I. Introduction

These articles are a series of technical newsletters describing innovative projects, programs, and approaches BBP LLC is undertaking in conjunction with our planning, design, engineering and transportation partners to assist our clients in achieving project implementation in these difficult times.

This article briefly identifies economic and demographic factors that influence the type, characteristics and intensity of TOD and how various transit investments, transit system characteristics, transit system location and other factors influence how economic and demographic parameters in combination with various types and characteristics of transit investments can impact the timing, character, mix and size of TODs.

We have highlighted the myriad factors that influence the success of transportation investments and TOD, based on our experience and various industry sources.

II. Changes in Economic and Demographic Factors

Recent analysis of economic and demographic factors related to TOD, locational and travel decisions and transportation investment evaluations by BBP LLC, the Center for Transit-Oriented Development, the Transit Cooperative Research Program, the National Association of Realtors, and others have all indicated emerging economic and development factors that are more supportive of TOD and transit ridership. Increased interest and market support for compact, mixed-use development with rental housing and specialized employment concentrations are the determining factors. See the chart below on key factors.

Demographic Trends

The aging population; increases in childless young professionals; a growing number of empty-nesters; the emerging so-called "culture class"; and increased interest in compact, walkable, urban environments are all viewed as positive demographic, economic and development factors that encourage TOD.

General employment and population growth can also support TOD. The Triangle Area in North Carolina, where BBP LLC continues to provide TOD advisory services has led 21 metropolitan area with average employment growth of 13.6% from 2000-2010 and an average annual net migration of 22 persons per 1,000 residents.

The establishment and interest in TOD combined with ever increasing fuel and automotive ownership costs and the recent economic crisis has resulted in renewed need and desire for more compact, rental housing. Such demand further contributes to support of TOD and increased transit ridership.
**Changing Consumer Preferences**

Changing household characteristics and household types, both now and in the future are creating a strong interest in compact, pedestrian-oriented TOD type development. The mix and interrelationship of these factors influences the characteristics and level of TOD. Design and lifestyle preferences also impact the timing, character and size of TOD which may occur.

While 97% of the older generations (greater than 28 years old) say a big city is the ideal place to live, 19% of those 18 to 28 years old say big cities are the ideal place to live.

Recent surveys by the National Association of Realtors and others show growing preferences for pedestrian-friendly environments, community orientation, and housing close to places to live, work, shop and play.

There is growing interest in small lots, smaller residential units and pedestrian-friendly, walkable environments. If these elements can be combined with a perception of privacy and security there is extremely strong support for TOD.

**III. Physical Development Factors**

The previously defined economic and demographic factors interface with a series of development factors which influence the type, characteristics and size of TODs. These development factors can generally be categorized as: physical factors, policy factors, market factors, business type factors and agglomeration or urbanization factors. The following chart summarizes the physical development factors which help to define the characteristics, type, timing and size of potential TOD.

![Key Development Factors/Physical](table)

Physical conditions tend to establish the opportunities and constraints related to TOD. In turn, various policy factors can help shape TOD opportunities and address constraints. Economic and demographic conditions help to define TOD market conditions.

**Special Use Types**

Certain business types are more supportive to TOD and the existence and growth of such industries and impact the character and size of TOD opportunities. In our work on the Red Line in Baltimore, medical facilities and biotech parks at both the University of Maryland in downtown Baltimore and the Johns Hopkins Bayview Complex in East Baltimore will be engines of growth. The creation of more compact intensive development can combine with an urbanization factor (traditionally referred to as agglomeration), in which the various elements in the urban environment combine to create a whole greater than the sum of its parts.
IV. Public Policy Factors
Public policy can play an important role in generating and shaping TODs. Supportive policies and plans can serve to address constraints that impinge upon TOD, and help create interest in and support for TOD. Many communities have adopted supportive plans and policies, but have failed to make the commitment and necessary resources available to make these policies effective. In addition, if and how the public sector is organized and facilitates or proscriptively controls TODs may be a key factor in either encouraging or enhancing TOD or restricting or constraining TOD opportunities.

Key Policies
As summarized in the chart below, policies can be designed to help shape the characteristics, location and timing to TOD and create a regional context which facilitates compact TOD type development and limits or manages suburban sprawl.

<table>
<thead>
<tr>
<th>Key Development Factors/Policy</th>
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<tbody>
<tr>
<td>• Supportive Plans/Policies</td>
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<tr>
<td>• Performance of Policies</td>
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<tr>
<td>• Financial Incentives</td>
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<tr>
<td>• Community Support</td>
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<td>• Political Support</td>
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<tr>
<td>• Private Sector Interest</td>
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<tr>
<td>• Adequately Organized Public Service Structure</td>
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<tr>
<td>• Other</td>
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Need to Commit to Implementing Policies
The performance of these policies is a vital factor. In our work in Denver, public policies have played a major role in creating successful TODs.

V. Integration of Factors
These economic and demographic factors, physical conditions and public polices combine to help define the nature, timing, characteristics and scale of transit-oriented development.

Economic and demographic conditions serve to create potential development opportunities. Physical conditions define the opportunities and constraints and the ability to effectuate market opportunities. Public policies can greatly influence the timing and success of transit-oriented development and optimize the development objectives of the public and private sector, the transit agency and the local community.
VI. Summary
BBP LLC works with all of the parties involved in transit-oriented development and in conjunction with our planning, design, engineering, and transportation partners helps to implement successful transit-oriented development in these difficult real estate times.

We serve architecture, planning and engineering firms; local jurisdictions; transit agencies; and private sector developers. Our involvement includes: public/private development packaging projects for immediate implementation; station area/transit-oriented development plans; and planning and funding analysis for new transit stations.

Recent changes in economic and demographic factors influence the level and characteristics of transit-oriented development. Changes in the level and characteristics of TOD have subsequent implications on the level and characteristics of transit ridership, automotive ownership, parking requirements and the like.

For More Information
For more information about BBP LLC and how we can assist your firm, please contact either Ralph Basile, Principal, at 443.261.1981/rbasile@bbpallc.com or Jim Prost, Principal, at 443.261.1982/jprost@bbpallc.com. You can also visit our website at www.bbpallc.com for more information on our firm and the services we provide. We look forward to hearing from you!