three developers). Indeed, though Club Tower suffers from site and design problems that undoubtedly have led to its slow lease-up and below-target cash flow, at least two of the other developers openly suggested in interviews that their projects would never have been feasible if outside financing had been required. The anticipated rates of return for those projects are simply too low to interest major American institutional investors. The European and Asian investors behind the Georgian Terrace, Mayfair, and Grandview are apparently more patient.

In keeping with both national and international financial market conditions, the majority of developers interviewed do not expect significant additional foreign investment— thus, additional high-density multifamily development—for some years to come. When it does come, however, it is virtually certain that it will happen in Buckhead and the Midtown district, both areas now served by MARTA.
Georgian Terrace

Location: Peachtree St./Ponce de Leon Avenue
(Midtown) Atlanta, GA

Type: High Density Mixed Use; Luxury;
Historic Restoration (1911) & Expansion.

Size: 294 apartments; 52,000 s.f. commercial.

Density: 156 DLP/acre.

Parking: 700 spaces.

Street Access: Corner lot; access off both streets.

Transit Access: MARTA North Avenue Station 1 block away; bus routes on both facing avenues.

Amenities/Features: Health Club and 25 meter pool; concierge; doorman; high-end shops; car detailing...

Neighborhood Character: Rapidly developing mixed residential/commercial ("urbane"); new focus of CBD-density building. Bell South headquarters nearby, among many other new office developments. Some "bohemian" character (coffee houses, historic Fox theater, etc.) Georgia Tech is nearby.

Demographics: Residents middle- and upper-middle-income; white-collar employment.

Project Completion/Completion: Completed in 1991; cost > $30M (cm.).

Transit Service: MARTA heavy rail service plus frequent bus service.

Project Finance: All market-financed project.

Developer/Owner: E.F. Howington Company.


Other Nearby Properties: (Comp rents, prices, etc.): Rents are comparable to or exceed other nearby projects ($550 for offic.; $1,700 for 3BR).

Development History: Standard project, except historic-removal aspect. Entire project took four years.

Resident Transit Usage: Unknown. Anticipate that some airline crews may rent space to use MARTA to Hartsfield.

Transit Influence: None on development process. Limited for tenant decision process.

Local Government Role: Standard development approvals.

Transit Agency Role: None.

Comments: MARTA had no influence on site selection. He believes MARTA influence in general is "overrated." (Prices asked for air rights development are not justified, for example.) Except for airline people, he does not believe transit access is a concern to residents and it is not being pushed by leasing agents.

Contacts: Frank Howington (Owner/Developer),
E.F. Howington Company
404-873-1885
Grandview at Buckhead Heights

Location:
3481 Lakeside Dr, NE
Atlanta, GA 30326
(Buckhead)

Type:
Highest Rental Apartments.

Size:
226 units/56 floors.

Density:
190 DP/ac.

Pricing:
390.

Street Access:
Lobby.

Transit Access:
Lobby.

Amenities/Features:
Full electronic security/lobby attendant; health club; walking distance to shopping; covered parking.

Neighborhood Character:
High-density commercial (office and retail) on one side; single-family residential (middle/upper-middle income) on the other side.

Demographics:
Upper-middle-class. Singles and childless couples. ("Second-most expensive rental building in Atlanta.")

Project Completion/Cost:
Completed 3/90. $27 million. (> $100K/Unit).

Transit Service:
Bus service on nearby Lenox Boulevard. MARTA rail service from Lenox station ~ 1 block walk. (Residents must cut through private property at this time. Street planned to connect to station.)

Project Finance:
Completely market project. JV w/Japanese.

Developer/Owner:
Cathome Development (t/bi Briesemeister, from Minneapolis). Sold to Taiwanese firm, BBS Constuction.

Current Financial Status:
92% leased. Positive operating cash flow.

Other Nearby Properties:
No real comparables nearby. Comparable rentals are all low or mid-rise (up to 4 story).

Comp rents, prices, etc.:
Rents are $1.10/sf ($770-1,200). Not prior comment on 2nd most expensive rents in Atl.

Development History:
Used SF architect; Dan Ionecavu and Ibar Friedman (425-570-6681). Experience with highrise. Took about four years.

Resident Transit Usage:
Believed to be low/moderate (15% use MARTA at least once a month.)

Transit Influence:
Absolute. Looked into do project within walking distance of MARTA rail station. Proximity to rail listed by most residents at plus, the actual usage is fairly limited (see "Comments" below).

Local Government Role:
None.

Transit Agency Role:
None.

Comments:
 Doesn't believe proximity to MARTA correlates with financial performance report. This should change in the future. Transit is an "amenity", not a real functional need. Grandview is performing well because of "an extremely good site & project's amenities." Note: C-Rony Park project in Midtown, built 1983-85. Survey show 89% of residents list MARTA as "important." Actual usage is perhaps to airport & to Omni for a sports event. Market is extremely competitive for multi-family. Doesn't believe any project would be built without foreign money. Notes Club Tower is in foreclosure by Texas Teachers (tender).

Contacts:
Ed Briesemeister
1989 N. Williamsburg Dr.
Decatur, GA. 30033
404-321-1967

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Mayfair (Tower No. 1)

Location: 199 14th Street
Atlanta, GA
(Area Center/Midtown)

Type: Highrise Residential (Rental Apts.)

Size: 323 units (first tower); 330 (second tower; pending).

Density: 122/acre (first tower); 252/acre with second tower.

Parking: 380 spaces now; 850 spaces with second tower.

Street Access: Building Lobby and garage to 14th Street.

Transit Access: Same as street access.

Amenities/Features: Architecture; Construction quality ("stone"). Security control. (No real onsite amenities.)

Neighborhood Character: Very upscale new commercial on one side (w. of Peachtree St.); older but well-maintained single-family housing on other slide. Area is in transition. Largest city park nearby. Area was pornographic district before major redevelopment effort started 10 years ago.

Demographics: Median age ~ 33 (higher than general pop. and garden age, renters). Incomes $55-65K. Few children. Majority are singles (esp. females). Others are "soft retired." Empty nesters with house in the country.


Transit Service: Area Center rail station is 4-block walk. Bus service on Peachtree St. (1/2 block).

Project Finances: Market project. Offshore money (U.K.);

Developer/Owner: Laing Properties, Inc. (British parent co.)

Current Financial Status: Now 75% leased. "On schedule" for stabilized lease-up by summer 1992. Cash on cash return likely to be 6-7%, similar for all such projects currently. (Pro formas showing 9% return have not been realized by anyone.)

Other Nearby Projects: (Comp. rents, figures, etc.) Only comparable project is Club Tower, which is in foreclosure. Rents are generally somewhere lower. Georgia Terrace is just coming on the market, with higher rents (too soon to know results). He does not anticipate more MF constr. in the area for at least 5 years.


Resident Transit Usage: Believes that 15-20% use MARTA.

Transit Influence: Believes project would not be feasible without MARTA. Made conscious effort to locate site near MARTA stations. Midtown/Mart Center was best. Wanted a site "within 3-4 blocks but no closer" that had a residential feel. (Club Tower is too close to Area Center station; also not enough residential feel to that site.)

Local Government Role: None.

Transit Agency Role: None.

