STATE STREET CORRIDOR
TRANSIT ORIENTED DEVELOPMENT

Development Feasibility Analysis

PREPARED FOR

COMPASS
COMMUNITY PLANNING ASSOCIATION
of Southwest Idaho

PREPARED BY

LELAND CONSULTING GROUP

JUNE 2018 | **DRAFT**

Assignment

State Street Corridor Transit Oriented Development Plan

Task 4.3. Catalytic Site Analysis

Leland Consulting Group (LCG) will identify development prototypes (e.g., townhouses, garden apartments, mixed use) that are likely to be feasible within each of the Tier 1 station areas and catalyst sites.

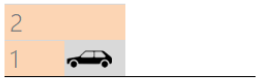
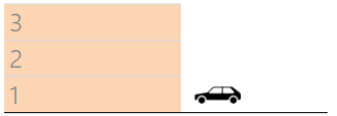
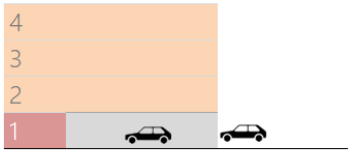
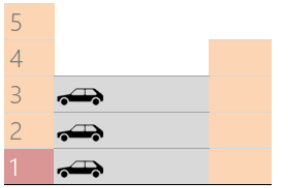
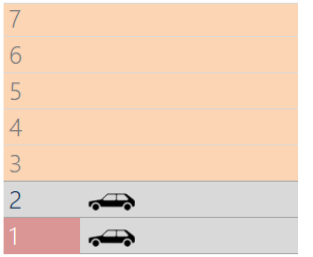
The intent of this analysis is to simulate the financial analysis that developers do when considering whether to purchase and/or develop sites.

The analysis will show which development prototypes are feasible, infeasible, and/or which can be made feasible via various potential public-sector incentives or interventions.

Contents:

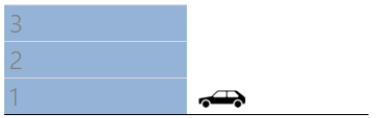
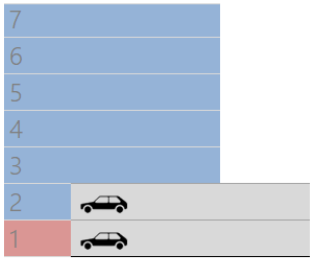
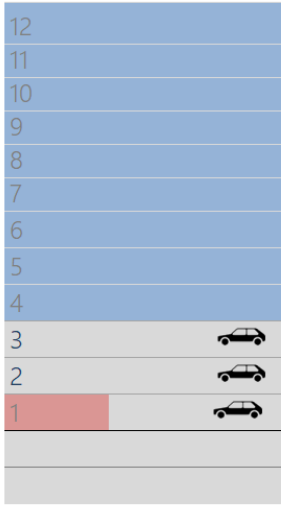
Prototypes: Housing

Much development is built within a series of "prototypes." The way in which parking is provided (surface, tuck under, or structured) is a key influence on the physical form of these projects. The housing (multifamily) prototypes used for this feasibility analysis are shown below.

	Housing				
Name	Townhomes	Garden Apartments	Main St. Mixed Use Urban Garden Apts.	Wrap	Mid-Rise / Podium
					
Parking Structure	Surface / tuck under Wood frame	Surface Wood frame	Surface / tuck under Wood over concrete	Structure Wood with concrete	Structure Wood over concrete

Prototypes: Retail and Office

The retail and office prototypes used for this feasibility analysis are shown below. Like the housing prototypes, the way in which parking is provided (surface, tuck under, or structured) is a key influence on the physical form of these projects. For retail projects, we evaluated the rehab or renovation of existing retail/commercial buildings, since there are many of these buildings in the corridor and rehab is a likely type of development.

