

# ACHIEVING A ROBUST TRANSIT FUTURE

## *The Power of Public Private Partnerships*



**Wake County Growth Issues Task Force**  
**September 18<sup>th</sup>, 2008**

# Recognize The Challenge

## ❖ It's A Different World

- City/Regions Are The New Arena
  - Infrastructure is aging beyond capacity
  - Politics are growing more complex
  - Costs are increasing, incomes are falling
  - Land is more constrained
- Success Requires More Creativity
  - Roles/Responsibilities change
  - Rules/Requirements change
  - Risks/Rewards change



# Change the Roles/Responsibilities

## ❖ Perception is Reality

- Adversarial “Relationship”
  - Public Sector not in development business
  - Private Sector not in community business

## ❖ The Responsibilities

- Increased Knowledge And Understanding
- Mutual Appreciation and Need



# Believe We're More alike than apart...

## ❖ The Players

- Those with the Ability to Act

## ❖ The Process

- REAL TIME! Predictable, Collaborative, Evolutionary

## ❖ The Product

- Environmentally Stable, Market Flexible, Fiscally Prudent, Financially Profitable

**The Need: Mutual Commitment to Mutual Success - “Around The Table” partnership.**

# Commit To Success Upfront

## ❖ Find Common Ground For Consensus

- Define a distinct identity
- Increase ridership and revenue
- Create live/work options near transit
- Emphasize quality, compact development
- Balance Jobs/Housing
- Extend the transit day
- Accommodate changing demographics/lifestyles
- Build local ownership
- Complement, not compete



# Regional - Pursue A Corridor Strategy

- ❖ Use master vs. piecemeal development approach
- ❖ Align public and private sector interests
- ❖ Manage the land
  - Acquire with end in mind
  - Assemble and control sooner than later to avoid speculative pricing
  - Optimize efficiency in planning through shared infrastructure

**Development  
increases ridership**

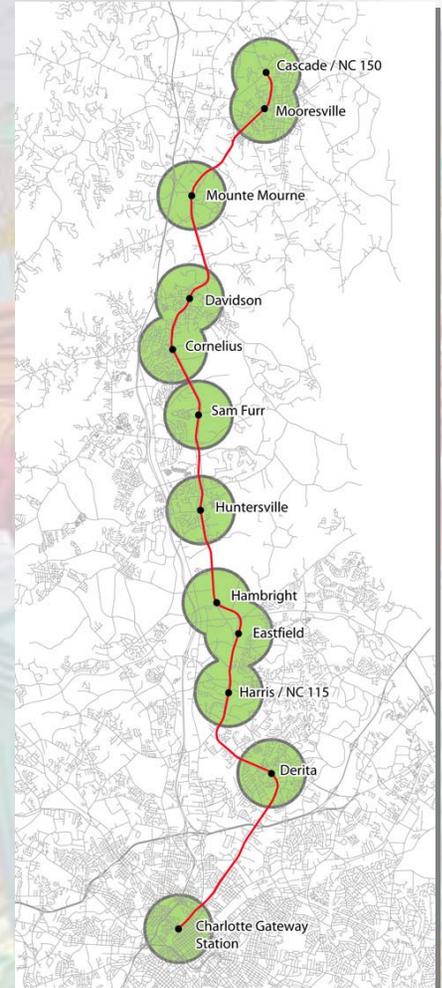


**Transit drives real  
estate demand**

# Charlotte North Corridor - Approach

## ❖ Forged PPP consensus among municipalities and counties

- Public Sector Role:
  - Securing funding rail infrastructure
  - Fund local station area infrastructure projects
- Private Sector Role:
  - Quantify future value of the property
  - Assess availability of TIF to finance rail and local infrastructure needs