Comments: Laing Properties also owns "B" Sts. near pending Buckhead station. Anticipate building 4 residential towers, first completed by 1996. He is a planner by training. Believes full influence of MARTA will not be for 25-50 years. Believes all commercial development will focus around MARTA.

Contacts: Mr. Jerry Loha.
Laing Properties, Inc.
5901 B Peachtree-Dunwoody Road, Suite 555
Atlanta, GA 30328
(404) 551-3400

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II. PROFILES:

AFFORDABLE AND SPECIAL NEEDS
HOUSING AND MIXED-USE
DEVELOPMENTS NEAR MARTA

I. NORTHSIDE PLAZA: APARTMENTS AND RETAIL

48 Northside Drive S.W.
Atlanta, Georgia 30313

Developer: Northside Plaza Group, Ltd.
Management: Harold A. Dawson, Inc.
One CNN Center, 1220 South Tower
Atlanta, Georgia 30303
Tel. (404) 659-3194; Andrea Arena, 688-9108
Financing: Urban Residential Finance Authority (URFA)
Housing Trust Fund
City of Atlanta, Fulton County, State of Georgia

On a total plot of 2.5 acres, Northside Plaza consists of 127 one- and two-bedroom apartment rental units and four commercial/retail spaces. Future tenants in the retail-office space, which has just opened for leasing, include a laundromat, the management office, and a grocery store. Construction was begun in 1991 and is still ongoing. Residents are low- to middle-income families, and students who attend Atlanta University across the street. Rents range from $395-$525 for one-bedroom units to $625-$675 for two-bedroom units. Residents' incomes are in the $14,000-$26,000 range. Housing costs are subsidized by URFA development tax incentives.

Northside Plaza is part of a Housing Enterprise Zone (HEZ) just approved this year by the State Legislature.

MARTA figured prominently in the decision to locate between the Omni and the Vine City MARTA Stations. Transit ridership among residents is estimated to be about 40 percent.
Omni Station
Northside Plaza Apartments. Retail space (one-story building in foreground) is now being rented.

Figure 5-7
II. **VINE CITY**: APARTMENTS, RETAIL, AND CHILDCARE

Parcel 25
Northside Drive at Martin Luther King, Jr., Drive
Developer: Parcel 25 Ltd.
Noel Calilos, President
Tel. (404) 848-0311

Parcel 25 is 8.3 acres within a large redevelopment effort adjacent to the Georgia Dome and Vine City MARTA Station. The program calls for 182 walled-in residential units consisting of 20 percent one-bedrooms, 70 percent two-bedrooms, and 10 percent three-bedrooms. Units will range in size from 575 sq. ft. to 1,100 sq. ft., designed as walk-up flats with maximum 12 units sharing a common stair. Fifteen buildings will be positioned along a pedestrian walk that connects to the Morris Brown College (part of Atlanta University), a retail center, MARTA, and a city park. Internal courtyards will encourage social gathering. The entire residential complex will be enclosed to mitigate noise and visual distractions from the busy streets around the complex.

The neighborhood has insisted on incorporating a childcare center, control of which has led to some internal disagreements among the various community organizations and CDCs involved in the development. It will accommodate 60 children. There will be a central meeting space, a pool and patio area, and a children’s playground.

Parking will be provided at a ratio of 1.25 spaces/unit, located outside the courtyards and out of view of residents. This parking ratio is considered uncommonly low for Atlanta and is due to the proximity of MARTA. The City may require 1.5 spaces, which will be accommodated if necessary.

An adjacent development at Northside and Magnolia is planned to include 176 units of elderly housing and 115,000 sq. ft. of commercial space. A retail center of about 15,000 sq. ft. will be located adjacent to the development and the MARTA station.

**Financing**

Vine City is located in the Georgia Dome HIEZ, which qualifies it for tax-exempt financing. The developer receives $185,000 per year for the first ten years in transfer payments from the Dome Tower Fund, which are advanced as a loan. The developer must maintain certain debt coverage insurance and is given a subsidy on mortgage payments. The loan is repaid after ten years out of the net cash flow (less direct costs).

Initially the developer provided $750,000 hard equity; $150,000 was provided from low-income housing tax credits toward the total down payment of $900,000.
Vine City Station
Views of site prior to development of Parcel 25 and other projects.

Preliminary plan for elderly housing complex, to be built adjacent to Parcel 25 at Vine City.

Figure 5-8
Vine City Station.

Borders and Cochran Towers, student housing for Morris Brown College of Atlanta University, was financed by Atlanta's Urban Residential Finance Authority (URFA.)
III. **WEST END MARTA STATION: APARTMENTS AND MIXED USE**

Lee Street and York Avenue  
Atlanta, Georgia  

Developer: West End Development Partners, Ltd.  
Carol Gould, Representative  
Tel. (404) 752-8228

The West End Development borders the MARTA Station and is located near Spelman College, part of inner-city Atlanta University. Occupying 11.3 acres, the development will include six buildings with 358 units (32 units/acre). Units will be for low-to moderate-income residents and will contain one-, two-, and three-bedroom units.

The attached preliminary designs show the configuration of retail space and apartments. The photos show the vacant land, on which the City has begun a $1.5 million infrastructure installation (sewerage, etc.), for the development. Problems have arisen because of ground contamination from previous land use, and the City is having to come up with additional funds to clean and decontaminate the site.

The West End HIEZ was approved last year. The City sold the land to the developer under a disposition agreement. The developer must repay 20 percent of the cash flow after the debt service, as with the Vine City agreement. URFA bond funds will be used to partially underwrite development costs.
West End Station
The City has begun preparing the land for mixed-use (residential and retail) development according to the designs shown.

Figure 5-10
IV. ELDERLY AND STUDENT HOUSING PROJECTS

a. Elderly Apartments: Penelope Road and Anderson Avenue

Listed as Priority #5 in Atlanta's 1992 CHAS is "to assist very low income persons with special needs." This housing project is proposed to link with the existing Sadie Mays Memorial Nursing Home, a facility catering to very-low-income patients, located near the West Lake MARTA Station.

Figure 5-13 shows the Sadie Mays Home, plus the design for "independent elderly apartments." The design includes two buildings, total 236 units, to include 94 one-bedrooms, 12 two-bedrooms, and 12 studios.

b. Student Apartments: Georgia State University

Within fiscal year 1992, the Department of Housing will execute a Memorandum of Agreement with Georgia State University and the Urban Residential Development Corporation to develop 600 units of student housing next to the Georgia State campus. The campus is served by the Georgia State Station on MARTA'S east line.
West Lake Station

Elderly housing complex to be constructed next to the existing Sadie Mays Nursing Home.

Figure 5-13
CHAPTER 6
Housing Along Miami’s Metrorail and Metromover

Metrorail’s Beginnings
In 1964, the Miami Urban Area Transportation Study (MUATS) initiated a feasibility study on transit for Dade County. In 1969, MUATS decided that rapid transit would be feasible and desirable, at a time when the population of Dade County was 800,000. In 1971, MUATS recommended an $800 million rapid transit system to include rail and bus lines; voters approved a $152.5-million bond issue for the local share of the rail system plus an expanded bus system. The Transportation Master Plan was approved by the County Commissioners in 1978.

