Mockingbird Station
Mockingbird Station
DART’s Role in Transit-Oriented Development

Mockingbird Station
Mockingbird Station
Inland terminated development - October 2010
Mockingbird Station
Downtown Dallas
TOD: Dallas CBD
Downtown Dallas – 360 Plan
Station Influence Zones
Pearl Station – Station Influence Zones
Downtown Dallas – Station Influence Zones

- Secondary improvement zone
- Street
- Transit line
- Station
- Secondary improvement zone
- Street
- Primary improvement zone (+/- 300 feet)
Downtown Carrollton Station
DART’s Role in Transit-Oriented Development

Cedars Station
DART’s Role in Transit-Oriented Development

Cedars Station
TOD: Cedars Station
Cedars – South Side, Sustainable Development Grant
Public-Private Partnership
DART’s Role in Transit-Oriented Development

Cedars – South Side, Phase I
Cedars – South Side, Phase II
Downtown Garland Station
DART’s Role in Transit-Oriented Development

Southwestern Medical District/Parkland
Southwestern Medical District/Parkland
Southwestern Medical District/Parkland
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Southwestern Medical District/Parkland
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Southwestern Medical District/Parkland
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Baylor Station
DART’s Role in Transit-Oriented Development

Baylor Station
Victory Park
DART’s Role in Transit-Oriented Development

Illinois Station

- DART Police HQ
- Historic
- LEED Certified
Parking Capacity – Development Opportunity
DART’s Role in Transit-Oriented Development

DART Owned Property Geographic Distribution

Rail Stations
Transit Center / Park & Ride
Operating Facilities
Excess Properties
Strategic Acquisition
Property Classification and Evaluation Process

Real Estate Classification
• Mapping (GIS)
• DART Real Estate Department
• Functional Classification

Real Estate Evaluation
• SPPRE
• DART Staff
• Preliminary Ranked List

Property Classification and Evaluation
• Ranked List of properties with development potential
• Prioritization of top 39 properties
• Ranking of top 20 properties
DART’s Role in Transit-Oriented Development

Evaluation Criteria

1. Property Attributes
2. Accessibility
3. Third Party Entities
DART's Role in Transit-Oriented Development

1. Mockingbird Station
2. Park Lane Station
3. Pearl Station
4. Spring Valley Station
5. Deep Ellum Station
6. Downtown Plano Station
7. Cedars Station - Powhatten
8. Lake Highlands Station
9. South Irving Station
10. Arapaho Center Station
11. Parker Road Station
12. Addison Transit Center
13. Westmoreland Station
14. LBJ-Skillman Station
15. Galatyn Park Station
16. Trinity Mills Station
17. Forest Lane Station
18. Illinois Station
19. Kiest Station
20. Forest-Jupiter Station

* TOD Catalyst Facilities
Top 20 Property Rankings - Preliminary

1. Mockingbird Station (1)
2. Park Lane Station (1)
3. Pearl St. (1)
4. Spring Valley Station
5. Deep Ellum Station
6. Downtown Plano Station
7. Cedars Station-Powhatten
8. Lake Highland Station
9. South Irving Station (1)
10. Arapaho Center Station (1)
11. Parker Road Station
12. Addison Transit Center
13. Westmoreland Station
14. LBJ-Skillman Station
15. Galatyn Park (2)
16. Trinity Mills Station
17. Forest Lane
18. Illinois Station - Monroe Shops (1)
19. Kiest Station (1)
20. Forest-Jupiter Station

1) Current Member City/Developer Interest
2) Catalyst Stations
DART’s Role in Transit-Oriented Development

2010 Priorities

- Mockingbird Station
- Park Lane Station
- Pearl Street / Hawkins Street (Pearl Station)
- South Irving Station
- Arapaho Station
- Illinois Station
- Kiest Station

Catalyst Stations – City led Initiatives

- Bush Turnpike Station (led by Richardson)
- VA Medical Center Station

Develop investment packages

Predevelopment Tasks (as needed)

