AGENDA
Planning/Capital Programs & FasTracks Committee

Tuesday, October 6, 2020
REMOTE MEETING
5:30 PM
Conference Dial-in # 855-962-1128

Planning/Capital Programs & FasTracks Committee
Chair by Judy Lubow

A. Call to Order

B. Recommended Actions

C. Guest Speakers
   • Economic Snapshot: From Crisis, to Stabilization, to Recovery (Jeff Romine - 10 minutes)
   • Denver CBD Market Update (Patrick Bolick - 10 minutes)

D. Updates
   • Quality of Life Report (Carly Macias - 10 minutes)

E. Information
   • Equitable Transit-Oriented Development Deep Dive

F. Other Matters

G. Next Meeting Date - December 1, 2020
H. Adjourn

The following communication assistance is available for public meetings:

- Language Interpreters
- Sign-language Interpreters
- Assisted listening devices

Please notify RTD of the communication assistance you require at least 48 business hours in advance of a RTD meeting you wish to attend by calling 303.299.2307

THE CHAIR REQUESTS THAT ALL PAGERS AND CELL PHONES BE SILENCED DURING THE BOARD OF DIRECTORS MEETING FOR THE REGIONAL TRANSPORTATION DISTRICT.
# BOARD OF DIRECTORS REPORT

**To:** Paul J. Ballard, Interim General Manager and CEO  
**From:** William C. Van Meter, Assistant General Manager, Planning  
**Date:** September 30, 2020

**Subject:** Economic Snapshot: From Crisis, to Stabilization, to Recovery by Jeff Romine, Director of Economic Vitality & Economist

**Date:** October 1, 2020  
**GM**  
**Board Meeting Date:** October 6, 2020

**ATTACHMENTS:**
- 2020 Econ Update to RTD (PPTX)

**Prepared by:** MinuteTraq Admin,  
**Approved by:** William C. Van Meter, Assistant General Manager, Planning  
10/1/2020
Economic Snapshot:
From Crisis, to Stabilization, to Recovery

Presented to the Regional Transportation District by Jeff Romine, Director of Economic Vitality & Economist
Today's Economy

- **Consumer-led Recession**
  - Started in 1st Quarter, but slowing began in 4th Qtr 2019

- **Change of consumer confidence** ("deflating of the exuberance bubble")
  - COVID-19 (modified social behavior, public health orders)
  - Consumption Fatigue

- **Major Impacted Sectors**
  - Lifestyle businesses – Lodging, travel, entertainment, and dining
  - Community serving – some retail, construction/real estate, new vehicle sales

- **Economic Strengths**
  - Economic Factors: access to markets, water/energy, and talent
  - Quality of Place: reasonable, sustainable, affordable
  - Concentration in next gen economy
Growth to Recession

2016-2020 -- steady, stable GDP growth
2018-2019 -- Tax Cut driven growth
2021 return to stable growth
2022? - Tax cut “payback” starting
How does this compare?

• **8 – 8 – 8**
  - 8 weeks for the primary Public Health impacts and change in worker/consumer behavior (establish the base)
    - Jobs impacted about 16% y/y, including reduced hours and furloughed
  - 8 months for the COVID impact effects to work through (establish the new normal)
    - Jobs impacted, a reduction of about 8.5% y/y
  - 8 quarters to move to a recovery (late 2022 or 2023)…
    - Jobs impacted would be about 4%, with a full return in about mid 2023

• **2001 Recession**
  - Colorado: Sept ‘01 to May ‘05 (45 months), lost 111,000 jobs (5%)
  - Denver: Aug ‘01 to Sept ‘08 (95 months), lost 50,000 jobs (11%);
    - Note: Denver was impacted early in the housing market fall starting in ‘05/’06

• **2008 Recession**
  - Colorado: Sept ‘08 to May ‘13 (57 months), lost 118,000 jobs (5%)
  - Denver: Sept ‘08 to Aug ‘14 (72 months), lost 45,000 jobs (10%)
Jobs, Consumers – not capital access

March 2009 – 600,000 per week
April 4, 2020 – 6.6M
Current – 870,000

Feb 2020 – 101.0
July 2020 – 72.5
July 2012 – 72.3
### Economic Trends

#### Unemployment Rate

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>8.2%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Colorado</td>
<td>6.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Broomfield</td>
<td>6.5%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