At the same time, UMTA funded a series of profiles of the Stage One stations planned for the Metrorail. The Dade County Station Area Design and Development (SADD) program was a cooperative effort among the Kaiser Transit Group, Dade County Planning Department, Dade County Department of Traffic and Transportation, the Cities of Miami, Coral Gables, South Miami, and Hialeah, the Downtown Development Authority, and the Transit System Development Division of OTA. Each profile resulted from eight to ten meetings to establish development policies that would encourage land use appropriate to each station, incorporating high-density housing near the Metrorail stations, and meeting the approval of the respective communities. SADD profiles were prepared for all 20 Metrorail stations between 1978 and 1985.

Although the original line of the Metrorail was completed in 1984, much of the proposed development never occurred. Federal funding, primarily from UMTA and HUD, diminished; massive urban renewal and housing developments were abandoned.

The SADD profiles are extremely comprehensive and functional documents, and they include thorough land use studies and ambitious housing programs. Sergio Rodríguez, Assistant City Manager and Director of Miami’s Planning, Building, and Zoning Department, notes that most zoning changes were “left to the passage of time” and never occurred. Until now.

With Dade County’s population approaching 2 million, and with the City of Miami approaching 400,000, ever-increasing demands are being placed on the fragile natural resources of the area. The emphasis now is on containing urban sprawl, concentrating higher-density housing near mass transit facilities, and relying less on highways and automobiles.

Renewed Interest in Housing Near Transit

As in all U.S. cities so far studied, including San Francisco, Los Angeles, San Diego, and Atlanta, many housing projects in Miami are being built with close proximity to rail transit as a prerequisite.
In the wake of the commercial and office building glut that so many cities have experienced, there is renewed interest in highrise housing construction, particularly near the existing and planned rail transit stations. The north and south extensions for the Metromover, which are already under construction, will lead to large housing developments along Biscayne Boulevard, north to Omni and south to Brickell (see Figure 6-1). Most of this development will be upscale townhouses, condominiums, and luxury apartments designed for urban professionals. The City is encouraging affordable housing components in many of the developments through use of the Affordable Housing Trust Fund and other incentives discussed below.

Much of the housing financed exclusively with private money is very upscale, particularly in the downtown and bayfront areas. There are many middle-class, middle-density rental and condominium developments within a two-block radius of the Dadeland South and Dadeland North Metrorail stations (Figures 6-2, 6-3, and 6-4). There is a marked increase in such development near the Metrorail stations.

Miami has had to build larger-capacity parking lots near certain Metrorail stations in order to attract more riders. In Miami, where "there are more cars than people," each expansion of parking facilities at the Metrorail has resulted in demonstrable ridership increases. The photo below (Figure 6-3) shows one such parking facility at Dadeland North Station.

Clark Turner of Miami's Planning Department compared the City to "a rangy adolescent" that is just coming of age in terms of grappling with its own growth in a rational, planned manner. As populations increase and living conditions become more dependent on growth-control measures, the mentality is beginning to change. People are beginning to view mass transit as essential and higher-density housing near transit as attractive.

The Metro-Dade Transit Agency cites current Metrorail ridership at about 48,000/day. Although original projections were much higher, Mario G. Garcia of Metro-Dade Transit Authority shares the general optimism that as costs for automobile insurance, downtown parking, and other car-related expenses increase, ridership will increase dramatically over the next few years.

The Metrorail was originally designed as a multi-line system. Now that extensions are again being built, attempts are being made to follow the SADD guidelines and center higher-density housing and mixed-use developments adjoining the rail stations. The Metromover extensions (see map, Figure 6-1) have already resulted in enormous high-density housing development, some of which will be constructed through redevelopment and public/private financing schemes.

Among the many rental and condominium developments within a one- or two-block radius of the Dadeland North Station is Granada Dadeland Apartments (Figure 6-4), built adjacent to the Dadeland North Station and designed for elderly and retirement residents. There is ample dedicated parking for residents, and it is not clear to what extent residents rely on the rail transit system.
Map of the Miami Metrorail and Metromover.

Note: Extensions to the Metromover currently under construction are identified by the arrow ↑.
Figure 6.2
Dadeland South Station

Rental and condominium units. These developments are within a few block radius of the Green Companies' commercial mixed-use development on the six-acre Dadeland South Station site.
Dadeland North Station

Housing developments near the station. The parking facility and adjoining lot have a 2,500-car capacity, which has doubled since 1984.
Dadeland North Station

The Granada Dadeland complex caters to elderly and retirees. It is directly adjacent to the large parking lot at Dadeland North Metrorail Station. There is an ancillary parking lot behind Granada Dadeland. It is not clear to what extent residents use rail transit.
On the north line there is less evidence of housing activity near the stations. Hialeah Home for the Elderly at the Hialeah Station has 70 one-bedroom units rented by ambulatory elderly people (mostly on pensions). The facility was built on one acre within easy walking distance of the Metrorail, although few residents use transit regularly. Metrorail was a factor in location decision. No government financing was used. Although eligible, as an "adult living congregation facility," for Small Business Administration assistance (partial underwriting of land costs, redevelopment designation), Hialeah Home declined all offers when the bureaucratic "red tape" became too overwhelming.

Dominion Tower (Figure 6-5) is a mixed-use development with 197 rental units located near the Government Center Station in downtown. It was privately financed and built to house workers in the nearby medical center and government office center. Most of the units on the 33-story plot are one-bedroom, with 32 efficiencies and 32 two-bedroom units. There are seven floors of office space.

The Master Plan for Downtown

The Downtown Miami Master Plan of 1989 defines clearly the problems of a city where to this date there is too much reliance on the private automobiles for daily commutes. To help reduce suburban sprawl, which threatens Florida's precious Everglades and other water-sensitive natural features, the downtown "must be reinforced as the regional activity center" which will be the "high density anchor" for the Metrorail and Metromover systems. "Regional transportation improvements should reflect a 'transit-first' policy. The primary means of resolving regional demand for access to downtown should be public mass transit." This policy implies minimal reliance on major highway construction "with its attendant adverse impacts on city neighborhoods." Growth management laws enacted by the State of Florida prohibit local government from issuing permits for new development in areas "where transportation systems fail to meet the . . . standards established in the Comprehensive Plan." In order to avoid limiting future growth downtown, the City must rely more heavily on rail transit and housing with accessibility to transit as a priority.

In order to encourage transit use among downtown residents, the City provides transit information to all residents of publicly assisted housing there.

The Downtown Plan describes one of the City's primary goals: "To achieve a livable city center with a variety of types of urban housing for persons of all income levels." Recently downtown Miami has experienced a boom in luxury housing construction, particularly along Biscayne

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'Miami: The Downtown Master Plan: A Vision for the Future. City of Miami Department of Planning, Building and Zoning, Downtown Development Authority, October 1989.'
Government Center Station

Dominion Tower is a privately financed development near the Southeast Overtown/Park West Redevelopment projects.

Figure 6-5
Boulevard (Metromover) and near the Brickell Metrorail Station. Much of this housing will
close to market standards of upscale condominium highrises and the like.

Public spending on affordable or middle-income high-density housing is contingent on
location near the Metrorail or Metromover. This includes areas targeted immediately for affordable
housing assistance, including Lummus Park, West Brickell, and Southeast Overtown. Efforts are
being made to include a component of affordable housing in Brickell to the south and West Omni
and Edgewater areas to the north, where unregulated growth would result in commercial develop-
ment consistent with the high land values in those areas.