	Retail / Commercial		Office		
Name	Rehab	New Construction	Creative Office	Mid Rise	High Rise
					
Parking	Surface	Surface	Surface	Structure	Structure
Structure			Steel and concrete	Steel and concrete	Steel and concrete

Development Feasibility Inputs

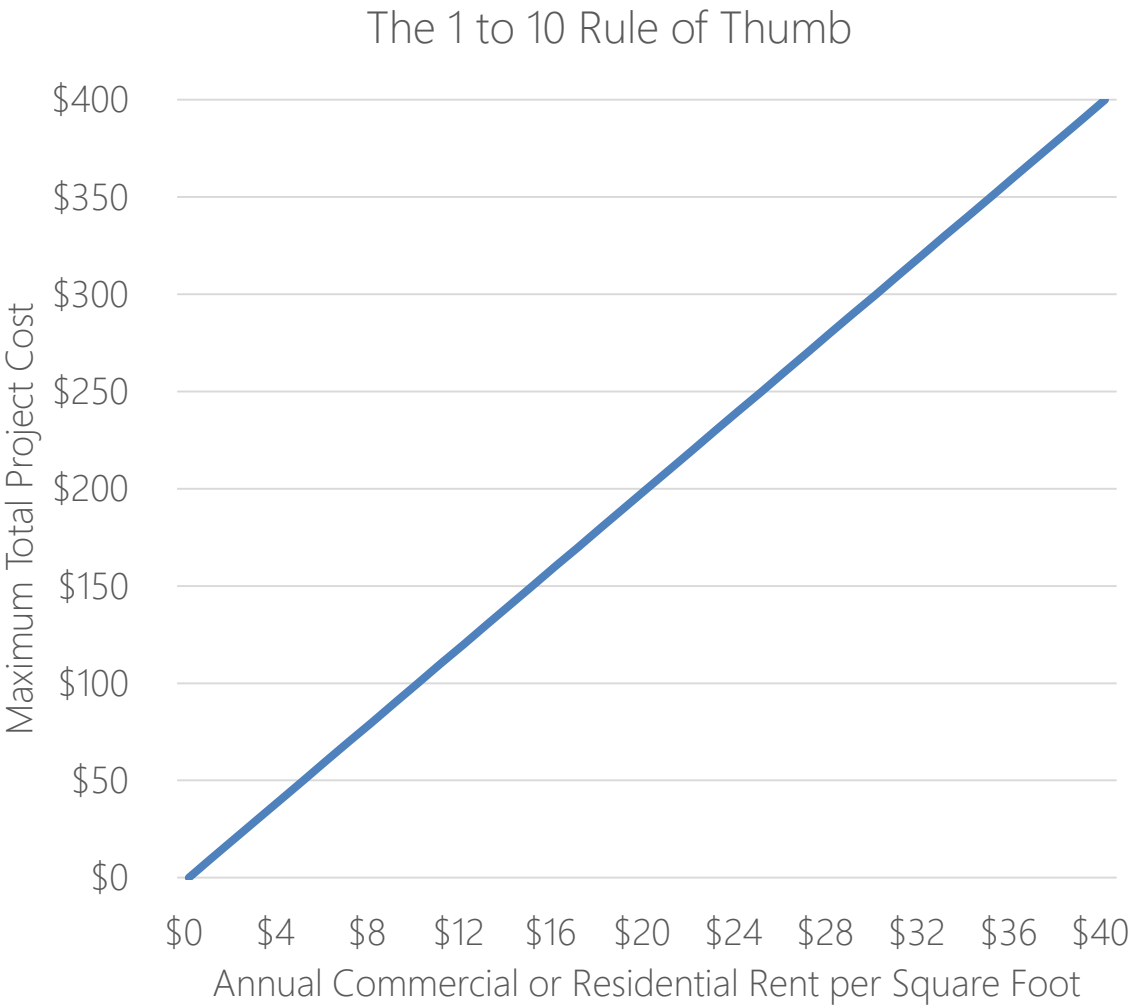
A number of different inputs—shown at right—are required in order to test the financial feasibility of various types of real estate development.

