GREAT PLACES

SW Corridor Plan

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Steering committee recommendation | Attachment B

Regulatory framework and financial incentives toolkit

July 22, 2013

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Toolkit: Regulatory framework that sets the stage

The Southwest Corridor Land Use Vision expresses the collective aspirations of the communities in the Southwest corridor. High capacity transit has the potential to catalyze adjacent land uses and help achieve this vision. This will work best if transit-supportive regulations and policies are in place well in advance of the high capacity transit investment. These policies will support the land use vision now and help the community to achieve desired goals over time.

There are a number of regulatory tools and strategies that can help foster transit ready communities. There is not a one size fits all approach to the regulatory framework for the entire corridor. Rather, regulatory tools are specific to their context and the land use that is envisioned and tools must be tailored to address the needs of a given area and put in place tools that reflect local development goals. In an effort to better understand these nuances, a *pro forma*-based project example approach was taken in three different places (Capitol Hill Portland, Tigard Triangle and Downtown Tualatin) throughout the corridor that had similar goals. In these *pro forma* project examples, a prototype building was developed that reflects community goals based on local land use plans and then tested against the existing regulatory framework. Using this approach, regulatory issues specific to an area can be identified and an understanding of the market feasibility is provided to determine if financial incentive tools (described in the next section) could be used to help support new development forms in the corridor.

This toolkit describes key transit supportive policies and regulatory tools and offers some possible examples of their application in the Southwest corridor. Information is included to illustrate how the changes can raise the development potential within the corridor. Described in more detail below, the policies that are recommended for further action by local partners include the following:

- zoning code changes
  - examining density maximums and building height
  - non-compliant use provision
  - stepbacks
  - commercial corridor assessment
- parking requirements and parking management
  - trip generation reductions
  - responsive parking ratios
  - shared parking
  - unbundling parking
- design code changes
  - layered landscapes and active open space
  - ground floor active use provisions.

ZONING CODE

▶ Density maximums and building height

WHAT

Local jurisdictions often focus on height limits and density maximums when trying to identify the appropriate level of development for a mixed-use district. Often, more suburban development styles dictate a limit on the height of buildings to ensure compatibility with existing residential neighborhoods. As a result, local building codes often limit both building height and ceiling height of multistory, mixed-use buildings without a clear understanding of the design needs of these buildings.

WHY

Building height and ceiling height must be linked to work properly. If one of the two is not calculated for a mixed-use development type, a developer will be unable to accommodate both storefront and living area designs. This problem can stifle development or cause developers to underutilize properties in downtowns, main streets and mixed-use corridors.

HOW

To ensure that density and height restrictions truly support mixed-use development, a local jurisdiction would assess the zoning code and ensure it does not contain ceiling height and building height restrictions that preclude a mixed-use design type. Additionally, the jurisdiction would determine whether density maximums are possible at the required building height maximum for the zone. If conflicts occur, the jurisdiction would then take steps to correct one or both of the requirements to support the desired development type in the zone.

ZONING CODE

▶ Non-conforming use provision

WHAT

In downtowns, main streets and mixed-use corridors, a non-conforming use provision can attract redevelopment on a smaller, site-specific scale. These code provisions allow a property with an existing auto-oriented use that would no longer be permitted in a zone to be continued if the property is redeveloped in exchange for increased density, a greater mix of uses, and higher design standards. This increased flexibility in a code can affect a developer's decision to approach a specific site. In many cases, the redevelopment and design of the site may turn out to be even more important than the allowed uses.

WHY

Auto-oriented land use areas along the corridor may find this code change helpful to incent local redevelopment projects that would otherwise be limited in scope.

HOW

A local jurisdiction would examine their development code and determine the best locations to apply a non-conforming use provision. The policy could be targeted in areas where the city wishes to see redevelopment occur. This approach can be implemented in base zones, plan districts or overlay zones.