Extensions of the Metromover legs to Omni and Brickell are intended to serve high-density
mixed-use developments in Herald Plaza, South Edgewater, and Central Brickell, as well as the
Southeast Overtown/Park West Development profiled below.

Government Center in the heart of downtown (Figure 6-6) is an example of a vibrant and
successful station design incorporating commercial, retail, and cultural facilities along with central
Metrorail and Metromover stations. The station is one block from the Dade County Courthouse
and other municipal and county government buildings and is used extensively by these workers as
well as all downtown workers and shoppers. It serves as an urban and transit center for residents
in the nearby Overtown developments discussed below.

Government Incentives to Housing in Downtown

The Downtown Master Plan calls for the following incentives to be applied to encourage
varied housing and mixed-use developments in Miami:

1. Rezoning to permit residential densities in excess of 100 units/acre. Applying this maxi-
mum residential density in the downtown area, where the maximum floor area ratio (FAR) exceeds
1.72 times the gross lot area (common in other sections of the City), "has the unintended effect of
forcing developers to build larger, more expensive units."

2. Floor Area Ratio (FAR) bonuses of one square foot of nonresidential for every square
foot of residential use in areas of high land values such as Brickell and Vizcaya.

3. Other zoning bonuses to be awarded in exchange for developers' contributions to the
City's Affordable Housing Trust Fund. This fund was established in 1985 to collect contributions
from private-sector commercial developers. These funds go toward construction of affordable
housing within the zoning district from which the funds are collected. A notable exception to the
within-district restriction is the use of Brickell Avenue district funds to help build the Southeast
Overtown/Park West Redevelopment. The standard formula for FAR bonuses is 1 sq. ft. for each
$6.67 contribution to the Affordable Housing Trust Fund, or developer-sponsored construction of
0.15 sq. ft. of affordable housing per each sq. ft. of FAR increase.

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Figure 6-6

Government Center Station
4. For a development incorporating a Metromover Station into its physical structure, the maximum floor area may be increased by 0.5 times gross lot area.

5. Public land acquisition targeted to mixed-use and high-density residential developments, particularly within Lunnumus Park, West Brickell, and Southeast Overtown/Park West. All of these communities are served by the Metrorail.

6. Housing within air rights over public facilities. These developments are to include student, artist, and elderly housing. Of particular interest is air space over the Metrorail and Metromover Stations.

Southeast Overtown/Park West Redevelopment

To date, the most successful effort to "bring quality housing at affordable prices to downtown Miami" has been the Southeast Overtown/Park West Redevelopment near the Overtown/Arena and Government Center Metrorail Stations. The SEOPW redevelopment plan was adopted in 1982 and provided the City and Dade County with an opportunity to replace the area's dilapidated housing stock and fill in its underutilized space. Plans made in 1986 for Phase I developments included the 16,500-seat Miami Arena (Figure 6-7), approximately 1,900 townhouses, condos, and rental units; and 30,000 sq.ft. of commercial space.

In 1986 the City of Miami received two Urban Development Action Grant (UDAG) loan awards from the U.S. Department of Housing and Urban Development (HUD) totalling over $10 million. This was the beginning of what has become "the largest urban redevelopment project in the southeastern United States." As Table 6-1, provided by the Department of Development & Housing Conservation, shows, over $175 million in public funds and $245 million in private funds have been earmarked for investment in the Overtown/Park West Redevelopment.

Four developers were selected by the City of Miami Commission to participate in the Phase I development, to include the arena and the three residential complexes profiled herein.

Arline Hodgson, Information Officer with Miami's Department of Development & Housing Conservation, provided details on the resulting housing developments at the Southeast Overtown/Park West redevelopment area. Profiles, photos, and excerpts from promotional materials on Arena Towers, Pointciana Village, and Biscayne View follow. Overall the efforts to redevelop what was once a crime-ridden inner-city neighborhood have been immensely successful, owing in large part to the Metrorail and Metromover. The rail transit has succeeded in connecting the Overtown area with the new Bayside Waterfront Marketplace, as well as with the downtown and suburbs. The Miami Arena has profited from its location adjacent to the Metrorail, and the traffic generated

*UPDATE: Southeast Overtown/Park West Community Redevelopment Project, Spring/Summer 1992. Development Division, Department of Development & Housing Conservation, Miami, Florida.

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Overtown/Arena Station

The Miami Arena.

Construction of the Arena has led to increased activity in this once crime-ridden area. The Arena is the center of the Southeast Overtown/Park West Redevelopment. Additional housing developments will eventually replace some of the parking adjacent to the Arena. More and more, people are relying on the Metrorail to transport them to the City for entertainment, especially at night.

Figure 6-7
### Investment Statement

**PUBLIC**

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**PRIVATE**

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from Arena activities has increased the visibility of the Overtown area as a viable downtown residential "neighborhood."

There was initial resistance from local banks and other investors, who thought of the Overtown area only in connection with its reputation for crime and civil disturbance. The City was forced to seek private investors from outside the State. Arena Towers was developed by a company from Minneola, Biscayne View by Cruz Development out of Massachusetts.

Public sector involvement, mainly from Dade County and the City, has been "mainly in the area of acquisitions, relocations, demolition, project marketing, design of public improvements including the 7th and 9th Street Malls and the provision of gap financing where warranted." In addition, a Special Public Interest Zoning District (SPD) was established for the area, which offers development incentives and design guidelines with emphasis on high-density housing construction near public transit.

The SEOPW Redevelopment received the State’s first growth-management award in the public sector category in April 1990. This award recognizes "outstanding contributions to the protection of Florida’s human, environmental, social and economic resources, as well as for maintaining orderly development." 6

A major hindrance to purchaser occupancy has been the lack of qualified buyers. The housing was designed to appeal to the over 95,000 workers at the medical and government centers nearby. Surprisingly, however, these workers often do not have sufficient individual savings to qualify under FHA and other lending institutions’ ownership requirements.

Housing in these developments is subsidized to remain at the 'affordable' or 'middle-income' level. Two-bedroom condominiums in Poinciana Village start at $66,000; market value is over $860,000. The financial analyst for the Department of Development confirms that prices would be about $20,000 more if land costs were factored in at normal rates. As compensation the City offered developers a nine-year land lease with real estate taxes figured on a sliding scale for that period.

Rentals start at $500 for a one-bedroom, $600 for a two-bedroom unit, considered somewhat under market gives the convenience of the location and the amenities offered.

A redevelopment bond sale will finance Phase II of the Overtown Redevelopment. The bond sale and other local initiatives have been set up to replace now-defunct federal Urban Development Action Grants (UDAGs) used to finance the Arena Towers and Biscayne View Apartments.

The Southeast Overtown/Park West Redevelopment Program will total 240 acres bound by Northwest 5th Street and I-395 on the south and north, and I-95 and Biscayne Boulevard on the

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6Summer 1986 Update: Southeast Overtown/Park West Redevelopment Project. Development division, Department of Development & Housing Conservation, Miami, Florida.

west and east. Total investment is estimated at $1 billion. Table 6-1 above shows investments, public and private, in SEOPW to date.