#### Retail Sales

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colorado</td>
<td>4.7%</td>
<td>0.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Broomfield</td>
<td>(7.9%)</td>
<td>2.4%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

#### Property Tax

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broomfield</td>
<td>11.5%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

#### Projected Inflation

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>1.3%</td>
<td>1.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Colorado</td>
<td>1.7%</td>
<td>2.2%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

---

* CCOB Economic Vitality Department
** CCOB Assessor Department
*** Colorado Legislative Council
Metro Economy is not the Same

- **Job Recovery**
  - Varies by business sector
  - Type of work
  - Job characteristics and demand
  - Character of economic stimulus

- **Sales and Activity**
  - Mass merchandise and building/furniture are up 10-15%
  - Clothing and department stores still down significantly
  - Vehicles flat, with auto repair and gasoline both down
  - Grocery up significantly and beer/wine/liquor purchase up, while dining is down

- **Location Matters**
  - Suburban up; both due to mix of retailing and dining & where the people are spending time
  - Core urban is down; impacts from employment/earnings activity
Employment Projection

Broomfield Employment, 2019-2023, by Quarter

- Base Total Employ
- Base Wage & Salary Employ
- Stay in Place Employ
- Say in Place, Wage & Salary

COVID-19 identified in Colorado
Employment Projection

![Bar chart showing Denver Employment, 2019-2023, by Quarter]

- **Base Total Employ**
- **Base Wage & Salary Employ**
- **StayInPlace Wage & Salary Employ**
- **StayInPlace Total Employ**

Notes:
- COVID-19 identified in Colorado
- Data periods from 1st to 4th quarters of 2019 to 2023.
Recovery to Stabilization

- **First 8, everyone is impacted through lifestyle and choices (econ at 60-70%)**
  - Stay in Place…lost earnings, reduced hours, eliminated jobs
  - Lifestyle activates down to 30-40% in sales and employment y/y
  - Dynamic impact on service and moderate skilled workers, and low/mod neighborhoods
  - Significant increase on public and non-profit safety net; from UI, food, health care, housing …

- **Second 8, economy begins to recovery – but in a new way (econ at 80-90%)**
  - Core business sectors rebound to 90% plus
  - Lifestyle sectors continue to suffer, but rebuilding to 80-85% y/y
  - Unemployment settles in 7-9% range, ending the year 6%+
  - Labor Force shrinks as individuals make choices and face limited job market (adding to unemployment)
  - Retail sector moves beyond evolution to revolution (store consolidation, closures)
  - Entrepreneurial activities exploration
  - Real estate/development is focused on flex/redeveloped workplaces and attainable housing
  - Construction led by public projects (accelerate?) and residential (attainable price)
  - Increasing demand for “safety net programs”
Recovery to Growth

• **Third 8, a recovered but new economy (econ gets to 100%+)**
  - Resident behavior and choices have changed; experience over goods consumption
    - Retail is increasingly separated from store location – to online home and work-connected
    - Dining, entertainment/arts, and then personal/business travel fully rebound and grows
  - Businesses and workers adapt work choices; increasing choice of work location split
  - Housing values rise, commercial space needs rise (except for retail), and development in next place locations...
  - Increased job opportunities, and rising wage levels (starting late 2022 and 2023)
  - Continued and changed public/non-profit service demand

• **Legacy Issues**
  - Retail will not return to 2019 levels evolve toward value and new buying behaviors (online and workplace connected locations)
  - Work options will include remote, in-person, hybrid and work pod, reducing both space needs and travel demand (intra- metro and metro to metro/nation/global)
  - Experience spending (dining, travel, entertainment/arts/sports) will be a larger part of hhold spending
  - Public revenue approaches will continue to weaken, both as base and dependence changes (Sales tax, fuel tax (HUTF), property tax (commercial vs residential)
Denver Metro 2008-2023

Great Recession
2008-2014
- Survive, Sustain
- Need Focused
- Conserve
$ = Reserves, Earnings
Risk: Being extended

Great Economic Evolution
2014-2018
- Expand, grow
- Build
- Invest, capital flows
$ = Leverage
Risk: Missed Opportunities

Economic Oppty Transition
2019-2020
- Inclusiveness, Equity
- Mobility
- Opportunity
$ = Measured Return (ROI)
Risk: Wasted or Stranded Resources