Program	• Site size • Square feet of retail/restaurant, office, or other commercial uses • Number of housing units • Parking: Number and type of spaces • Building height, floors, and other design attributes
Timing	• Construction start • Certificate of Occupancy • Lease-up period
Costs	• Land or building purchase • Site preparation, e.g., demolition, grading • Hard (Construction) Cost • Soft Costs (architecture and engineering; project management; permits and fees; insurance; construction loan interest; contingency; other.)
Operating Revenue and Expenses	• Rent revenue from retail, office, residential, parking • Vacancy • Operating expenses for management, utilities, taxes, insurance, maintenance, etc. • Net Operating Income (NOI: revenue less expenses)
Return on Investment	• Comparison of NOI to Total Project Cost

Rents Drive Feasibility

For income property (as opposed to for-sale property such as single family homes) the rental revenue that developers can earn is one of the most important factors that affects their profitability.

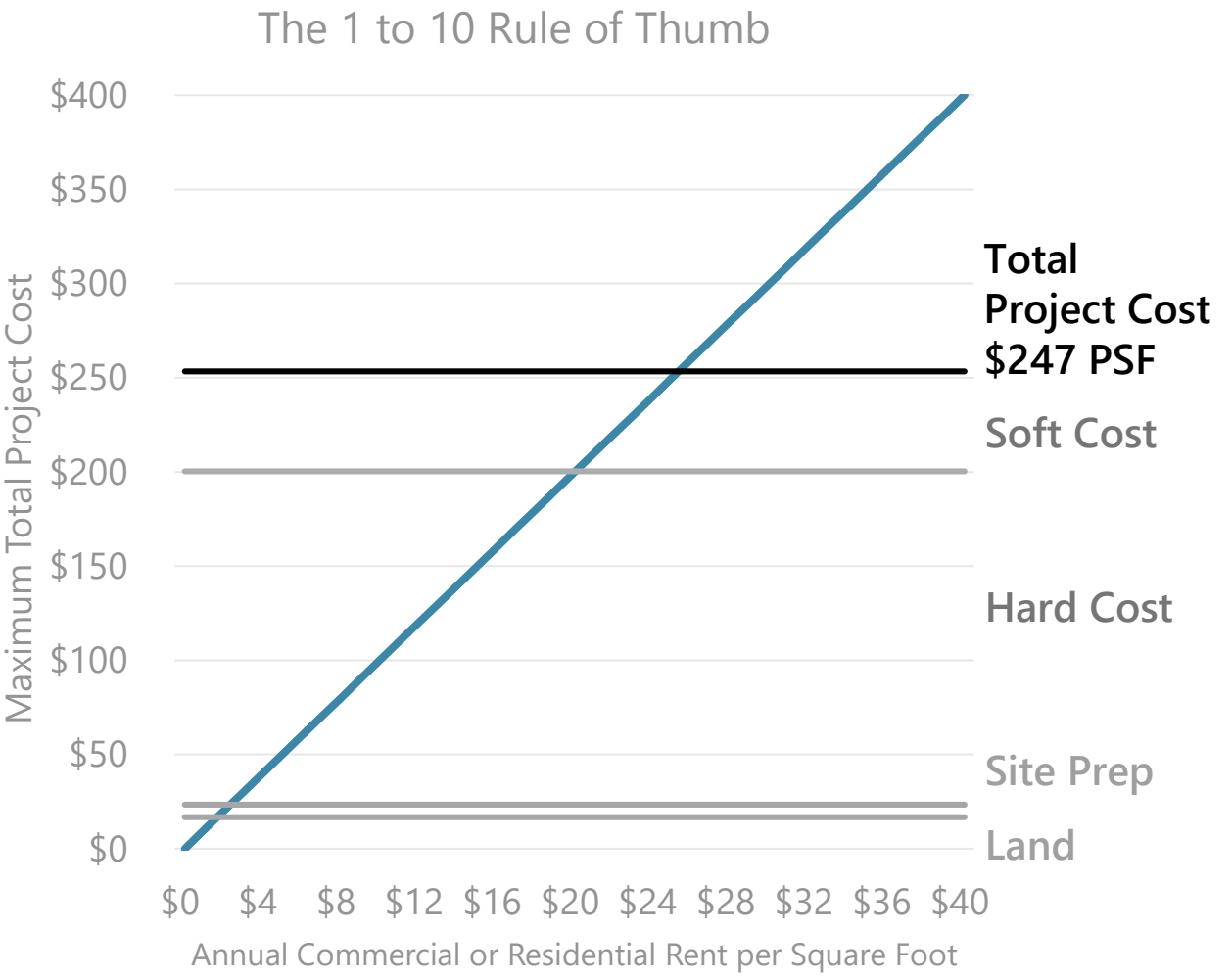
The "1 to 10" rule is an old rule of thumb in the development industry, and suggests that for each one dollar of rental revenue (per square foot per year), total project costs can be no more than 10 dollars per square foot. For example, if retail rents are $20 PSF in a given area, the total project costs cannot be more than $200 PSF. This is a rough rule of thumb that provides only a first impression of development feasibility.