▶ Stepbacks

WHAT

A specific design feature of zoning codes can allow buildings to step back upper stories from the street, thus lowering the scale of the development on the street front while allowing for higher densities on the project. In these cases, additional height and density may be allowed even as the stepbacks create a slenderizing effect. Stepbacks may be used in combination with height limits to ease the transition between adjacent higher- and lower-density developments. Often, stepbacks are used to bridge different development types in abutting districts.

WHY

Numerous developments along the corridor could benefit from this particular application, especially where they are adjacent to single-family neighborhoods. To alleviate the possible negative effect of high density development on a nearby neighborhood, stepback provisions allow for a smoother transition on the street frontage and development that is more attractive to nearby neighbors.

HOW

A local jurisdiction would examine their land use plans and determine the best locations for the application of stepback requirements. The focus should be on areas where new development is directly adjacent to single-family neighborhoods or other sensitive land uses. Stepbacks can be implemented though existing design standards in particular plan districts or overlay zones.

ZONING CODE

▶ Commercial corridor assessment

WHAT

To better position the Barbur/99W corridor for future redevelopment, the corridor must be re-evaluated to determine the form that is most likely to attract investment. For properties within the corridor, revitalization will likely require a restructuring of land use and development patterns around nodes of commercial activity. A change from auto-oriented to multimodal transportation through and near the corridor can help guide and focus redevelopment within these nodes, which in turn will enhance mobility through the corridor. This land use pattern and the street design should be planned together, reinforce each other and promote multimodal access. A change in commercial/retail corridor alignment will not be easy, but is likely necessary to attract activity and development into designated commercial nodes.

WHY

Dissatisfaction with the Barbur/99W commercial strip has become increasingly common. Issues often arise around its poor design and continued traffic congestion, which hurts businesses along the corridor. Pedestrians and bicyclists want the corridor to be safer and more appealing. The corridor's extensive parking lots and paved surfaces, long distances between stores, poor connectivity among businesses and neighborhoods, and low-efficiency land uses all discourage walking, bicycling and transit use. They generate multiple single-purpose vehicle trips, increase use of and dependence on fossil fuels and contribute to air pollution, increased stormwater runoff and depletion of water resources and wildlife habitat. In its current form, the Barbur/99W corridor has no strong development focus, creating more competition between jurisdictions instead of rewarding cooperation.

HOW

The four jurisdictions that comprise the bulk of the commercial corridor along Barbur/99W should collaborate on a multi-jurisdictional effort to re-examine commercial/retail uses and identify the optimal location for a focus on nodal, retail development. The study would attempt to determine the best locations for different intensities of commercial uses and, consequently, identify locations best suited for land use changes that would focus on new housing and employment opportunities between identified commercial/retail nodes.

PARKING

▶ Trip generation reductions

WHAT

Local governments typically use the Institute of Transportation Engineers (ITE) Trip Generation Handbook to evaluate the transportation impacts of development projects and to calculate Transportation System Development Charges (TSDCs). However, since the rates in the ITE Trip Generation Handbook are focused on single-use, vehicle-oriented suburban sites, local rates should be established for sites with pedestrian access, transit service and limited or paid parking. To develop the transit-supportive land uses envisioned for the Southwest corridor, local jurisdictions will likely need lower trip generation assumptions. Trip generation reductions support people-oriented design attracting more activity and amenities to the area. As a result, development projects can increase lot coverage, accessibility and active uses and become financially feasible due to lower parking and TSDC costs.

WHY

In this region, actual trip generation along corridors and in centers outside of the central city is 50 to 70 percent below ITE trip generation rates. Suburban corridors in the region experience a non-auto mode share ranging from 15 to 45 percent. With additional transit-oriented development, these locations will likely see this range shift to 30 to 70 percent non-auto based trips in these places. Such a shift would be consistent with similar corridors in the metro region. These levels of non-auto mode reflect the Southwest Corridor Land Use Vision and should be what the corridor plans for. Trip generation rates consistent with ITE can require that as much as 50 to 75 percent of a site to be dedicated to parking. In addition to being a non-income generating use, higher parking levels can trigger additional auto capacity without addressing the needs of pedestrians, bicyclists and businesses. Reducing trip generation rates can reduce parking costs from 10 percent to less than 1 percent of total project costs, and TSDC fees can be scaled back based on project form and land use, reducing them to only 1 to 2 percent of total project costs.