Finding a New Normal
2020-2023
- Survive, Evolve
- Behavior Change/Response
- New work, living patterns
$ = Consolidate, create
Risk: Return to the Past, hoping for a return to “normal”

Great Economic Evolution
2014-2018

Economic Oppty Transition
2019-2020

Finding a New Normal
2020-2023

Great Recession
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Survive, Sustain
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Expand, grow
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Opportunity
$ = Measured Return (ROI)
Risk: Wasted or Stranded Resources

Survive, Evolve
Behavior Change/Response
New work, living patterns
$ = Consolidate, create
Risk: Return to the Past, hoping for a return to “normal”
Discussion
Thank You!
## BOARD OF DIRECTORS REPORT

**To:** Paul J. Ballard, Interim General Manager and CEO  
**From:** Barbara G McManus, Executive Manager, Board Office  
**Date:**  
**Subject:** Denver CBD Market Update by Patrick Bolick, Jones Lang LaSalle Brokerage

| ATTACHMENTS: |  
| --- | ---  
| • JLL RTD market update 10-2020 - Final (PDF) |  
**Prepared by:** Jeff Walker, Director, District D  
**Approved by:**

| Date: |  
| GM |  
| Board Meeting Date: October 6, 2020 |
Office Insights: Key Themes

The COVID-19 impact
The lockdown resulted in leasing activity coming to a virtual standstill in the second quarter. Tenant decision-making and leasing velocity is expected to remain slow throughout the summer as businesses decide when to return to the office and then can assess the economic damage prior to making any long-term space decisions.

Oil & gas slowdown
Oil & gas, and shale drilling in particular, began a small contraction in 2019 as a result of falling out of favor with Wall Street, but the historic drop in prices in early 2020 will likely result in continued major space reductions that could add up to 1.5 million RSF to office inventory over next two to three years.

The coworking impact
Over-saturation, WeWork’s recent issues and the potential fallout of smaller players has been a growing concern, and with new COVID-19 issues creating health concerns and an economic pullback, a significant reduction in coworking space is anticipated.

Steady in-migration
Tech companies have been following millennial employees downtown, occupying large blocks of space and have accounted for the majority of space absorption, albeit primarily in LoDo, Union Station and periphery areas. A continuation of this theme will be necessary to offset energy industry pullbacks and anticipated shrinkage in coworking space.

Increasing costs versus lower demand
Rising property taxes, increased construction costs and higher ownership bases over past few years added to upward pressure on rental rates, but will need to be reconciled with projected lower demand through the balance of 2020, which will likely put downward pressure on rental rates.

Source: JLL Research
CBD submarket report: Q2 2020

Additional space recently put on market giving tenants more cost-friendly and flexible options

**Fundamentals**

<table>
<thead>
<tr>
<th></th>
<th>Forecast</th>
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</thead>
<tbody>
<tr>
<td>Total inventory (s.f.)</td>
<td>30,205,470 ▲</td>
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<tr>
<td>Total vacancy</td>
<td>15.8% ▲</td>
</tr>
<tr>
<td>QTR net absorption (s.f.)</td>
<td>-455,669 ▼</td>
</tr>
<tr>
<td>YTD net absorption (s.f.)</td>
<td>-376,287 ▼</td>
</tr>
<tr>
<td>Under construction (s.f.)</td>
<td>1,174,525 ▼</td>
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<tr>
<td>Total preleased</td>
<td>10.4% ▲</td>
</tr>
<tr>
<td>Avg. asking rent (FSG)</td>
<td>$40.14 p.s.f. ▼</td>
</tr>
<tr>
<td>12-month rent growth</td>
<td>3.5% ▼</td>
</tr>
</tbody>
</table>

**Total vacancy**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.0%</td>
<td></td>
<td>14.4%</td>
<td>15.1%</td>
<td>14.5%</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

**Supply and demand (s.f.)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>Total net absorption</td>
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<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
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<tr>
<td>Deliveries</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

**Average asking rents ($/s.f.)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Class B</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
Denver sublease report: Q2 2020

All time

295 spaces
4,025,212 total sf
(99.3% of 4.1M available s.f.)