Rents Drive Feasibility

The chart at right shows the costs associated with developing a typical retail/commercial building. Land, site preparation, hard costs, and soft costs total to $247 PSF. Hard costs of construction are $170 PSF (including both core and shell, and interior tenant improvement costs) and make up the majority of the total costs.

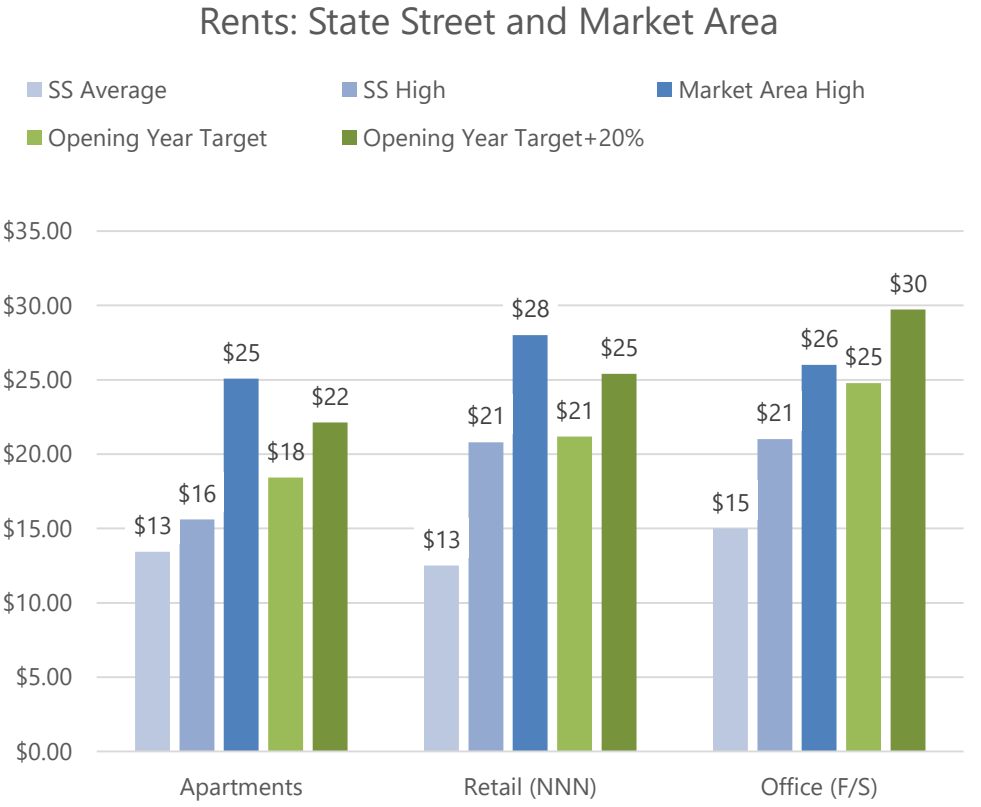
Using these cost assumptions and the 1 to 10 rule suggests that rents would need to be $24.70 PSF in order for a developer to build this project and achieve a reasonable rate of return. Currently, retail rents in the corridor vary widely—from an average of about $13 PSF, to a high asking rate of $26 PSF.