HOW

To adjust ITE trip generation rates consistent with the envisioned built environment, local jurisdictions can use the model created in the Oregon Transportation Research and Education Consortium's contextual influences on trip generation study. The rate adjustment utilizes Metro's Context Tool, which considers the number of transit corridors, people density, the number of high-frequency transit routes, lot coverage, bike facilities and intersection density. By using built measures or the Context Tool, trip generation rates can be matched to the local context and the vision for growth in that location. Cities and counties would adopt this adjustment factor for calculating trip generation and amend capital improvement plans to reflect these adjustments in the project list as well as the TSDC rates.

PARKING

▶ Responsive parking ratios

WHAT

Existing parking ratios do not necessarily support the transportation and land uses envisioned in the Southwest Corridor Land Use Vision. In order to support a high capacity transit investment, parking ratios along the corridor and in key places should be adjusted. The best approach to catalyze development is to adopt parking ratios that respond, or change, based on existing performance in the area. Performance typically is measured by the existing inventory of parking spaces, peak hour occupancies and other elements of the current and planned for built environment. A good benchmark is 85 percent occupancy during peak hour occupancies. As the market, form and utilization change, so do the parking ratios.

WHY

Given the high cost of parking to developers and end users and the negative impact to pedestrian-oriented design, existing parking ratios do not support the transit-oriented vision for the Southwest corridor. A number of recent parking studies in the region's centers have also shown an excess supply of parking with utilization rates well below 85 percent. By providing parking at levels appropriate for multimodal areas, local jurisdictions can reduce the cost of development and support transit-oriented design, an attractive streetscape, and increased amenities in the corridor. In the project examples, existing parking ratios called for 50 to 60 percent of a parcel to be dedicated to parking. With ratios more reflective of transit-oriented form and travel behavior, this was reduced to 30 percent or less, providing additional space for local amenities such as storefronts and pocket parks.

HOW

First, it is important to understand the current supply of parking in these areas by taking an inventory of parking spaces in the district and the utilization rate of those spaces. The local jurisdiction should then adopt a parking district with appropriate parking management strategies (shared parking, unbundling, pricing, etc.) to use the parking supply most efficiently. Simultaneously, the municipality would adopt a set of parking ratios that respond to specific supply, occupancy and built environment performance measures. As performance in the district fluctuates, a new ratio is triggered. Since parking is managed at the district level, it is best to provide one ratio set for residential uses and another for non-residential uses.

▶ Unbundled parking

WHAT

In transit served communities, parking can be "unbundled," or sold/leased separately, from residential and retail units. Developers provide what the market will support. Typically, early projects do not provide much parking, because there is already an abundance of unused parking supply that can be leased nearby and the cost of providing parking is too high to result in a feasible project. As a market develops, parking supply gets tighter and projects become more profitable, developers can capture a premium from pricing parking separately from the residential units and storefronts. In turn, residents and retailers determine how much parking they need and what they are willing to pay. As a result, unbundling parking is more responsive to local demand. Extra supply unused by residents can be leased to surrounding businesses, reducing the overall number of parking spaces a project must provide.

WHY

This is a beneficial parking strategy for areas transitioning to a more transit-oriented form, as it is linked to parking supply and demand as well as what the market can build. It is a policy that enables more housing choices, especially at lower price points for young families and those on a fixed income. This type of project has attracted significant interest from buyers who do not need parking spots and people wanting to live in a transit-oriented development. In one of the project examples, unbundling parking would result in a $6 to $12 thousand decrease in cost – and therefore price – per unit. For units without parking, TSDC discounts for lower transportation system impacts would further reduce unit costs by a total of $13 to $19 thousand.

