

**TO:** Chairman and Board of Commissioners

**FROM:** President/CEO

**PROPOSED KCATA TOD POLICY**

**Background** As KCATA advances into Transit Oriented Development and economic development activities there is a need to establish broad policy guidelines to serve as guidance from the Board as to mission, purpose and expectations. More specifically, how is the new expanded role for KCATA envisioned? Obviously that role must be transit related and serve to benefit the community and KCATA customers in expanding ridership and in generating new revenues. However, to what extent will the Authority engage in capital investment, property acquisition and venture partnerships? This policy when adopted is intended to provide guidance and policy direction to these and other issues and questions that may arise.

**Process** At the recommendation of Economic Development Committee Chair Gary Mallory, this item was introduced at the June 28<sup>th</sup> KCATA Board meeting.

Additionally, this proposed policy has been distributed to community partners for their input and comments received are provided as attachments to this agenda item.

The Economic Development Standing Committee met on July 18 to consider this agenda item and voted to approve unanimously and to advance this item to the full commission on July 26.

Also, comments have been received from the City of Kansas City, Missouri and Lee's Summit. Those comments are attached.

**Budget Impact** Project funding discussed in the TOD policy is subject to annual budget appropriations and/or future Board review and approval.

**Recommendation** Economic Development Standing Committee and Staff recommend approval and adoption of this TOD policy

**Robbie Makinen, President/CEO**

RM/dmh

**Attachments:** Proposed TOD Policy  
Community Partner comments

**KANSAS CITY AREA  
TRANSPORTATION AUTHORITY  
TRANSIT ORIENTED DEVELOPMENT  
POLICY GUIDELINES**

**Attachment: A**

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# INTRODUCTION

The Kansas City Area Transportation Authority (KCATA) has engaged in the development of two Transit Oriented Development (TOD) projects, and considers that future transit development opportunities are beneficial to the vision, mission, values and stakeholders of KCATA. To help KCATA consider future transit development or TOD opportunities development of enabling policies, goals and measurements are needed to guide decision to review and when appropriate participate in transit opportunities, projects corridors that support transit ridership, stakeholders and revenue. These policies will help the KCATA to define what TOD and transit development opportunities best serve the goals of KCATA, how much and what type of capital investment might be considered, what the project development process will look like, how the KCATA will evaluate projects to support and measure the types of outcomes and results for project that addresses TOD or transit development opportunities.

## TRANSIT ORIENTED DEVELOPMENT DEFINITION

As suggested by the name TOD is anchored by some form and or combination of public transportation. While most often associated with rail, TOD can be effectively implemented along Bus Rapid Transit (BRT) corridors and other modes of public transit. It has been widely accepted as an important planning paradigm to create attractive, livable, walkable and sustainable urban environments. The purpose of TOD is to concentrate higher density housing, commercial and mixed use development close to existing transit infrastructure, thereby providing alternatives to automobile utilization. Traditionally, TOD development radiates roughly a half mile or less than 10 minutes walking distance from its anchoring transit station.

Most often TOD consist of the following design characteristics:

- Mix of commercial, residential and office land uses
- Moderate-to-high residential densities
- High-quality pedestrian environments
- Emphasizes various forms of public transit7/20/2017
- Builds or improves public transit including connections between and with workforce, residential, industrial/commercial, retail and entertainment.

A mix of compatible land uses is the most desirable in TOD developments allowing for denser developments that are walkable, thus decreasing dependency on the automobile. Typical land uses include multi-family residential which should emphasize mixed rates, retail and office uses. Increased density is a critical aspect of successful TOD that includes, business, workforce, residential and other uses.

In TOD developments, most structures are designed at medium-to-high unit density. Residential density thresholds are often necessary to guarantee a certain population in the area to create economic benefits that include supporting area businesses. This is measured by the number of housing units per acre. For non-residential uses such as offices, planning guidelines such as Floor Area Ratio (FAR), lot coverage, and building massing are used to control and maintain the density.

Creating a high-quality pedestrian environment is the most important aspect of TOD. Ensuring easy and nearby access and walking routes which are comfortable and safe, enjoyable streetscapes and vibrant and interactive public spaces that stand out and encourage people to utilize transit over automobiles. Those characteristics of TOD are achieved through good urban planning and landscape design. Design elements include wide sidewalks, aesthetically pleasing building façades, buildings with street frontage and more. Bicycle and automobile parking and access are also significant design factors to consider in TOD developments.

TOD developments will look different in a downtown setting than they will at a site more removed from the central business district. Consideration should be given to the surrounding area to determine what level of density, building height, land uses, and business types to encourage in each respective development, project area and integration into surrounding neighborhoods.