Rents

It is not necessarily simple to forecast what rents will be for new projects in the State Street Corridor. The figure at right shows a number of rent benchmarks, including:

- The "State Street Average" rent (for apt., retail, and office space) in the corridor.
- The highest rents identified in the corridor.
- The highest rents identified by LCG in the "market area" (which includes the corridor and Downtown Boise.)
- The opening year "target" for new projects that would be built in the corridor. This is the baseline assumption used in this financial feasibility analysis and is calculated by escalating rents for two years (assuming a 2020 building completion date), and a 10% premium based on the assumption that new projects in the corridor will be high quality, be differentiated from less distinctive projects elsewhere, and benefit from special amenities in the corridor (such as BRT).



Apartment and office rents are expected to escalate significantly faster than retail rents.

- The opening year target, plus a 25% rent bump. This is a theoretical rent level that we use to test project feasibility in the event that rents in the corridor area equal to or above the highest rents in the market area.

Rents

The table at right shows the current rents identified during LCG's survey of the market: the State Street Corridor average and high, and the current "market area" high. The market area includes the corridor and Downtown Boise. Projects with the highest rents (average, across all units/tenants in the building) in the respective areas are shown. Consistent with real estate industry standard practice, apartment rents shown at right are monthly rents, while retail and office rents are annual. Retail rents are typically quoted as "triple net" (NNN), meaning all operating expenses are passed through and by tenants. Office rents are typically quoted as full service (F/S or "gross"), meaning landlords pay for operating expenses. Elsewhere in this analysis, apartment rents are shown as annual figures so that they can be compared directly to commercial rents.

	SS Average	SS High	Mkt. Area High
Apartments	$1.12	$1.30	$2.09
		Silver Bay	Watercooler
Retail (NNN)	$12.50	$20.80	$28.00
		Lake Harbor	Downtown
Office (F/S)	$15.00	$21.00	$26.00
		Eagle Offices	Eighth & Main

Apartment Rents

Summary information on the apartment project achieving the top rents in the study area—the Silver Bay Apartments, which enjoys views of Silver Lake—is shown below. The average effective rent (asking rent less concessions such as months of free rent) is $1.30 per square foot. The Kensington, a new project near Glenwood, is achieving effective rents of $0.92 per square foot.

3504 N Whistler Ln - Silver Bay

Boise, Idaho - Lake Harbor Neighborhood

PROPERTY	
Property Size:	185 Units, 2 Floors
Avg. Unit Size:	766 SF
Year Built:	1986
Type:	Apartments - All
Rent Type:	Market
Parking:	250 Spaces; 1.4 per Unit

PROPERTY MANAGER
Sage - Silver Bay
(208) 853-4300

OWNER
Purchased Feb 2017

Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	Concessions
All 1 Beds	706	124	67.0%	4	3.2%	$956	$1.35	$937	$1.33	2.0%
All 2 Beds	910	61	33.0%	2	3.3%	$1,143	$1.26	$1,143	$1.26	0.0%
Totals	**773**	**185**	**100%**	**6**	**3.2%**	**$1,018**	**$1.32**	**$1,005**	**$1.30**	**1.2%**