In addition to organizing and implementing financial incentive packages, the Department of Development also assists developers of the Southeast Overtown/Park West and other redevelopments with promotional activities. As a public agency, the Department of Development is able to include promotional brochures and other descriptive materials of the housing complexes in school, hospital, government, and other public events. Information Officer Arline Hodgson's office contracted with a consultant to create publicity materials for Arena Towers and Biscayne View (included below). The promotional packet entitled "Miami: You Belong in the City" is geared to appeal to urban professionals, retired people, and others who might be attracted to urban downtown living.
Excerpts from promotional package prepared for SEOPW Redevelopment and the Department of Development

"MIA MIA - YOU BELONG IN THE CITY"

NEW TOWN - A PLACE FOR YOU
be heart of Miami, the
international city, pulsates in its
downtown. A cosmopolitan
centre from the rapidly
growing, newly-revitalized area
for business, culture, arts,
recreation, production, dining
and nightlife. And now a new
opportunity for living
derown to be created.

Exhibits the teen-
ingrating, allowing
all of the days where
thousands of people work and play
here, in their own space, in their
world. Downtown can be
labeled as "a gem of urban
core" characterized by
valuable times now
open for convening and a place
who wants to
make the most of your leisure time.

Downtown is also the place
for you. If you want to
Downtown or
Central Great, simply
walk from your door, by you
Monroe St, up the main
corridor. "For your old neigh-
bors home is in the heart of the city and
the time goes by... No matter
where you work, you can now be
a part of the future of Miami

Live in Southeast Coconut/Riverfront and other side or buy
Choose from a wide range of
housing types on a variety of
modular and floor plans. Amenities
include: swimming pools
surrounded by shaded areas,
tennis courts, well maintained
exercise and recreational
rooms, and covered parking. The grounds
are heavily landscaped with lush
calamond trees. A state-
delined community center
provides complete
amenities to ensure
security.

Figure 6-8
I. **BISCAYNE VIEW**: APARTMENTS AND COMMERCIAL MIXED USE

915 N.W. 1st Avenue
Miami, Florida 33136

Management: Zink Partners, Inc.
Tel. (305) 530-1646
Fax. (305) 530-1566

Developer: Mr. John Cruz, III
President
Cruz Development
One John Eliot Square
Bedford, Massachusetts 02119
Tel. (617) 445-6001

Opened in 1990 as part of Phase I of the Southeast Overtown/Park West (SEOPW) Community Redevelopment District, Biscayne View was financed in part from a UDAG loan award. Development was aided by land use agreements, real estate tax abatement over the first nine years, and other incentives from the Department of Development for the SEOPW area. With help from the bond sale as part of the Overtown/Park West Tax Increment District, Cruz Development will expand development to include an additional two blocks within SEOPW.

At present Biscayne View includes 463 apartments with 154 one-bedroom, 284 two-bedroom, and 25 three-bedroom units ranging from $569 to $950/month. Approximately 18,000 sq ft of commercial space is available at the ground level and will be part of the 9th Street Shopping Promenade (Phase II of the overall SEOPW redevelopment).

Biscayne View is a 31-story highrise and includes such amenities as rooftop fitness center and pool, keycard security, and 24-hour TV monitoring of grounds.

Convenience to Metrorail and Metromover Stations is mentioned prominently in promotional materials. The developer considers proximity to Metrorail as critical to the project’s success. Metrorail has contributed to the general improvement in the Overtown area. The Miami Arena has led to increased general nighttime activity and security in the area.

Residents are primarily couples and some retired people. There are few families at present in the complex. Parking is provided (one dedicated space plus other general space available per unit).
II. Poinciana Village: Condominiums

269 N.W. 7th Street
Miami, Florida 33136

Developer/Manager: Mr. Ted Weitzel, President
Indian River Investments of Miami
269 N.W. 7th Street, #118
P.O. Box 01522
Miami, Florida 33136
Tel. (305) 358-8030

Poinciana Village will eventually contain 152 condominium units. Forty units are currently built, of which 12 are three-bedroom and 28 are two-bedroom units. These are so-called "Caribbean" or "Bermudan" style (Figures 6-13 and 6-14), of medium density and nicely landscaped. A 12-story tower, parking garage, and pool/deck area are planned, as well as meeting rooms and an enclosed recreation area.

Prices start at $66,000 for two bedrooms and $76,000 for three bedrooms. The existing 40 units are 90 percent sold and occupied. Residents are primarily couples and singles with incomes of $30,000 and up. There is only one child at this point. Present owners include six elderly, who chose the site because of its proximity to the Metrorail. Four nurses who work for the nearby hospital have bought units. They walk to work in the daytime and use the Metrorail or their cars at night. Proximity to the Metromover is mentioned in Poinciana promotional documents.

Units have one dedicated (covered) parking space each, plus use of the general (outside) parking area.

The units are well designed and constructed. Interiors feature double-thick glass to eliminate noise from the urban surroundings, and marble and hardwood fixtures. Other amenities include private exterior decks and terraces, a "state-of-the-art" security system, and innovative exterior lighting and landscaping.

As part of the Southeast Overtown/Park West Redevelopment, Poinciana Village took advantage of the many government incentives offered, including: land parcel assembling, underwriting land costs, and increased density zoning. Indian River Investments' mil levy is $30 per $1,000, of which $17 goes to the Affordable Housing Trust Fund for development of below-market housing.
Have the best of both worlds!

POINCIANA VILLAGE

Situated in all that is exciting and symmetrical in Downtown Miami. Enjoy all the benefits of owning your own home. Poinciana Village is a development of Inland-River Investments of Miami, Inc. Poinciana Village features a 13-building residences designed especially to accommodate urban lifestyles. Poinciana Village has made it easy to qualify for mortgage financing with a low cash down payment. A variety of financing packages and special incentives are available to all qualified purchasers.

- Two bedroom residences from only $66,000
- Three bedroom residences from only $76,000

Poinciana Village interiors have an exciting array of luxury features including:
- Spacious balconies
- Tiled baths
- Fully equipped deluxe kitchens
- Full size washer/dryer hookups
- Beautifully designed living areas
- Poinciana Village features lush tropical landscaping
- Large swimming pool
- Assigned covered parking with mail access system
- Security monitoring

POINCIANA VILLAGE
DOWNTOWN CONDOMINIUM RESIDENCES

Figure 6-14
III. ARENA TOWERS: APARTMENTS AND COMMERCIAL MIXED USE
800 North Miami Avenue
Miami, Florida 33136

Management: Northport Management
800 North Miami Avenue
Miami, Florida 33136
Tel. (305) 371-8047

Developers: Mr. Richard Kahn, President
Northport Development
1117 Marquette Ave., Suite 200
Minneapolis, Minnesota 55403-2413
Tel. (612) 332-5544

and

Mr. Carlos Ortega
Park West Ltd./Park West Construction, Inc.
6812 N.W. 77th Court
Miami, Florida 33166
Tel. (305) 477-3322; 374-4464

Arena Towers was the first housing development in the Southeast Overtown/Park West Redevelopment. It opened in February 1989 and is a joint development venture between out-of-state and local developers. Development was induced by a UDAAP award as well as land use agreements and reduced taxes over the first nine years. The two residential towers (one of 21 stories, one of 16 stories) are located directly across from the Miami Arena. They comprise 356 rental units, including 108 one-bedroom (starting at $500), and 248 double-bedroom/double-bath units which are designed for roommate or similar apartment-sharing combinations requiring more separate living space (starting at $600). Families are encouraged at Arena Towers, and there is a playground facility onsite.