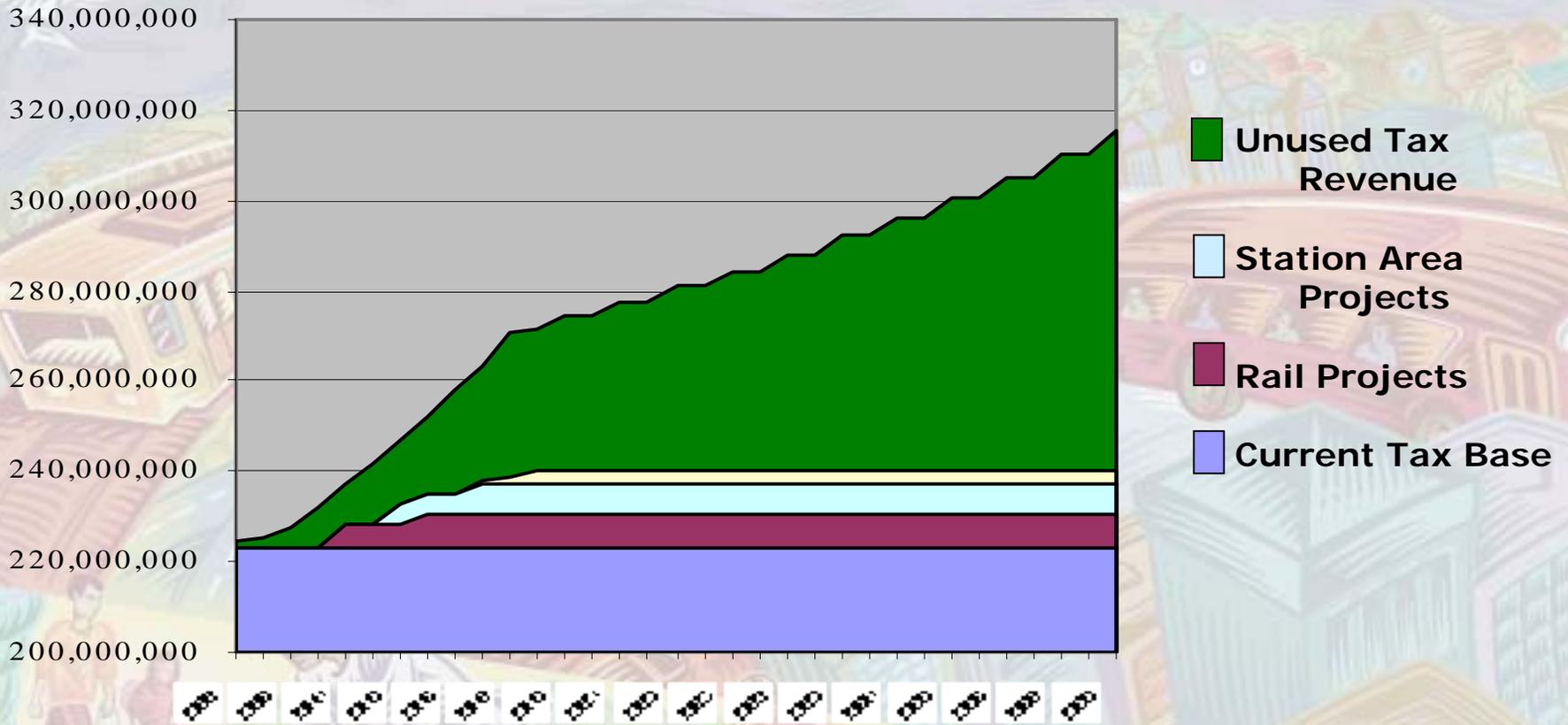


# Charlotte North Corridor - Closing the Gap

- ❖ TIF revenue generated at stations to pay for local station area and rail improvements
  - \$6 billion in new development projected at stations
  - Incremental tax revenue: \$61.5 million
- ❖ Debt service for rail & station area projects: \$16.7 million



# Charlotte North Corridor – Value Capture



# True Value of Capturing Incremental Tax Revenue

- ❖ Transit and local improvements generate new tax revenue
  - Greater density of mixed-use development
  - Faster build-out around station (3-5 years)
  - Faster, larger sales tax revenues from construction & commercial activities
- ❖ Necessary to ensure shared infrastructure is built prior to development
- ❖ Majority of incremental tax revenue remains available for local services and needs



# Neighborhood – Meet Local Needs

## ❖ Civic infrastructure as the focus of transit AND private development

- Identifiable places that encourage sense of local ownership and support
- Compact mix of activities that meet needs of daily life within walkable proximity of station
- Quality design of buildings and public spaces
- Make development a winner!





# Transportation – Right Size

- ❖ Transit is central and accessible to all
- ❖ Divers circulation patterns organize community structure
  - Shared use
  - Balanced needs
  - Finely grained network
- ❖ Traffic scaled to afford comfort and convenience for all residents - especially important to the young and old
  - Don't 'super size me'!





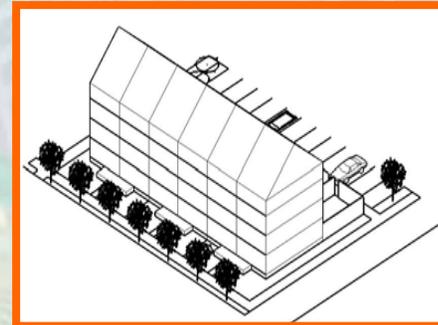
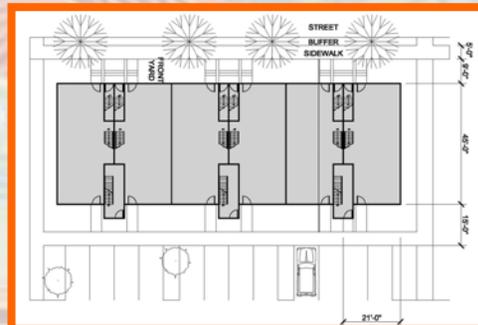
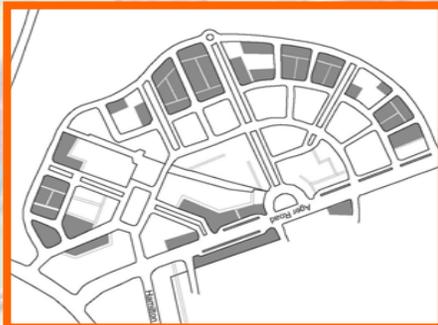
# Change the Rules

## ❖ Red Carpet –vs- Red Tape

- Expedite processing
- Coordinate among agencies

## ❖ Form –vs- Function

- Emphasize 'how' over 'what'
- Orient rules to image over words
- Allow performance and prescription



# A Final Thought

- ❖ Three public sector benefits from partnering with private sector where transit is involved
  - Increased transit ridership through systematic transit oriented development planning and implementation
  - Captured value of enhanced tax base through rapid delivery of high density mixed use development
  - Leveraged infrastructure investment through creation of high quality communities in distressed locations