II. BANFIELD/BURNSIDE LRT CORRIDOR MARKET ANALYSIS

A. Work Program Description

In order to achieve the maximum social and economic returns from the major capital improvements now being planned for the Banfield corridor, the responsible local jurisdictions desire to formulate and implement a comprehensive land use and economic development coordination program around the proposed transit investments. A fundamental prerequisite to designing and undertaking activities of this scale is an assessment of the Banfield Transitway Project with respect to its influences on and the potential for joint development in a regional, corridor, and station area context. Analysis of the development impacts of the Banfield Transitway on the downtown core is outside the scope of this study.

The intent of this study is to identify the realistic market opportunities opportunities and development constraints associated with the proposed Banfield Transitway Project. Further, the study will provide a framework for a subsequent, more detailed Corridor Master Planning Study to be undertaken by Tri-Met and the affected jurisdictions in parallel with final engineering for the Banfield Transitway Project.

The discussion of each task which follows is divided into three distinct segments: description, suggested technical approach, and products. The "description" and "product" sections when viewed together indicate the purpose of each individual task and the results which Tri-Met anticipates the Consultant will produce. The segment titled "suggested technical approach" outlines the methodology Tri-Met staff anticipates would produce the desired products from each particular task. The technical approach was developed from a review of material from similar planning efforts as well as discussions with individuals involved in such efforts. However, Tri-Met recognizes that individual firms may have developed techniques which may be equally effective in acquiring the results desired. Therefore, Tri-Met will consider alternative technical approaches to each individual task. Firms suggesting alternative methodology should understand that the total budgeted funds identified on page 17, and the overall schedule will not be modified to accommodate changes in methodology suggested by proposers.

B. Description of Tasks

1. Private Sector Response:

Description

In order to ascertain the urban growth influence, joint development/value capture potential, and neighborhood impacts associated with the construction and implementation of the Banfield/Burnside LRT alternative, it is necessary to first document the potential induced private sector response to the system in terms of type and magnitude of development. The free market response of the private sector can best be analyzed through a market analysis of the three land use categories (i.e., commercial office, residential, and retail) that have been historically most directly influenced by fixed transit system development.

The Consultant will undertake a review of available data on the development impacts and opportunities resulting from rail systems in other locales throughout North America. Tri-Met will provide the majority of this information and can provide references from which additional data can be obtained. The consultant will generate a description of the current and anticipated (through Year 2000) development trends for the above three land use categories on a regional, corridor, and station area scale.

The Consultant will then generate and apply a methodology to project the anticipated development response to the Banfield light rail line.

Suggested Technical Approach

Based on a review of the experience of other cities, the Consultant will generate a set of "development attractiveness indices" that are effective in accounting for the differences in private sector development response that have thus far occurred with rail transit. These indices would be applied to the Portland Region, building on available forecasts at MSD in a three-phased approach beginning with the regional scale and then proceeding to the corridor and individual station areas for the three basic land use categories identified above.

Products

A technical memorandum (five copies) will be produced within 30 days of the notice-to-proceed for review by the Tri-Met staff. The memorandum will document the consultant's work on current development trends, the methodology adopted to project development responses to the project, and the results of applying the methodology.

2. Public Policy Options

Description

A fundamental aspect of implementing joint development is the determination of public policy options necessary to shape and direct private investment in the corridor. This analysis should help define what public policies are necessary. The analysis will include: comprehensive planning and zoning techniques including density bonus provisions, special transit station area planning districts, corridor development corporations, benefit district approaches, as well as urban renewal, various real property techniques and tax incentives, and shared cost/investment programs involving both the private and public sectors.

In completing this task, the Consultant and staff will consider and evaluate the four fundamental joint development policy and implementation issues which follow:

a. What level of development controls, if any, should be considered for implementation prior to the completion of more detailed station area or corridor master planning efforts?

b. To what degree should existing corridor community development programs and zoning ordinances be modified, changed, or even unified to induce or control future corridor or station area growth?

c. Should the public sector's future participation in the joint development process go beyond policy support and extend to incremental capital investment or tax incentives?

d. What should be the time duration, geographic coverage, and procedural or legal approach adopted to undertake the joint development planning and coordination efforts?

Suggested Technical Approach

Tri-Met staff has considerable expertise in the area of public policy options for joint development. Therefore, the proposed approach is for the Consultant, using his market knowledge together with Tri-Met staff, to conduct a sensitivity evaluation of the development incentive and coordination programs and policies available to achieve joint development. This sensitivity analysis of possible joint development implementation tools will interface and complement the Transportation Corridor Corporation (TCDC) Feasibility Study now concluding at Tri-Met.