Other amenities include balconies, rooftop tennis and basketball courts, party rooms, exercise room and pool, and covered parking. As in all housing developments in this area, security is important and is maintained on a 24-hour basis.

Promotional materials (Figure 6-16) emphasize proximity to Metrorail and Metromover.
Figure 6-15

The Arena Towers
No amenity has been overlooked:

- 60' long swimming pool.
- Sundeck.
- Whirlpool.
- 2 tennis courts.
- Running track, 7-laps to the mile.
- Fully equipped exercise room with men's and women's locker rooms.
- Multipurpose party room in each tower.
- 24 hour manned security gatehouse.
- Ample covered on-site parking.
- Laundry service.
- 24-Hour emergency maintenance.

Our apartments feature:

- Balconies with million-dollar views of the city.
- Frost free refrigerators.
- Dishwashers.
- Disposals.
- European cabinetry.
- Vertical/horizontal mini blinds for all windows.
- Full carpeting.
- Telephone and cable television pre-wiring.
- Pass-through kitchens.
CHAPTER 7

Boston Area:

The Massachusetts Bay Transportation Authority (MBTA) operates both a subway system, Figure 7-1, and a commuter rail system, Figure 7-2. On an average weekday in 1988, the MBTA system achieved 61,400 passenger trips on commuter rail, and 592,700 trips on rapid transit.

The core of the subway system, the first established in the United States, in 1897, goes through the central business district and the clustered older residential areas. Commercial and residential density is built into the central subway stations. In recent years, however, the local and regional planning departments have adopted a new policy of directing growth around a mix of inner city and suburban stations.

Much of the new development is in the planning stage. The regional planning agency, the Metropolitan Area Planning Council, has included as one of its key features in its MetroPlan 2000 a strategy of "concentrating development around existing facilities to reduce auto travel and the need for capacity expansions." Local planning agencies in Cambridge, Malden, and Medford are developing specific plans for station areas.

There are a few station areas that already boast development. These stations include the suburban stations of Alewife on the Red Line and Malden on the Orange Line, and the downtown and inner city stations of Copley on the Green Line and Ruggles on the Orange Line.

Alewife Station

The Alewife station is one of the three stations built in the mid-1970s, in the extension of the Red Line from the Harvard Square stop (Davis Square in Somerville, and Porter Square in Cambridge are the others). Prior to the MBTA station, the Alewife station area was industrial land, with a mix of warehouses, storage facilities, trucking terminal, and manufacturing. The Continental Can building, the A.O. Wilson building, and the Adley Trucking Terminal were the three largest facilities.

In 1977, the MBTA granted the Cambridge Community Development Department $750,000 to plan for station area development, and in 1979 the Department issued an Alewife Revitalization report, calling for the rezoning of the area to encourage high-rise office construction. The City Council subsequently rezoned the area, leading the City Manager in his 1980 annual report to note:

The City Council's passage of the Alewife rezoning ordinance paves the way for realizing the maximum potential of this presently under-utilized area. The rezoning opens up for development the largest under-utilized area in the City of approximately 400 acres, the potential of which can stabilize the tax base for years to come.
In the period between 1980 and 1986, new office construction replaced the industrial uses. Six office projects, and one office/retail project, were completed, totaling over one million sq. ft. During the same period, office construction also was active in other areas of Cambridge (Kendall Square, Lechmere), but Alewife was the most dramatic.

The other two new stations on the Red Line, Davis Square and Porter Square, have shown more modest development, reflecting the desire of the City of Cambridge and the City of Somerville for a different form of growth management at these stations. At Davis Square, a thriving commercial center during the 1950s and 1960s which went into decline during the 1970s, the City of Somerville designed the area to be kept as a neighborhood-serving shopping center.

Neighborhood shops have been improved through a Storefront Facade Improvement Program, and streetscape improvements with funds provided by a grant from the Federal Highway Administration’s Urban Systems Program. Small amounts of office space amounting to less than 75,000 sq. ft. have been added. Similarly, at Porter Square in Cambridge, no large-scale development has occurred following the opening of the transit station. The area remains a neighborhood-serving series of stores, aimed at a middle-income population. The one exception has been the replacement of the long-time Sears store by the Porter Exchange, a 190,000 sq. ft. retail and office development, and the development of the Porter Square Atrium, a 46,000 sq. ft. retail development.

Malden Station

The Malden Center station is located on the Orange line, approximately five miles north of downtown Boston. The station, as shown on Figure 7-3, is located on the western border of the Malden central business district.

The station opened in late 1975. During the period from 1982 until the present, the central business district has grown as a regional employment center, with over 800,000 sq. ft. of commercial space built within a quarter-mile radius of the transit station. The main commercial development has been the 330,000 sq. ft. Metro Plaza, housing Bank of New England’s Operation Center. The bank cited the rail transit proximity as a main reason for relocating in downtown Malden.

Also in Malden is the 203-unit Gateway apartment complex, located directly across the street from the Malden Center station. Gateway was originally a condominium complex, but it was converted to apartments after a downturn in the condominium market forced a change of management. In the South Boston Pier/Port Point Channel Transit Financing Study, the MBTA singles out Gateway, noting the appropriateness of its name given its convenient access to the metropolitan rail transit system.

The population of Gateway is comprised mainly of young singles and childless couples, and according to Steve McGuire, who manages the apartments with Boston Financial Property Management, 60 percent of the residents use the rail transit system. The management also notes that rents,
which are market-rate, are about 8 percent higher at Gateway than at similar projects not near transit. In fact, Steve McGuire feels that land values, residents' selection, and unit rental price have all been affected significantly by the proximity of the Malden Center station.

**Copley Station**

Copley station is one of the downtown stations, on the Green Line. Located near the station are a number of large-scale commercial and residential projects, including Copley Place (Figure 7-4), an immense development consisting of two high-rise hotels and an upscale shopping mall, and the neighboring Tent City housing development.

Tent City housing has achieved national attention in architectural journals as a model of affordable housing design and structure. Its prominence arises in part from its success in providing a link between two neighborhoods of Back Bay and the South End. Its prominence also arises from its success in mixing tenants of varied incomes. Tent City's 271 units include 25 percent low-income, 50 percent moderate-income, and 25 percent market-rate— the market-rate units go for as much as $1,800 per month.

Less attention has been given to the project's proximity to the rail transit station, and link to the transit line. The proximity to transit was not the main factor in Tent City's location. However, the transit access has been an important factor in the project's attractiveness to market rate tenants, (who are central to the project's financial viability), and as well has helped to support the retail on Dartmouth Street.

The Tent City site, a 3.3-acre former surface parking lot, was owned by the Redevelopment Agency and left over after nearby brick townhouses had been razed under urban renewal. Tent City, in fact, takes its unusual name from a demonstration in 1968 mounted by community activists who camped out to protest the gentrification of the South End neighborhood. The Redevelopment Agency agreed to an affordable housing project rather than a two-story parking garage.