HOW

In transit station areas and key places along the Southwest corridor, local jurisdictions should enable unbundled parking. The option of unbundling parking would be adopted into the city's parking standards in the zoning code for these specific areas. Unbundling could be allowed by right in areas adjacent to the corridor and station areas. In areas with a tight supply of parking, it can also be allowed as a condition of approval or for a percentage of the units or square footage (greater than half), providing flexibility and market relevance while ensuring that at least some parking is provided on site.

PARKING

▶ Shared parking

WHAT

Shared parking is a parking strategy whereby parking spaces are shared by more than one user, which allows parking facilities to be utilized more efficiently. Shared parking takes advantage of the fact that most parking spaces are only used part time by a particular automobile, with many parking facilities having a significant number of unused spaces that follow predictable daily, weekly and annual cycles.

WHY

Shared parking can reduce parking facility costs (including aesthetic and environmental impacts), allow greater flexibility in facility location and site design, and encourage more efficient land use.

HOW

The option of shared parking should be provided in city code, by right in designated areas or as a condition of approval on specific development projects. Typically, this would require that arrangements be made between individual facility developers and managers participating in the shared parking effort.

DESIGN CODE

▶ Ground floor active-use provisions

WHAT

Requiring retail ground floor uses in mixed-use buildings can discourage near-term development in areas where the market does not yet support such uses. One way address this market gap is to allow interim storefront uses, while also requiring that ground floor spaces be designed to support retail or commercial uses once the market is ready for them. Codes that recognize the realities of a specific market and identify provisions to support a long-term vision for an area or district are important when a community is trying to activate land uses.

WHY

Ground floor active-use provisions allow a developer to create good "bones" in a development that can later be utilized for the uses ultimately envisioned by the local jurisdiction. They allow for some type of use (often of a lower intensity) to exist in the space in the interim, helping to provide street-level activity. Over time, as rents increase in an area, non-retail uses are replaced, either moving a floor or moving to the periphery of the district.

HOW

A local jurisdiction should address this particular provision in mixed-use districts that require ground floor commercial/retail uses. The provisions in the code should continue to require the specific ceiling heights, footprint requirements and depth needs that standard commercial/retail uses require, but allow for non-retail uses to temporarily occupy the space.

▶ Layered landscapes and active open spaces

WHAT

Layered landscapes attempt to replicate the natural environment, integrating multiple levels or layers of native species of plants. The resulting landscape can differ from project to project but will consist of some combination of the following: ground surfaces, such as dirt paths, bioswales and pervious pavers; habitat at the human level, including shrubs, flowers, wetlands or green walls; and a habitat canopy, using multiple layers of trees as well as green roofs. Layered landscapes help produce aesthetically pleasing open spaces that also serve to filter and absorb on-site stormwater runoff.

WHY

Each layer counts toward habitat and open space requirements, allowing businesses and communities to maximize the use of a property and mitigate development impacts within smaller spaces. Layered landscapes often require less maintenance and operating costs. More traditional forms of landscaping requirements ask for a percentage of the property to be set aside, which raises costs and does not necessarily result in more sustainable, low-impact development.

HOW

Jurisdictions would amend their code to move away from mandated percentages of open space on a development site and focus instead on performance of the natural landscape features. This can be done by implementing a flexible menu of design standards that allow different features to be assigned a point value and mixed together for ecological effectiveness rather than total square feet of coverage.

Toolkit: Financial incentives that set the stage

In addition to regulatory and policy changes, the public sector can use a variety of financial incentives to help stimulate investment in strategic locations. These tools can help bridge the financial gap between what is financially feasible today and what is desired by the community. In many cases, the community's vision is above and beyond what the current market can provide. Investments in the public realm (such as streetscape enhancements and transit investments) are one way to send a message to the private sector that the public is committed to making the community vision a reality. Direct financial incentives for key catalytic projects offer a "proof of concept" – and through strategic investment in such projects, can lead to increased value in the market. Eventually, this can allow for private investment without public support.