By month added

May 20 26
Jun 20 26
Jul 20 27
Aug 20 33
Sep 20 15

Added last 29 weeks

168 spaces
2,275,592 total sf
(100.0% of all available space)

By submarket

<table>
<thead>
<tr>
<th>CBD</th>
<th># of spaces</th>
<th>Sublease sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>LoDo</td>
<td>26</td>
<td>390,355</td>
</tr>
<tr>
<td>Midtown CBD</td>
<td>31</td>
<td>847,862</td>
</tr>
<tr>
<td>Uptown / East Side</td>
<td>9</td>
<td>72,839</td>
</tr>
<tr>
<td>West CBD</td>
<td>35</td>
<td>579,674</td>
</tr>
<tr>
<td>Submarket cluster total</td>
<td>131</td>
<td>1,801,880</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suburbs</th>
<th># of spaces</th>
<th>Sublease sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulder</td>
<td>33</td>
<td>374,812</td>
</tr>
<tr>
<td>CBD Periphery</td>
<td>7</td>
<td>35,779</td>
</tr>
<tr>
<td>North I-25</td>
<td>5</td>
<td>150,568</td>
</tr>
<tr>
<td>Northeast</td>
<td>4</td>
<td>87,000</td>
</tr>
<tr>
<td>Northwest</td>
<td>12</td>
<td>190,994</td>
</tr>
<tr>
<td>SW</td>
<td>26</td>
<td>172,397</td>
</tr>
<tr>
<td>Southeast Suburban</td>
<td>84</td>
<td>1,340,506</td>
</tr>
<tr>
<td>Southwest Suburban</td>
<td>3</td>
<td>18,803</td>
</tr>
<tr>
<td>West Suburbs</td>
<td>15</td>
<td>94,929</td>
</tr>
<tr>
<td>Submarket cluster total</td>
<td>174</td>
<td>2,223,582</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sublessor Company</th>
<th>Building Name</th>
<th>Address</th>
<th>Submarket</th>
<th>S.f.</th>
<th>Floors</th>
<th>Date on Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>DirecTV</td>
<td>Greenwood Plaza</td>
<td>6550-6560 Greenwood Plaza Blvd</td>
<td>Southeast Suburban</td>
<td>322,990</td>
<td>1st</td>
<td>5/29/2020</td>
</tr>
<tr>
<td>Cognizant</td>
<td>TriZetto World HQ</td>
<td>9655 Maroon Cir</td>
<td>Southeast Suburban</td>
<td>159,832</td>
<td>1st</td>
<td>7/29/2019</td>
</tr>
<tr>
<td>Occidental Petroleum Corporation</td>
<td>Granite Tower</td>
<td>1099 18th St</td>
<td>West CBD</td>
<td>130,068</td>
<td>13th</td>
<td>5/4/2020</td>
</tr>
<tr>
<td>Alliance Data Systems</td>
<td>Westminster Center</td>
<td>995 W 122nd Ave</td>
<td>North I-25</td>
<td>118,707</td>
<td>1st</td>
<td>8/6/2020</td>
</tr>
<tr>
<td>Molson Coors</td>
<td>1801 California</td>
<td>1801 California St</td>
<td>Midtown CBD</td>
<td>89,126</td>
<td>45th</td>
<td>11/13/2019</td>
</tr>
<tr>
<td>Zovio</td>
<td>Tabor Center</td>
<td>1200 17th St</td>
<td>West CBD</td>
<td>88,676</td>
<td>2nd</td>
<td>1/10/2019</td>
</tr>
<tr>
<td>Kärcher North America</td>
<td>Prologis II Headquarters</td>
<td>4555 Airport Way</td>
<td>Northeast</td>
<td>87,000</td>
<td>3rd</td>
<td>5/9/2019</td>
</tr>
<tr>
<td>RE/MAX</td>
<td>RE/MAX Plaza</td>
<td>5075 S Syracuse St</td>
<td>Southeast Suburban</td>
<td>86,920</td>
<td>5th</td>
<td>1/12/2017</td>
</tr>
<tr>
<td>HealthGrades</td>
<td>1801 California</td>
<td>1801 California St</td>
<td>Midtown CBD</td>
<td>85,164</td>
<td>9th</td>
<td>7/29/2020</td>
</tr>
<tr>
<td>Nationwide Insurance</td>
<td>One Lincoln Station</td>
<td>9380 Station St</td>
<td>Southeast Suburban</td>
<td>77,688</td>
<td>3rd</td>
<td>10/31/2019</td>
</tr>
</tbody>
</table>

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Attachment: JLL_RTD market update 10-2020 - Final (4352 : Denver CBD Market Update)
Denver’s office use

Occupancy rates have risen slowly due to staggered re-openings.