Product

A technical memorandum (five copies) will be produced for review by Tri-Met staff. The memorandum will document the effectiveness of various levels of public development coordination and control/incentive programs. The programs will be analyzed in relation to positively influencing the latent and induced levels of joint development potential of the station areas and preserving desirable elements of current land uses.

3. Determine Station Area Joint Development Profiles

Description

Depending on the outcome of the private sector market analysis (Task 1) and public sector policy options evaluation (Task 2), a base case set of joint development forecasts will be developed for each station area. From

this, the short term (1990) and the longer term (2000) induced impacts of the transit investment would be determined at the station scale.

The technical results of this task should 1) identify and map near term station development opportunities; and 2) determine the types of coordinated public policy actions that would enhance both the short term and long term joint development opportunities.

The overall format for the individual station development profile includes five basic categories of information. These include:

a. A brief description of existing land use conditions;

b. Key observations relating to the "market image" of the station area;

c. A determination of the near term private sector development trends;

d. The identification of relevant public sector development plans and policies; and

e. The determination of the most probable joint development opportunities.

The stations that have the highest short term development potential, or, for other reasons, merit a strong public policy focus during the early implementation stages of the light rail transit project will be treated in greater detail in Task 4.

Suggested Technical Approach

Through application of the "development attractiveness" indices, the Consultant will establish the joint development potential of station areas by mix, scale, and market features. This analysis will be documented for the construction, early implementation phase (1990),.and long term operation (2000) phase of the system.

Product

A detailed technical memorandum (five copies) will be produced for review by Tri-Met staff. The memorandum will document the joint development impacts forecast for each station area induced by the transit investment for both 1990 and the year 2000. The overall format for each individual station development profile will include the five categories of information detailed in the description of this task. The memorandum will describe the methodology the Consultant used and will identify stations that have the highest short term development potential, or, for other reasons, merit a strong public policy focus during the early implementation stages of the system.

4. Economic Impacts

Description

Joint development is nothing new; it has been frequently an unplanned part of interstate highway interchange development, as well as the planned rental of concessions in transit terminals.

For the stations identified in Task 3 as having high short term development potential or meriting an early strong public policy focus further analysis will be completed. The analysis will include an assessment of growth potentials, preliminary development concepts, neighborhood impacts, and phased implementation requirements for selected stations.

Based on the results of the ongoing joint development programs underway in the metropolitan areas reviewed in Task One, alternate development proforma analysis would be applied by the Consultant to the proposed joint development project opportunities at station areas. This is designed to determine an implementation program that would produce the "highest returns" to the public sector from the Banfield Transitway Project.

Suggested Technical Approach

For the stations identified in Task 3 as warranting further analysis, the Consultant with the assistance of Tri-Met staff will:

1. Identify sites by station area that are candidates for development and ascertain their growth potential(s);

2. Define preliminary development concepts for each site or station area;

3. Conduct a simple development proforma analysis for the target years identified in Task 3 (1990 and 2000);

4. Analyze the impacts of the preliminary development concepts on the existing neighborhood;

5. Identify the level of public commitment (if necessary) required for each site and conduct a sensitivity analysis of the basic assumptions; and

6. Identify the phasing requirements necessary for implementation.

Products

A technical memorandum (five copies) will be produced by the Consultant for review by Tri-Met staff. The memorandum will document the assumptions and methodology used in identifying and quantifying the development potentials for each station isolated in Task 3 for further analysis. For each station analyzed the growth potentials, preliminary development concepts, results of the proforma analysis (1990 and 2000), neighborhood impacts, results of the sensitivity analysis, and phase implementation requirements will be presented and documented.

C. Final Report

Description and Product

The culmination of the work tasks, the final report will be an exhaustive analysis of the joint development opportunities around stations, general growth and development patterns in adjacent neighborhoods, the range of public policy incentives which could be used to shape development and create the highest level of public benefit, and the overall economic benefits and direct value capture returns that could be realized from joint development projects. Hence, this constitutes a synthesis of previous work.

The final report will be preceded by an executive summary. The Consultant will be responsible for the production of the final report. The Consultant will provide Tri-Met with fifty (50) copies of the report which should be a suitable quality for local circulation.

D. Project Budget

The following is our currently anticipated budget breakdown by task. The breakdown is provided to indicate the relative importance Tri-Met attaches to the four tasks.

Consultant Services

Task 1	Private Sector Response	$10,000
Task 2	Develop Public Policy	$ 3,000
Task 3	Determine Station Area Joint Development Profiles	$10,000
Task 4	Value Capture/Economic Impacts	$ 7,000
	TOTAL	$30,000