Current market conditions in the Southwest corridor do not necessarily support the development forms envisioned by the local communities. This is especially true in areas that would like to see more walkable, attractive and business-friendly neighborhoods than exist today. This section highlights key financial tools available to public sector partners to leverage investment and new development in Southwest corridor locations. The project examples illustrate how these incentives can help fill the financial gap and achieve the desired development outcomes in the corridor. Described in more detail below, these tools are recommended for consideration by public sector partners in areas of change throughout the Southwest corridor:

- Transit Oriented Tax Exemption (TOTE)
- Vertical Housing Program
- brownfield cleanup
- System Development Charges strategies
- urban renewal
- Transit Oriented Development Program
- land acquisition and banking.

▶ Transit-Oriented Tax Exemption

WHAT

The Transit-Oriented Tax Exemption (TOTE) encourages the construction of transit-supportive, multiple-unit housing in corridors and centers in order to shift the balance between the residential and commercial nature of those areas. It seeks to encourage creation of places where people can both live and work. The TOTE reduces operating costs through a 10-year, 100 percent property tax exemption on the value of an improvement. Immediate relief from a significant tax increase makes it more feasible for developers to provide the amenities, form and high-quality design of the development envisioned in these areas.

WHY

Using the TOTE in the Southwest corridor could have significant impacts on the feasibility of high-quality, transit-oriented projects. Catalytic projects, by their nature, generally occur in areas where the market is marginal. Public sector assistance is needed to overcome significant gaps in financial feasibility. The public's portion can often be as high as 20 to 25 percent of total development costs. The TOTE can cover half or more of that share without requiring any upfront cash from the public sector. In the Southwest corridor, project examples suggest that the TOTE could reduce costs to the developer by 10 to 15 percent of the total development cost, and as a result, bring more housing, jobs and transit-oriented design to the corridor. In one example, the TOTE was combined with impact fee reductions and a land value write-down, and together this package made the project feasible without requiring a cash investment from the city.

HOW

A local jurisdiction designs their own TOTE program, local application and approval criteria consistent with criteria set forth by the state, which emphasizes development of multi-unit housing accessible to a broad range of residents on underutilized sites in light rail station areas, transit-oriented and core areas. The city or county adopts, by resolution or ordinance, through a public process, the provisions of ORS 307.600-637 and a designated TOTE area. The City of Portland has an established TOTE program, so development in that portion of the corridor only requires an application demonstrating how the project meets the city's program criteria.

▶ Vertical Housing Program

WHAT

In transit-oriented areas, light rail station areas and urban centers, the Vertical Housing Program can reduce costs at the front end of a developer's investment through a temporary (10-year) abtement relief for on-site improvements. With immediate relief from a significant tax increase, developers can invest additional funds in projects that often have higher initial costs. This tax abatement opportunity is available for multistory, mixed-use development projects (construction or rehabilitation) that include residential units. The rate of the 10-year abatement ranges from 20 to 80 percent of improvement value depending on the number of floors of housing in the project. By providing affordable housing units, the developer may also qualify to receive a partial property tax exemption on the land value.

WHY

As a partial tax abatement, the VHP provides a smaller reduction of costs to a project than the Transit-Oriented Tax Exemption (TOTE). However, it is easier to implement and requires fewer resources to manage than the TOTE, and it can still have a significant impact on the feasibility of mixed-use housing projects along a transit corridor. Project examples from the Southwest corridor showed that the vertical housing tax abatement covered 6 to 8 percent of total development costs, which for one project covered 70 percent of the gap in financial feasibility. By foregoing initial years of tax revenue, local jurisdictions can solidify additional housing opportunities in transit rich areas without needing to spend upfront cash on the project. In doing so, they will also attract additional development projects and tax revenue to the area, generating return even during the years of the abatement.

HOW

A local jurisdiction or combination of jurisdictions applies to the state for designation of a Vertical Housing Development Zone. Once the zone is in place, mixed-use residential development projects located within the approved zone are eligible for the tax abatement. Developers follow all local development standards and codes, and file an additional application with the state for the tax abatement. Once the development market is strong and incentives are no longer needed, the local jurisdiction files a request with the state to discontinue the zone.