<table>
<thead>
<tr>
<th>City/Market</th>
<th>Average Occupancy</th>
<th>Number of Properties</th>
<th>Total SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meridian/Inverness</td>
<td>12%</td>
<td>2</td>
<td>285,000</td>
</tr>
<tr>
<td>Centennial</td>
<td>27%</td>
<td>4</td>
<td>780,000</td>
</tr>
<tr>
<td>Greenwood Village</td>
<td>17%</td>
<td>4</td>
<td>913,000</td>
</tr>
<tr>
<td>DTC</td>
<td>15%</td>
<td>3</td>
<td>630,000</td>
</tr>
<tr>
<td>Cherry Creek</td>
<td>35%</td>
<td>2</td>
<td>497,000</td>
</tr>
<tr>
<td>Rino</td>
<td>5%</td>
<td>3</td>
<td>579,000</td>
</tr>
<tr>
<td>Denver CBD</td>
<td>17%</td>
<td>12</td>
<td>5,725,000</td>
</tr>
<tr>
<td>NW Corridor</td>
<td>18%</td>
<td>3</td>
<td>542,000</td>
</tr>
</tbody>
</table>
Impact of Work From Home (WFH)

**Employer Perspective:** Physical space to bring people together to showcase a company’s brand and culture, and to foster collaboration and innovation

**Employee Perspective:** A physical space for social interaction, face-to-face collaboration, mentoring and managing

**Conclusion:** The office is a physical space that extends culture through social interaction and improves productivity by enabling collaboration.

**Conclusion:** Flexibility to WFH 2-3 days a week will be key to employee satisfaction, benefitting both the employer and employee.

**Conclusion:** Recruitment and retention of talent will dictate office location, utilization and design; with an emphasis on flexibility, collaboration and innovation.

**What is the role of the office?**

- Employees feel more productive WFH
- Home office set-up and privacy are sub-optimal
- Enjoying ‘not commuting’ the most
- Miss the social interaction of office life
- Will want flexibility to WFH a few days a week
- Experiencing “always on” fatigue

**What do employees think about WFH?**

- Real estate costs are ~10% of people costs
- Function of the office evolving to emphasize collaboration and innovation
- WFH and technology will become embedded as a part of flexible corporate life
- Employers will take this opportunity to reimagine the future for competitive advantage

**What will be the lasting impact on office?**

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BOARD OF DIRECTORS REPORT

To: Paul J. Ballard, Interim General Manager and CEO

From: William C. Van Meter, Assistant General Manager, Planning

Date: September 30, 2020

Subject: Quality of Life

Date: September 30, 2020

Board Meeting Date: October 6, 2020

ATTACHMENTS:

• Quality of Life Presentation (PPTX)

Prepared by:
Carly Macias, Transportation Planner III

Approved by:

William C. Van Meter, Assistant General Manager, Planning 9/30/2020
Quality of Life
RTD Planning/Capital Programs & FasTracks Committee
OCTOBER 6, 2020
The unemployment rate in Colorado has been much higher during COVID than in previous recessions. During COVID, the peak unemployment rate was 10% in mid-May. Since the peak, claims have declined by about 16% (as of July 2020).

$41.4 million less fare revenue was collected from March to July 2020 in comparison to 2019. This was a result of declines in ridership and the suspension of fare collection from April 5th to July 1st. Passenger fares provided 14% of RTD’s revenue in 2019.

Source: RTD Monthly Financial Status Report
Due to Stay-at-Home orders and store closures caused by COVID, sales tax revenue has declined. From March to July 2020, there was $24.6 million less sales tax revenue collected compared to 2019. Sales tax provided 61% of RTD’s revenue in 2019.

Source: RTD Monthly Financial Status Report
Due to Stay-at-Home orders, VMT began declining in March 2020. In the RTD service area, VMT reached its lowest point in April (48% lower than 2019). As of July, VMT has started to increase to pre-COVID levels.

Source: Streetlight Data
COVID DRIVING VS TRANSIT TRENDS

Vehicle miles traveled (VMT) and RTD boardings declined in mid-March due to increased work from home and other closures caused by the pandemic. However, VMT has recovered more quickly than transit ridership in the Denver Metro Region.