As shown on Figure 7-5, the resulting project, completed in 1988, tapers down from a 12-story structure on the Back Bay site, adjacent to the cityscape of Copley Plaza, to three- to four-story townhouses on the South End side, consistent with the nearby 19th century townhouses. The buildings surround an interior courtyard, and the units possess private decks and patios.

**Ruggles Street Station**

The Ruggles station (Figure 7-6) is located in the lower-income Rosbury area, approximately two miles southwest of downtown Boston. It is near Northeastern University and the Museum of Fine Arts, on the Orange line of the MBTA system.

MBTA and municipal planners have targeted the Ruggles Street station for intensive development. There are three parcels in the immediate vicinity of the station on Ruggles Street which had been designated for over 500,000 sq ft of mixed-use development including office, institutional,
Figure 7 - 5
Tent City in Foreground with Copley Plaza in Background, MBTA not shown
retail, hotel, and residential uses. Currently one of these parcels, Ruggles Center, also known as parcel 18, is nearing completion. It includes 968,175 sq.ft. of office, retail, and hotel space, and a direct link to the T station, which houses additional retail space.

The residential development that had originally been planned for parcel 22, immediately adjacent to the station on Ruggles Street, has not gone ahead, but residential development has occurred nearby at Madison Park Townhouses, less than one-quarter mile from Ruggles Street station on Crosstown Street, which bisects the station area from the east. There are 156 affordable and market-rate units at Madison Park. All together there are 436,000 sq.ft. at Madison Park.

The project found its impetus in the efforts of the Lower Roxbury Community Corporation (LRCC), a neighborhood CDC which was instrumental in putting together the project financing. According to Danette Jones of the Madison Park Development Corporation, a spinoff of the LRCC that manages Madison Park, residents of the project patronize the T system heavily and take advantage of the bus transfer facility located at Ruggles Street station.
Parcel 18: Major mixed use center in Roxbury.

Orange Line & commuter rail station at Ruggles Street.

Madison Park Townhouses already occupied.

Figure 7 - 7
Developments at Ruggles Street Station
CHAPTER 8

Vancouver, B.C.: Transit-Based Housing

BC Transit’s SkyTrain

British Columbia Transit (BC Transit) operates transit services in the province of British Columbia, Canada. The Vancouver Regional Transit Commission decides on policies and funding for transit in the Vancouver metropolitan area, serving a population of 1.2 million in 14 municipalities. In addition to SkyTrain, the region’s automated rapid system, the commission also controls a system of buses, trolleybuses, and ferries. SkyTrain is operated under contract by British Columbia Rapid Transit Company.

SkyTrain consists of 22.2 km (13.8 miles) of track and 17 stations, shown in Figure 8-1. It was completed in 1986, in time to serve visitors to Expo 86, the World Fair. It serves the downtown central business district, then stretches southeast, to the cities of East Vancouver, Burnaby, New Westminster, and the district of Surrey. In 1989, the provincial government approved $1 billion in transit investments, including the extension of the existing SkyTrain lines. In 1990, service began to the Scott Road Station in the District of Surrey at the southeast end of the line, and construction is currently under way for two additional stations.

SkyTrain was designed to accommodate about 100,000 passengers per day. Due to Expo 86, ridership initially was artificially high, at about 32 million riders for 1986, topping more than 160,000 riders on some days. Since Expo 86, annual ridership has risen from 19.9 million in 1987 to 25.3 million in 1989.

Development Along the SkyTrain Corridor

The economy in the Vancouver metropolitan area has generally been relatively strong, compared to other cities in Canada and in the Pacific Northwest. As a result, development, while slowed down by the current recession, has continued at a brisk pace. There are three major factors that play a role in this rapid growth: (1) the recent influx of people and money from other countries, in particular from Hong Kong; (2) many Canadian retirees come to Vancouver because the climate is milder than any other city in Canada; and (3) the high prices of homes in the Vancouver area makes the market for housing attractive to builders. Developers and planners agreed that there is no sign that the current rate of development will slow down anytime in the near future.

These three factors have also had an impact on the type of development that is taking place. But there are other factors that have influenced the type of development. As in many cities in the United States, the 1980s brought a glut of office space to the Vancouver area. Although there is still
retail and office development occurring in Vancouver, many developers have turned to residential development.

SkyTrain has been an important factor in the location of development. Developers have been especially active in siting developments near or at stations. They recognize the benefits of increased accessibility to transit.

The following projects have been built since the opening of SkyTrain, or are currently in the planning stage or under construction, within a quarter-mile radius of a SkyTrain station. Each of these projects contained over 100 units in size and over 50 units per acre:

1. Pacific Place, in the downtown;
2. The Lido, in New Westminster; and

Pacific Place

Pacific Place, shown in Figures 8-2 and 8-3, is a massive $2.5 billion (Canadian) project being undertaken by Concord Pacific Developments Ltd. adjacent to the Stadium Station. This project is located on the 204 acre site of Expo 86, formerly owned by the provincial government. Pacific Place will be developed over the next 10 to 12 years. About two-thirds of the site is designated as residential use and will include 7,600 dwelling units and 3 million sq. ft. of commercial space, including office, retail, and two hotels, when completed.

The first two phases of the project are currently under construction and a third will begin construction in the fall of 1992. The first two phases consist of 800 condominiums each, and 20 percent of these will be government-assisted housing for lower-income residents. While the floor area ratio for the entire site is just under 2, due to the use of open space, roadways, and parking, some of the residential portions of the project approach 125 d.u. per acre.

The Lido

A great deal of activity has occurred in the city of New Westminster, near the New Westminster and Columbia Stations. The waterfront in the City of New Westminster was once an important port for the region, but had lost most of its business to the modern containerized Port of Vancouver. In 1978, the city designated the site of the unused port a redevelopment area, assembled the land, rezoned the area for high-density residential, and solicited development. It was not until the mid-1980s that the waterfront area began to boom. Most of the development has been residential condominiums.

Notable among the recent development in New Westminster is the Lido, built by Andre Molnar in 1988. The Lido is one project of a larger development, the Renaissance (see Figure 8-4).
It contains 148 luxury condominiums on the water, and features a Venetian theme, complete with canals.

This development is part of a second phase of redevelopment along the waterfront of New Westminster, Quayside II. Rezoning for Quayside II was approved in 1988 by the New Westminster Council for a $215 million (Canadian) 1,400-unit housing development on a 23-acre site. The land was previously owned by Domtar Forest Products. One of the main selling features of the Lido is its proximity to SkyTrain: it boasts "just minutes from downtown Vancouver via the SkyTrain, short blocks from your home." The waterfront also offers shops, a public festival-style market, and a marina.

**Gateway**

The district of Surrey is about 15-20 miles to the southeast of downtown Vancouver and has the most potential for future growth in the region. The new extension will provide access to downtown in about 35 minutes, as opposed to 45 minutes of driving a private automobile during peak periods. Because of the land constraints in the Vancouver metropolitan area, much of the region's development has occurred in Surrey. As a result, Surrey is currently the fastest growing municipality in Canada.

The new extension is to begin operation in 1993. The two proposed stations on this extension, Gateway and Whalley, are joint-development efforts where developers gave $6 million and land in exchange for the right to develop the site with intense commercial and residential uses.