▶ Brownfield cleanup

WHAT

Environmental contamination from historic uses impacts multiple Southwest corridor locations, leaving these places underutilized and undervalued. Used strategically by a local government, state and federal brownfield cleanup funds can stimulate the market and return these sites to productive use. Public grants and financing options can help cover expenses before project financing is available to developers. Interim public ownership and cleanup, particularly when negotiated through a Prospective Purchaser Agreement with Oregon DEQ, limits liability risks for future owners and prepares shovel-ready sites. Local development incentives prioritize investment and make development easier on these sites. Cities can apply all of these tools to remove brownfield-related obstacles and enable the private sector to develop these sites and return them to productive use.

WHY

Cleanup costs range from $50 to $500 thousand per acre, which can preclude redevelopment in areas with weak or average market conditions. With land being one of the most valuable assets to a local government, the opportunities lost (housing, jobs, tax revenue) on brownfields are far greater than the investment needed by the public sector to revitalize these sites. The project examples in the Southwest corridor included a brownfield with $300 thousand in assessment and cleanup costs. While possibly prohibitive to a developer, this represents only 1.8 percent of the total development costs for a project designed consistent with the vision. A relatively small public investment here would lead to significant potential return. Without the investment, the city would lose the people, jobs and amenities it would have brought to the area. By making the project happen, the city also experiences a radiating effect on property values, improving market conditions throughout the district and attracting additional development.

HOW

Local jurisdictions can waive fees and expedite the permitting and review process for projects on brownfield sites. Local jurisdictions can also qualify for federal and state environmental assessment and cleanup funds for contaminated, underutilized sites. The first step is to explore the different funding options with the Oregon Brownfields Program and an EPA Brownfields Program officer as well as potential ownership and liability protections with Oregon DEQ.

System Development Charges

WHAT

System Development Charges (SDCs) are collected to pay for infrastructure needs associated with growth. These fees can be reduced in dense, mixed-use neighborhoods to reflect the reduced impacts of sustainable development patterns. Similarly, if a developer constructs public improvements, such as street improvements or a new park to serve the surrounding community, then local jurisdictions can provide credits reducing the developer's overall SDC liability. By reducing or eliminating SDCs, which can be particularly high for projects with multiple-unit housing, funds are freed up at the front end of development to provide affordable units and the type of development envisioned along the corridor.

WHY

In the Southwest corridor project examples, SDCs accounted for 3 to 5 percent of total development costs. Reducing these fees does not require a cash investment, and research has shown that these development types can reduce impact to the transportation and water systems – so lower fees are appropriate.

HOW

Local jurisdictions can ensure that transit-supportive infrastructure projects, including station connections and parking garages, are incorporated into infrastructure project lists so that new growth pays for all kinds of infrastructure needed to serve the area's new residents. At the same time, cities and counties can reduce SDC fees in dense mixed-use areas and for projects providing lower parking ratios. Local data confirms national findings that vehicle trip rates decrease as neighborhood types become more urban. In the metro region, businesses located along corridors and in neighborhood centers find as much as 50 to 70 percent of their customers arriving by transit, walking or biking. Local jurisdictions can use the model in the Oregon Transportation Research and Education Consortium's contextual influences on trip generation study to adjust trip generation rates accordingly.

Urban renewal

WHAT

Urban renewal serves as a strong financial incentive to stimulate investment in targeted areas by borrowing against the projected increase in property values in those areas. Using this Tax Increment Financing (TIF) gives areas with weak markets access to a substantial source of equity for capital improvements. This can make development projects financially viable while kick-starting private investments. An area lacking adequate infrastructure or needing capacity improvements can establish an Urban Renewal Area to make public realm improvements and invest in underutilized properties.

WHY

Urban renewal can be critical to revitalizing main streets, downtowns and mixed-use corridors such as Old Town Sherwood and Tualatin Commons. Long-term public financing can leverage private investment for downtown redevelopment, affordable housing and economic development projects. Local jurisdictions can use low-interest loans or sell land at "fair reuse value" to lower redevelopment costs and stimulate activity in these areas. Public realm improvements (infrastructure, streetscape, open spaces, civic buildings, façade enhancements) made through the use of TIF also help by increasing the desirability and value of the area, raising market rents and attracting new construction. In Old Town Sherwood, for example, over $35 million was generated and spent on a number of improvement projects, including the cleanup of a large and difficult brownfield site.