Source: Streetlight Data, RTD Internal Data
Since Stay-at-Home orders were enacted in mid-March, work trips have dramatically declined, while time spent at home has increased in the Denver Metro Region. This is likely due to more people working from home as well as people being furloughed or laid off.

Source: Google COVID-19 Community Mobility Reports (7-County)
Note: The “Home” category shows change in hours spent at home, while the “Work” category measures the change in number of work trips.
CORRIDOR COMMUTE MODE SHARE

2019 AM Peak Period & Peak Direction Auto & Transit Corridor Mode Share

<table>
<thead>
<tr>
<th>Corridor</th>
<th>Transit Route/Roadway</th>
<th>Commuters</th>
<th>Mode Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Colfax Ave (WB)</td>
<td>Route 15/15L Boardings</td>
<td>1,120</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>E Colfax Ave Vehicle Traffic</td>
<td>1,714</td>
<td>60%</td>
</tr>
<tr>
<td>S Federal Blvd (NB)</td>
<td>Route 30/30L/31 Boardings</td>
<td>342</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>S Federal Blvd Vehicle Traffic</td>
<td>1,638</td>
<td>83%</td>
</tr>
<tr>
<td>N Sheridan Blvd (NB)</td>
<td>Route 51 Boardings</td>
<td>197</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>N Sheridan Blvd Vehicle Traffic</td>
<td>1,314</td>
<td>87%</td>
</tr>
<tr>
<td>S Havana St (SB)</td>
<td>Route 105 Boardings</td>
<td>183</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>A Havana St Vehicle Traffic</td>
<td>1,404</td>
<td>88%</td>
</tr>
<tr>
<td>N Colorado Blvd (SB)</td>
<td>Route 40 Boardings</td>
<td>176</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>N Colorado Blvd Vehicle Traffic</td>
<td>1,770</td>
<td>91%</td>
</tr>
<tr>
<td>N Federal Blvd (NB)</td>
<td>Route 31 Boardings</td>
<td>104</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>N Federal Blvd Vehicle Traffic</td>
<td>1,080</td>
<td>91%</td>
</tr>
</tbody>
</table>

Source: RTD, Colorado Department of Transportation (CDOT), October 2019 Traffic Counts
Note: The AM peak period is from 6:00 AM to 8:59 AM on weekdays.
All of the bus routes that were measured had lower transit travel times and less variability during COVID (Pan-20 Schedule) in comparison to Fall 2019 (Aug-19 Schedule).

Source: RTD Transit Information Exchange System (TIES)
In the Metro Denver Region, the majority of GHG Emissions (64%) are from the transportation sector. Emissions from transit buses account for 0.4% of GHG emissions, while passenger cars account for 50% of GHG emissions.

Source: EPA 2017 National Emissions Inventory (7-County)
Note: The EPA National Emissions Inventory is updated every three years. The most recent data available is from 2017.
RTD operates transit service that is powered by electricity (rail and electric MallRide buses) and therefore have no tailpipe emissions. As the rail network has been expanded through FasTracks, electric transit has grown to represent a larger share of RTD service.

Xcel Energy plans to offer 100% carbon-free electricity by 2050 and to reduce carbon emissions 80% by 2030.

Source: National Transit Database (NTD)
To see the full Quality of Life Report & Sustainability Report visit the Quality of Life webpage at:

BOARD OF DIRECTORS REPORT

To: Paul J. Ballard, Interim General Manager and CEO

From: William C. Van Meter, Assistant General Manager, Planning

Date: September 29, 2020

Subject: Equitable Transit-Oriented Development Deep Dive

Date: September 29, 2020

Board Meeting Date: October 6, 2020

Information

ATTACHMENTS:

- TOD Update to Board - Oct 2020 (PPTX)

Prepared by:
Chessy Brady, Manager, Transit-Oriented Development

Approved by:

William C. Van Meter, Assistant General Manager, Planning

9/29/2020
Equitable Transit-Oriented Development – Deep Dive

October 6, 2020

Chessy Brady, TOD Manager
Equitable Transit-Oriented Development

**Agenda**

1. eTOD Intent Framework
2. Current Guidance on Affordable Housing at RTD
3. Tools available to achieve eTOD
4. Peer Agency Summary
5. Potential Policy Elements
6. Early Outreach and Next Steps