Construction Costs

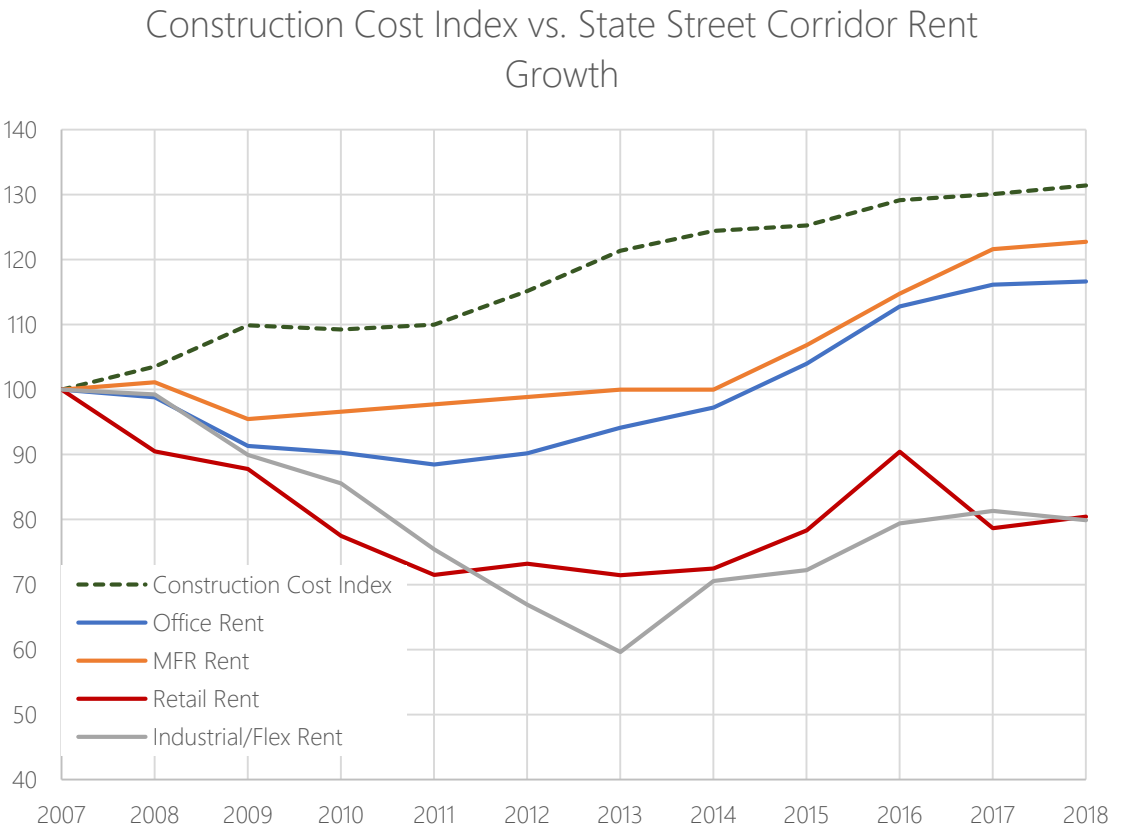
Another key determinant of development feasibility is construction (or "hard") costs. RS Means' construction cost index for the Boise region is shown at right. The index is set at 100 for the year 2006. This shows that construction costs have increased 31 percent over 12 years. Developers generally need higher rents to compensate for higher costs.

Source: RS Means.

Construction Costs

The chart at right compares construction costs to average apartment (multifamily), office, and retail rents in the State Street Corridor over time. All data is indexed to 100 in the year 2007.

Multifamily rents have increased consistently and rapidly—by 51 percent—over this time period, while office rents have stayed relatively constant and retail rents have actually fallen by 16 percent. This data provides a key reason that multifamily development has been very strong over the past five years, while office and retail development have been slower. The data also reflect the fact that rental housing has become less affordable in recent years.