HOW

Municipalities establish an urban renewal area and adopt an urban renewal plan through a public process. An urban renewal agency, consisting of the governing body or an independent organization, then manages the projects, provisions and expenditures outlined in the urban renewal plan. It is important to work with local taxing districts from the beginning of the process to help prevent or reduce opposition to the plan. Communities should also consider affordable housing policies to address possible gentrification and displacement issues, since the purpose of urban renewal areas is to increase investment and value in these places.

▶ Transit-oriented development program

WHAT

The Metro Transit-Oriented Development Program contributes directly to the construction of projects that are not currently feasible under current market conditions. This is achieved through some combination of direct capital investment, development easements or land value write-downs. Through active engagement in the design and construction of real projects, the program can help identify and remove obstacles to the creation of transit villages, main streets and mixed-used urban centers.

WHY

Focusing housing and employment near transit is one of the most effective ways to reduce regional road congestion, improve air quality and increase transit ridership. Car trips are less frequent in centers with a balance of jobs, housing and urban amenities. Focusing development in existing urban areas uses land more efficiently, reduces the need for costly new public facilities and prevents unnecessary conversion of farmland and natural areas to urban use.

HOW

A developer with site control may contact Metro directly to determine funding eligibility for compact and mixed-use transit-oriented development projects that would not be feasible without public participation. Local jurisdictions are encouraged to engage with developers and point them in the direction of the Metro Transit-Oriented Development Program if their projects meet program standards.

▶ Land acquisition and banking

WHAT

Communities will often acquire properties in an effort to influence the land development process. Additionally, some cities operate a land banking program, which is the holding and management of properties for strategic investment over a period of time. Cities may leverage their ownership to influence a development project or use other properties as bargaining chips in property exchanges with interested developers. Land banking can be used to influence all development types, from employment and retail to new housing and mixed-use projects.

WHY

The acquisition of properties allows cities to be active participants in the development process, giving them the leverage to guide the process toward a desired outcome. Often, properties are scattered and owned by multiple parties. Since working with multiple ownership parties and a large geographic area lead to a lack of redevelopment focus, this can make large-scale redevelopment difficult. By acquiring and banking property, a city can aggregate disparate parcels and streamline the development process with a private developer.

HOW

A local jurisdiction would formalize a land acquisition and/or banking program for the purpose of influencing development. Most programs establish an independent entity with clear control over the land banking process. Direct government control is possible, but an independent agency often has more flexibility and leverage in any future redevelopment opportunities. Traditionally, land banking programs focus on tax foreclosure properties, but they may also explore voluntary donation or purchase on the open market.

More information about these development strategies

Metro's Community Investment Toolkit
www.oregonmetro.gov/communityinvestment

Vertical Housing Program
Oregon Housing and Community Services
www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx

Brownfield cleanup
Oregon Brownfields Program
www.oregon4biz.com/Business-financing-resources/Oregon-Finance-Programs/Brownfields-Redevelopment-Fund/

Oregon DEQ Prospective Purchaser Agreement
www.deq.state.or.us/lq/cu/ppa.htm

EPA Oregon Office
www2.epa.gov/aboutepa/epa-oregon

Metro's Brownfield Recycling Program
www.oregonmetro.gov/brownfields

Transit Oriented Tax Exemption
ORS Chapter 307.600-637
www.leg.state.or.us/ors/307.html

Trip generation reductions and System Development Charges
Contextual Influences on Trip Generation
www.otrec.us/project/407

Urban renewal
The Association of Oregon Redevelopment Authorities
www.orurbanrenewal.org/

ORS Chapter 457
www.leg.state.or.us/ors/457.html

Metro's Transit-Oriented Development Program
www.oregonmetro.gov/tod

Land banking
www.thelandbank.org