## **PURPOSE/MISSION**

Purpose: “To identify and prioritize transit development opportunities and transit oriented development that has the potential to create economic value through enhanced ridership, new revenues, and benefit key stakeholders with KCATA services and programs.”

Mission: “To identify TOD development and investment strategies that build customer value for KCATA ridership, stakeholders and new revenue sources while leading, supporting and assisting Transit-Oriented Development.”

## GOALS

The KCATA has several economic development goals relating to TOD.

- Growing “transit” riders which creates economic benefits for nearby neighborhoods and businesses, including more transit choices.
- Generate new revenues and revenue sources associated with transit oriented development while supporting riders through development opportunities, projects and corridors.
- Improve quality of life through transit related investments:
  - Access to employment opportunities, new investments, reduce crime, decrease vehicular traffic, congestion and environmental impact, cost savings and other benefits for transit riders.
- Support increased residential and commercial activity, including density which benefits from public transit ridership and investment.
- Emphasize and encourage public private partnerships to better extend and leverage KCATA’s capital, while engaging and supporting the private sector to undertake development, investment and job creation associated with transit development projects and TOD.
- The types of development, projects and initiatives that are expected to come forward for Board of Commissioner consideration where “TRANSIT” is a key component is expected to be driven by stakeholder, market demand and development responses to marketplace needs, priorities and removing development barriers. Examples of development, project and transit initiatives that may emerge include: mixed use development; residential and multi-family and senior development, retail, commercial and industrial development, and tools and resources to support these examples located in our major: growth, transit locations and transit corridors.
- After a short ramp-up period to build a “book” of economic development projects, future revenues generated from all transit development projects will be placed in a separate Economic Development Fund to help build budget capacity for Transit

Oriented Development opportunities and growth that create value for ridership, stakeholders and KCATA.

All policies adopted by KCATA should ensure they are in alignment with the mission and goals set forth by the agency.

## **POLICY GUIDELINES**

### **BOARD APPROVAL/BUDGET FOR CAPITAL INVESTMENT**

The Board of Commissioners will give full consideration to Transit Development Opportunities and TOD that support and promote transit, development, value and benefits for riders and stakeholders, especially along existing transit corridors and in areas creating new transit demand and development opportunities. KCATA's Board of Commissioners and President & CEO shall be involved reviewing and approving use of funds for any specific development project or economic development initiative determined to support the goals of KCATA and Economic Development.

When seeking a return on its investment, KCATA will consider and determine what amount of return it expects to receive, including if it is willing to negotiate or defer a financial return of its investment of capital and resources, or set it aside, based upon the individual merits of each development project request made of KCATA, including the development impact projected to surrounding community and project area that support broader stakeholder goals.

General Actions and Activities by the Board of Commissioners may also include:

- KCATA will seek out alternative capital, finance and revenue generation sources and tools beyond the annual capital budget of KCATA. KCATA will also work with and alongside our stakeholders, state and federal partners, and development partners working with KCATA in pursuit of providing development tools and resources to support transit through economic development.
- All Projects or Developments seeking and considered by KCATA must be reviewed and qualified which will include: the project and or development and initiative has been thoroughly researched and vetted; deemed to be financially viable; clearly recognized to specifically support Transit Oriented Development goals; possess experienced and development partners and or agencies with a successful track record of experience and involving MBE/WBE and local participation.

- KCATA may consider providing: financial capital to a development, project or initiative if it is deemed necessary, vital and or impactful to supporting and creating transit benefits, new revenues and overall supportive of transit goals and objectives.
- KCATA may acquire, assemble, use eminent domain, finance or issue debt, sell or lease property to assist in development of a project, development or transit corridor, including entering into Public/Private Partnerships.
- Infrastructure investments, demolition and or eminent domain made by KCATA that support transit development and projects may be considered as a necessary investment and step for development or a project to reach full and successful implementation.
- KCATA may consider use of new “development tools”, when funding sources have been identified that support low interest rate (or “patient capital”) loan programs available to qualified developers and small business borrowers whose work directly aids transit through encouraging development along prioritized transit corridors and at TOD nodes.
- All projects and development investments reviewed and approved by the Board of Commissioners that are approved to receive financial participation or assistance from the KCATA will also require some “reasonable level” of equity participation by the developer, project partner(s) and participating entity to ensure capital and development risk is not solely bore by KCATA.
- KCATA may consider deferring or setting aside returns on its investment(s) based on development or project’s merit, including impact to transit and development. KCATA considerations may extend to advancing capital, deferring or setting aside development fees, bond issuance fees, project administration fees, and reducing or deferring until market stabilization a Return on Investment in order to achieve KCATA’s mission and goals for transit related development and projects.