Equitable TOD Policy is an opportunity to encourage ridership, gain revenue, and be responsive to community concerns through inclusive joint development.
RTD’s Equitable TOD Policy Framework for Board Consideration

**Goal:** Reserve a portion of residential joint development for low-income households

**Objectives**
- Increase ridership through transit-supportive land use
- Generate revenue through joint development
- Enhance community relationships

**Intent**
- Empower staff to negotiate with developers and coordinate with state and local agencies to promote affordable housing as a transit-supportive land use at and along high-frequency transit stations and corridors

**Tools**
- Reduce development costs (administration, acquisition, construction), pass on savings to residents
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Current Guidance on Affordable Housing at RTD

**Colorado Revised Statutes 32-9-119.8**
- RTD may enter into agreements to provide residential, commercial, or retail uses on agency property.
- An agreement partner must compensate RTD at fair market value (FMV) and/or by the provision of services or capital improvements such that the total benefit is not less than FMV.
- Residential use shall not reduce transit service or availability of adequate parking.

**RTD FasTracks Strategic Plan for TOD (2010)** - RTD is supportive of policy goals, such as the development of mixed-income housing near stations, as reflected by the local jurisdiction’s adopted policies. (3.1)

**RTD TOD Evaluation Guidelines (2018)** - TOD will be evaluated based on: Revenue, Ridership, Operations & Maintenance Impacts, Amenities/Access Improvements, Community Facilities/Affordable Housing Provided, Benefits to RTD Brand Image

**FTA Joint Development Circular (2020)** - “FTA’s policy is to maximize the utility of FTA-assisted projects and to encourage the generation of program income through joint development.” “It is FTA’s policy to give project sponsors maximum flexibility within the law to work with the private sector and others to pursue joint development.”
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Common tools to reduce development cost and achieve eTOD

**Reduce administrative cost**
- Unsolicited proposals: prefer affordable-housing proposals in TOD Evaluation Guidelines
- Solicited proposals: conduct due diligence to inform future development

**Reduce acquisition cost**
- Discount property value for sale or ground lease
- Coordinate with state and/or local subsidies

**Reduce construction cost**
- Right-size parking replacement
- Coordinate with local jurisdictions to reduce, share parking
**Equitable Transit-Oriented Development**

**Peer Agency eTOD Policy Requirements/ Targets**

- RTD's peer transit agencies have varying affordable housing requirements for joint development
- Most commonly, agencies require between 20% and 35% of units to be affordable at 60%-100% Area Median Income (AMI)
- Some agencies require these restrictions on a per-project basis, others on a per-station or portfolio-wide basis

<table>
<thead>
<tr>
<th>% Units Restricted</th>
<th>Sound Transit (Seattle)</th>
<th>BART (San Francisco)</th>
<th>LA Metro (Los Angeles)</th>
<th>MBTA (Boston)</th>
<th>MARTA (Atlanta)</th>
<th>MTS (San Diego)</th>
<th>VTA (Santa Clara, CA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80% (min)</td>
<td>20% (min); 35% (goal)</td>
<td>35% (goal)</td>
<td>20% (min)*</td>
<td>20% (goal)</td>
<td>20% (min)</td>
<td>20% (min); 35% (goal)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% AMI</th>
<th>Sound Transit (Seattle)</th>
<th>BART (San Francisco)</th>
<th>LA Metro (Los Angeles)</th>
<th>MBTA (Boston)</th>
<th>MARTA (Atlanta)</th>
<th>MTS (San Diego)</th>
<th>VTA (Santa Clara, CA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>80%</td>
<td>60%</td>
<td>100%</td>
<td>80% (rental); 100% (for sale)</td>
<td>80%</td>
<td>60%; Half at 50%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project or Portfolio?</th>
<th>Sound Transit (Seattle)</th>
<th>BART (San Francisco)</th>
<th>LA Metro (Los Angeles)</th>
<th>MBTA (Boston)</th>
<th>MARTA (Atlanta)</th>
<th>MTS (San Diego)</th>
<th>VTA (Santa Clara, CA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per project</td>
<td>Per project</td>
<td>Portfolio</td>
<td>Per project</td>
<td>Portfolio</td>
<td>Per project</td>
<td>Per project</td>
<td>Per project</td>
</tr>
</tbody>
</table>