Intrawest Development is currently negotiating for its Gateway development of the future North Gateway station, located in the district of Surrey. This development, shown in Figure 8-5, situated on a 21-acre site, will include 1.2 million sq. ft. of commercial space and 1.4 million sq. ft. of residential space, or about 1,500 dwelling units. This development is expected to house approximately 7,500 people. The first stage of the residential will be a 19-story tower of 150 dwelling units. The total floor area ratio for the project is 3.5, varying in different locations within the site according to use. Gateway will also include 1.3 million sq. ft. of office commercial space.

Intrawest won the contract for joint development of the station and station area through a competitive bid. The agreement was that Intrawest would pay BC Transit $6 million and pay for land acquisition of the station and right-of-way. The Gateway station development plan is by far the most comprehensive in integrating development with the station by directly linking the station and the new development.

**Other Projects**

There are many other projects, either existing or under construction, in the Vancouver metropolitan area that are within a one-quarter mile radius of a SkyTrain station and classify as transit-based housing. Some of these projects are:
Stage One at Gateway consists of an 18 storey office tower (center) and a 21 storey residential condominium tower (left).

Figure 8-5
Gateway Development
<table>
<thead>
<tr>
<th>Project</th>
<th>Number/Type Units</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Harbor</td>
<td>2,100</td>
<td>Proposed</td>
</tr>
<tr>
<td></td>
<td>- 300 low-income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 400 rental</td>
<td></td>
</tr>
<tr>
<td>The Station Square</td>
<td>347 (ownership)</td>
<td>Under</td>
</tr>
<tr>
<td></td>
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<td>Construction</td>
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<tr>
<td>Edmonds Town Centre</td>
<td>1,700</td>
<td>Under</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction</td>
</tr>
<tr>
<td>Vanu Ridge</td>
<td>160 (ownership)</td>
<td>Complete</td>
</tr>
<tr>
<td>Columbia Place (Columbia Station)</td>
<td>55A</td>
<td>Complete</td>
</tr>
<tr>
<td>Westminster Pier</td>
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<td>Under</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction</td>
</tr>
</tbody>
</table>

**Government Incentives**

Cities along the SkyTrain route offer different types of bonuses for building a project near a station. For example, for Columbia Place, the City of New Westminster allowed the developer to build at 150 dwelling units per acre, the highest allowed in the city. For the Edmonds Town Centre, the City of Burnaby relaxed the parking requirements and increased the allowable FAR. The city also rezoned the area from industrial to allow residential and commercial uses.

Joint development has also been used. Two of the developments mentioned, Columbia Place and Edmonds Town Centre, offer covered walkways directly into the stations. For Columbia Place, the development was built on land owned by the City of New Westminster and BC Transit.

Developers recognize the strong effect the SkyTrain will play in shaping this growth and see the potential for development and are eager to work with the local and municipalities to achieve a common goal.
CONCLUSIONS

Despite an initial resolve to stimulate compatible land use in the proximity of rail stations which accompanied the early planning of each of the systems discussed in this paper, in all nine U.S. cases a shift of federal priorities away from H.U.D. and Section 8 projects undercut those intentions, leaving local planners to carry out transit-oriented development on their own. In each city discussed in this paper, the character of development proximate to rail transit stations is dictated by a combination of factors, some influenced by local policy, others beyond reasonable attempts at management.

While local planning styles certainly influence the success and character of development, planning and development are in turn influenced by the strength of the local economy and real estate market, population and demographic trends, local and regional culture, and the type, extent, and configuration of the rail system itself. The history of local development, and especially transit-based development, will become more critical as time goes on because a bandwagon effect will inevitably tilt the scales for or against efforts to concentrate density around rail transit stations.

During the 1980s, West Coast and sunbelt cities have fared well in the emerging global economy, and the migration of young, professional, and retired Americans to these cities bodes well for their long-term development prospects. Unfortunately, the tendency towards sprawl and auto dependency, particularly in the West, has siphoned off any impetus for transit-based development. The crisis in the real estate market has also added to the problems of forward-thinking planners.

With the exception of Vancouver, heavy rail systems appear to have stimulated more substantial development than light rail, ostensibly because of the higher volumes of travel they sustain. It should be mentioned, however, that heavy rail systems are also typically older and more extensive, so the number of opportunities for development near heavy rail stations has been greater. Also, as is common in any bandwagon movement, it is logical that developers look to land near heavy rail for opportunities, which they have seen work, as opposed to light rail. Another consideration is that the operating agencies of heavy rail systems typically have more resources to devote to station planning and construction and to long-range planning, real estate management, and joint development.

Some cases are more market-driven than others. In Vancouver, all that was required of the government was to supply and re-zone land for transit-based development; while in Portland, Oregon, aggressive planning and approval procedures have not yet produced any notable results, particularly in the area of residential projects.

However, even with the constraints and advantages relative to each case, this study demonstrates conclusively that what planners do is crucial to transit-based development.

A vacuum in credit and financing has presented planners with a major opportunity to stimulate development. In Atlanta, and to a lesser extent the Bay Area, special financing arrangements have played a significant role in initiating transit-based projects. Tax increment financing, tax-exempt bonding, and Mello Roos financing have supplemented zoning efforts to channel develop-
ment near rail stations by providing the incentives and to a degree the means for developers to engage in transit-based projects. In Atlanta, planning and financing strategies under the Housing Enterprise Zones and the Special Public Interest Districts have been worked out meticulously, first to attract the developers and then to insure their accountability, which is crucial to the future of joint-development approaches.

Another successful planning technique is site-specific. A local or regional planning agency will declare a station, such as Malden or Ruggles Street in Metropolitan Boston, or a neighborhood, such as Overtown/Park West in Miami, the target for extensive redevelopment activities. When this incorporates joint development and zoning powers, it can give local planners remarkable discretion over the shape and character of development at stations within their jurisdiction. In Miami, planners were able to overcome the reluctance of local developers by involving developers from other states. The challenge remains to duplicate redevelopment victories in more than the handful of stations where it has occurred.

Whether this is merely a matter of time or whether it is a matter of bringing regional and state governments into the equation is debatable, but the fact is that transit-based development has failed to occur where local government has declined to take an active role in development. Again, on a number of the systems, the assumption held during planning and construction— that development near stations would occur naturally— proved incorrect.

The early history of BART provides a clear example. During construction in the late 1960s and early 1970s, several reports and studies indicated that the station areas would become employment centers, with a concentration of mixed-use, office, retail, and residential development. This growth did not occur. The low-density land use immediately surrounding the 24 BART suburban stations continued for many years to mirror low-density land use in other parts of the Bay Area. In fact, at most BART stations, that same low-density land use pattern continues to the present. Only at the Pleasant Hill BART station has there been a concentration of residential and office construction, and this arose only because of the active role of the Contra Costa Redevelopment Authority.

So local government action is a necessary condition for transit-based development to occur. There is no general prescription for what actions to take, but carefully designed joint development and redevelopment strategies have produced impressive successes. Given wide variation in the character, design, and occupancy of projects discussed herein, open-mindedness seems advisable. Once the basics of a transit-based project have been established, various incentives (and disincentives) can be used to obtain desired results. While the craft of producing dense development around transit nodes is in its nascent stages, the local and regional benefits of learning this craft and emulating the methods of planners around the country are compelling when weighed against the costs of failing to do so.