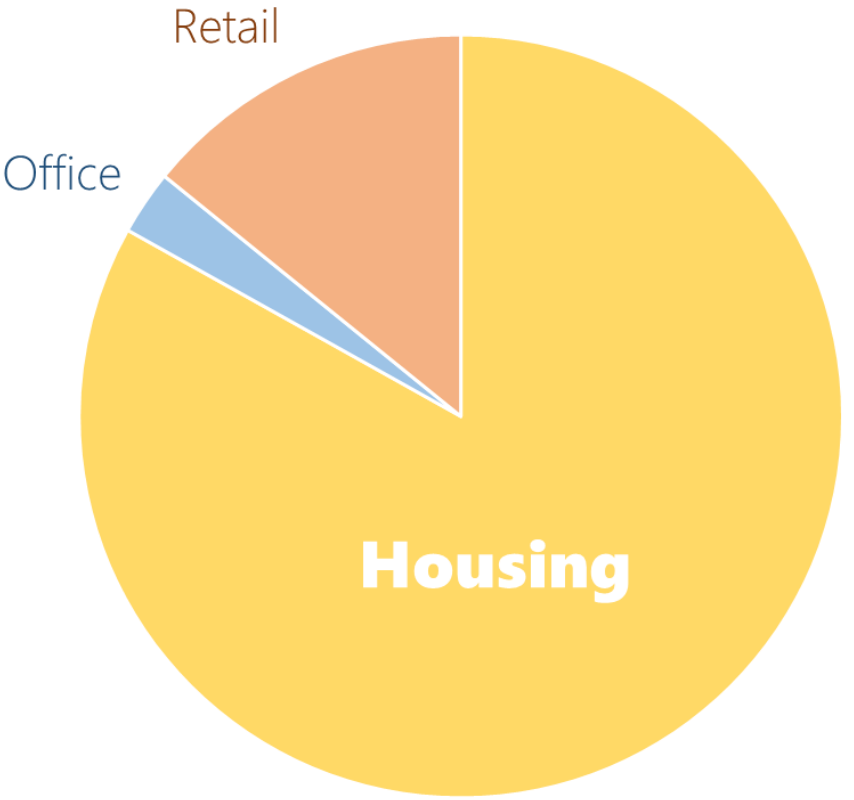
Sources: RS Means, Costar.

Development Types / Land Use Mix

The figure at right shows the amount of multifamily (rental housing), office, and retail development (square feet) built in the Orenco Station area—one of the Western United States' most successful transit-oriented development districts.

This reflects the fact that a land use mix dominated by housing is not atypical for successful TODs. Indeed, multifamily housing also makes up the bulk of new development in many fast-growing, pedestrian oriented areas such as Downtown Boise.

Land Use Mix, Orenco Station
All Development

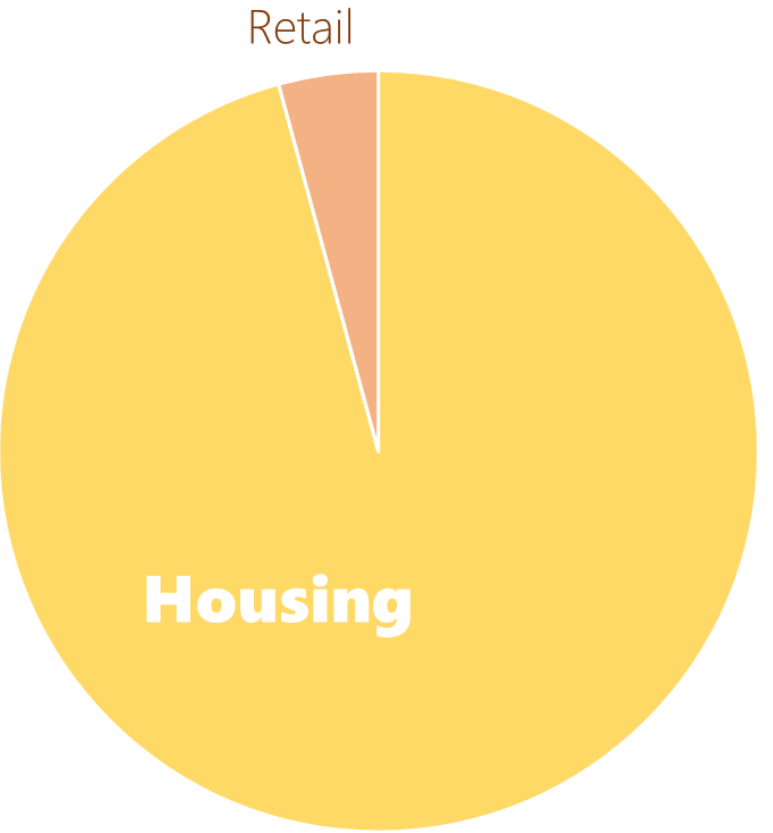


Source: Costar.