- Market Analysis
- Concept Planning
- Financial Analysis
- Alternative Public/Private Finance Plans
Development Lending/Financing

- More conservative lending environment
- Equity Requirements (cash and land)
  - Pre-recession: 20% of cost (or less)
  - Now: ~40+% of cost
- Debt Coverage Ratio
  - Cash flow to debt payments ratio
  - Pre-recession: ~1.2-1.5
  - Now: ~1.5-2.0
  - More “stress testing” of pro-formas
- Pre-leasing requirements of 30-50%
  - No speculative projects
DART’s Role in Transit-Oriented Development

Development Lending/Financing

- **Recourse Loans**
  - Pre-recession: Non-recourse loans were possible. Lender gets property if developer defaults.
  - Now: property plus personal/company assets (recourse loan)

- Developer reputation and lender relationships are key

- Fewer developers can meet these requirements

- Well capitalized developers are favored
Implications for TOD / Joint Development

- 1-3 year outlook
- Real estate markets appear to be recovering
- Best station sites will recover first
- “Pioneering” or unproven locations slower to recover
- Developers and lenders want to minimize risk (market and financial/legal)
  - Affects deal / financing terms with DART
  - Expect for joint venture proposals
- Potentially fewer but stronger developers
  - Larger well capitalized players may be more dominant
- Incentives and public financing for redevelopment costs
TOD Market Factors

- Supportive public policy
  - TOD Plan and zoning
  - Higher density to cover infrastructure costs
  - Urban renewal incentives
  - Transit agency and local jurisdiction collaboration

- Alters development density, form, and location
  - Locational shift in development
  - “Net new” development within region: debatable

- Positive real estate development climate
  - TOD cannot overcome weak market conditions

WMATA Orange Line, Fairfax & Arlington Counties, VA
TOD Housing Market

- Urbanizing mixed-use suburban nodes and 24-hour downtowns
- Target housing groups
  - Young professionals – singles and couples
  - Divorcees, empty nesters
  - Students and elderly
- Demand for higher density housing products
  - Condos, apartments, lofts
- Demand for mixed use development with nearby retail and entertainment
- Consistent with growth of urban infill development projects at non TOD locations

Downtown Plano
TOD and Real Estate Goals

- Increase ridership and farebox revenue
- Improve station area conditions (rider experience)
- Generate direct development revenues
- Community and economic development enhancement
- Other TOD benefits
  - Reduced congestion
  - Sustainability goals, etc.
TOD Potentials

- 62 DART Stations
  - 36 (Red & Blue Lines)
  - 19 Green Line
  - Future: 6 Orange, 1 Blue Line

- “Back of the envelope” calculation
  - 125 acres in ¼ mile
  - 25-50% developable
  - 30 units per acre
  - 900 – 1,800 housing units possible
Summary

- More and more young professionals desire walkable urban centers for work and living
  - Transit access is key
- Real estate markets recovering
  - 1-3 year time horizon
  - Will not reach pre-recession levels
- Development shifting to TOD and infill locations
  - More diverse housing & commercial products
  - Higher density
  - Redevelopment sites
- TOD sites are prime locations
  - Transit access
  - Community endorsed
  - Developer interest
  - Capital market/lender endorsement
Conclusions

- Be patient and stay the course – markets are recovering
- Be receptive to developer initiated opportunities
- Continue to work with local communities on TOD planning and site preparation
- Best locations will recover first (e.g. Mockingbird)
- TOD locations that are development ready are well positioned
  - Sub-area plan, zoning, local jurisdiction support
  - Proven location
  - Predictable process (agency & local jurisdiction)
  - DART investment packages and planning
Summary

• Continue to cultivate TOD relationships, existing and new
  ➢ Internally
  ➢ Cities
  ➢ Developers

• Look for development opportunities
  ➢ System plan level
  ➢ Project development level
  ➢ After the fact
Summary

- Recognize that all players have different objectives
  - Sometimes objectives can be complementary
  - Maximize the potential for “win-win” solutions
- The economy will improve for TOD
For More Information

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