*Negotiable to 10% in certain circumstances*
## Equitable Transit-Oriented Development

**Peer Agencies employ a variety of eTOD Policy Tools**

<table>
<thead>
<tr>
<th>Sound Transit</th>
<th>BART</th>
<th>LA Metro</th>
<th>MBTA</th>
<th>MARTA</th>
<th>MTS</th>
<th>VTA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transit Parking Replacement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluates opportunity for shared-use parking</td>
<td>No parking replacement at “Urban” stations</td>
<td></td>
<td>Case-by-case basis</td>
<td></td>
<td>Case-by-case basis</td>
<td>Case-by-case basis</td>
</tr>
<tr>
<td><strong>Land Discounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discounts property based on financial need for project viability</td>
<td>Discounts property for projects that are 35% affordable ranging from 10%-60%, based on AMI</td>
<td>Discounts property based on percentage of affordable units (up to 30% fair market value)</td>
<td></td>
<td></td>
<td>Case-by-case basis</td>
<td>No land discounts, unless project is ground lease and 100% affordable</td>
</tr>
<tr>
<td><strong>Other Financial Assistance from Transit Agency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seeks direct or alternate funding sources, including public subsidy, to support joint development</td>
<td>Pursues state, regional, and philanthropic partnerships to alleviate and prevent homelessness through affordable housing</td>
<td>Contributes to regional housing fund for creation of affordable housing in station areas on private property</td>
<td>May reduce affordability requirements to 10% to make project viable</td>
<td>Encourages reduced parking minimums and upzoning for inclusion of affordable units</td>
<td>No financial assistance specified</td>
<td>Encourages upzoning for greater affordability and facilitates partnerships with affordable housing resources</td>
</tr>
<tr>
<td><strong>Preference in RFPs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Scores affordable projects higher</td>
<td></td>
<td>Scores affordable projects higher</td>
<td></td>
</tr>
</tbody>
</table>
Equitable Transit-Oriented Development

Potential Policy Elements in an RTD eTOD Policy for Joint Development Projects

**Replacement of RTD transit parking**
- 0% Replacement
- Replacement depending on projected utilization
- 100% Replacement

**Flexibility around shared parking**
- All spaces open to all
- Some shared spaces may be permitted, e.g. for a certain number of residents or guest parking, or at certain times
- No sharing ever

**Expedited processing within RTD**
- All fees waived, review times minimized, pre-permit all properties
-Waive fees for staff review, minimize review times, pre-permit where valuable
- Treated no differently than other projects

**Negotiated land price**
- Donate the land
- Allow up to 20% reduction in purchase/lease price in exchange for affordability (with Board approval)
- Require FMV

**% Affordability goal**
- 0% affordable
- 20 or 35% goal, portfolio-wide
- 100% affordable, all projects

BLUE = Staff recommendation
Equitable Transit-Oriented Development

Illustration of a 20% vs. 35% Affordability Goal, Portfolio-wide

RTD holds ~15 properties with real development potential. In the next ten years, some number of them will develop. RTD’s affordability goal would influence the number of units in those developments that are affordable. Here are three illustrative scenarios, assuming 300 units per project and showing the difference between a 20% and 35% goal:

If 2 sites are developed:
- 20% Goal = 120 affordable units
- 35% Goal = 210 affordable units

If 5 sites are developed:
- 20% goal = 300 affordable units
- 35% goal = 525 affordable units

If 10 sites are developed:
- 20% goal = 600 affordable units
- 35% goal = 1,050 affordable units

A goal is not enforceable — it helps focus the agency on a direction to pursue.
Equitable Transit-Oriented Development

Early Outreach and Next Steps

Staff has consulted state and local staff, peer agencies, and industry groups to inform policy framework
- American Planning Association – Colorado Chapter, Sustainability Committee
- City of Aurora
- City and County of Denver – Community Planning and Development, Housing and Stability
- City of Lakewood
- Colorado Housing Finance Authority (CHFA)
- Denver Region Council of Governments
- Mile High Connects
- Neighborhood Development Collaborative
- Urban Land Institute – Colorado Chapter, Urban Mobility and Development Committee
- Town of Superior

Next Steps:

Staff will reach out to Board members for feedback in the coming weeks and bring a draft eTOD resolution for Board consideration in December