## **PROJECT PROCESS**

Projects seeking KCATA participation will be subject to budget and funding availability and authorization from the Board of Commissioners. A Project Application with supporting materials will be submitted to Economic Development staff. After staff’s review of the application it is ready for submittal and recommendation to the Economic Development Committee (EDC), including assessments and recommendations by internal and external parties engaged by KCATA to help evaluate the project’s investment and development merit and negotiation for desirable terms.



The EDC will review and evaluate projects and consider the recommendations of the Economic Development staff. Upon a project's review by the EDC, staff will provide the recommendation of the EDC to the Board of Commissioners (BOC) for Board consideration.

The BOC will review and evaluate projects considering the recommendations of staff and EDC, making the final decision on the KCATA's level and terms of participation in the proposed development project.

## **PROJECT EVALUATION/MEASUREMENT**

The KCATA Economic Development Committee (EDC) will use the following criteria to evaluate and measure proposed development projects, and to make recommendations to the EDC and ultimately the BOC:

- Does the development and or project achieve the KCATA's overall vision, mission and goals specific to Transit Development or TOD?
- Is the development adjacent to or near an existing KCATA transit corridor?
- Is the development located at an identified or proposed TOD node?
- Will the development produce a positive return and or other identified benefits for the investment made by KCATA during the first five to ten years, regardless of type of investment, and if so quantify the projected return? How much?
- Does the development or project support riders, key stakeholders and public or private development partners?
- Will the development or project create long-term economic value including jobs and increase the tax base?
- How many potential new jobs, residents and riders will be created and how many new businesses will be attracted to the development area?
- Are development partners utilizing MBE/WBE and local contractors and vendors?
- Will the development assist in the reduction of crime in the project area?
- Will the development increase surrounding property values?
- Is the project likely to help stimulate further development and investment in surrounding properties, intersections, corridors and developments?
- Will the project address one or more development priorities for key stakeholders?
- Will the project or development increase ridership for the KCATA?

- Will the development increase revenue for the KCATA? What are the projected returns over time?
- Is the development likely to lead to an influx of new business and job creation?
- Is the proposed development consistent with approved area plans, and if deviating account for the proposed changes?
- Does the development or project increase ridership and benefits for riders at the development site?
- What major economic, neighborhood groups, organizations, and community or local government priorities are being addressed by this development request. Would this development or project likely happen without the participation of KCATA.
- What groups are on record supporting this project, and what groups or individuals are opposed. What has been done to address local concerns?
- Does local government support the project?

To gain support of the KCATA a majority of the evaluation and measurement criteria must be met.

## **IMPLEMENTATION**

Following BOC approval, the project will move into the implementation phase. Specific considerations must be given to projects in the implementation phase to assist in making the process smoother for all interested parties.

- Work with local, state and federal jurisdictions to determine what applications, permits and approvals will be required.
- Sign agreement with all project partners clearly outlining the role of each partner and its respective responsibilities.
- The development group seeking KCATA assistance agrees to provide reasonable reports of progress periodically, including documentation to address measureable outcomes agreed to by all parties. KCATA will set specific investment goals and terms or terms for deferral or waiver. The development team benefiting from KCATA's participation will help KCATA track the project's milestones including investments during and following project implementation to determine if KCATA goals have been met.

## **ADDITIONAL POLICY CONSIDERATIONS**

The KCATA should evaluate the policies of area municipalities and political subdivisions. A regional approach to transportation will help make the region and thus KCATA more successful in providing high quality transit service, including transit informed development. Furthermore, zoning, land use, development incentives, parking requirements and other policy decisions which are beyond the control of the KCATA will have a significant impact on the ultimate success of any TOD development or project pursued by the KCATA.

The KCATA should encourage and support polices enacted by area political subdivisions which support transit and TOD development. Specifically, the KCATA should support and encourage policies which promote transit plans for developments and employers and public places that account for density near transit stops, reduce minimum parking requirements, enhance the pedestrian experience, encourage a mix of land uses, promote business and job creation.

The City of Kansas City, Missouri is currently working to develop a TOD policy. The KCATA should work collaboratively with the City of Kansas City to ensure that the policies it, and other municipalities for that matter, enact will help support the mission and goals of the KCATA.

## **CONCLUSION**

The KCATA's foray into economic development should be done carefully. Great consideration must be given to the overall mission and goals of the organization and those specific to Transit Development and TOD. The development of transit oriented developments can assist the KCATA in increasing ridership, building stakeholder value, and creating new revenues or revenue neutral impact while helping stakeholders and riders by following TOD design concepts. TOD development can have an overall positive impact in the communities where they are developed, and the Kansas City region as a whole. The promotion and support of polices enacted by area agencies and municipalities will help the region develop a robust transit system geared towards TOD and more sustainable development practices. Regardless of what the KCATA does in regard to TOD it must ensure that it continues to provide high quality service which serves the needs of riders.