Development Types

The figure at right shows the amount of multifamily (rental housing), office, and retail development (square feet) built in the most recent phases of Orenco Station development (since 2012). The figure at right shows that the shift towards housing development and away from office and retail, has been even more pronounced in this time period.

Land Use Mix, Orenco Station
2012 to present,

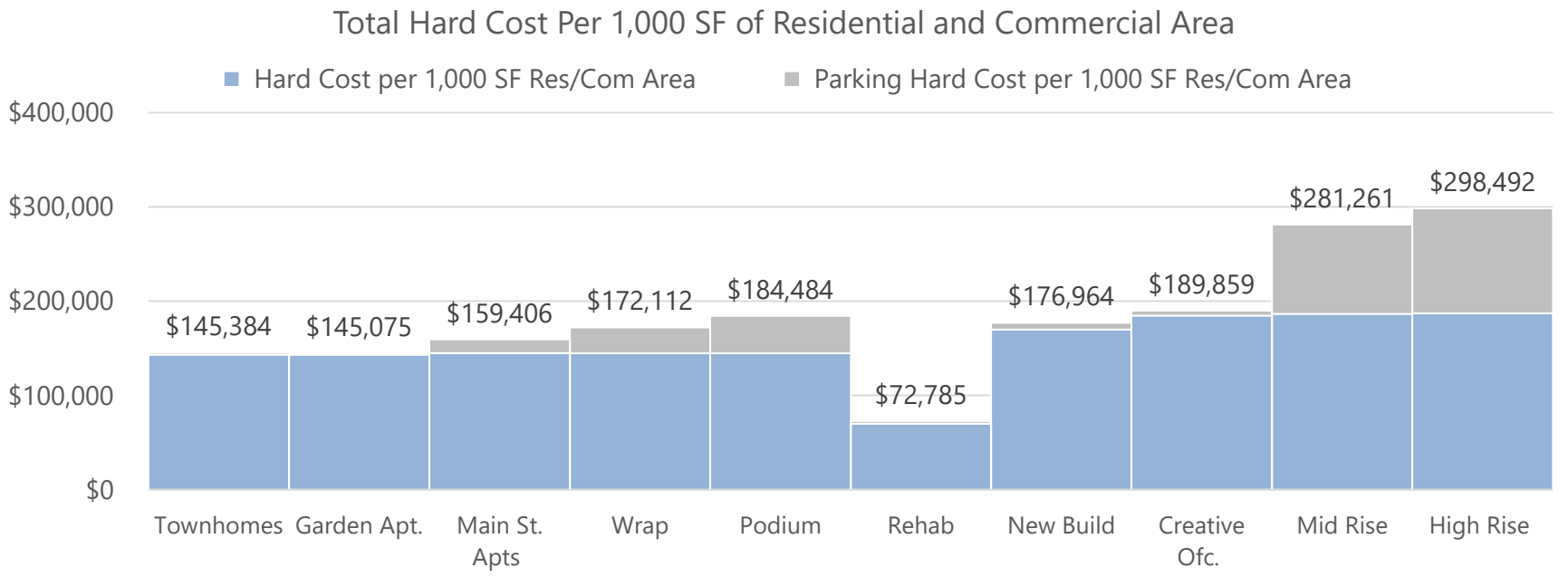


Source: Costar.

Construction and Parking Cost

The figure below shows the hard (construction) cost per 1,000 square feet of gross leasable area ("GLA" of housing, retail, and/or office), parking cost per 1,000 SF of GLA, and the total of the costs combined (dollar figure shown).

The cost of parking increases significantly for housing and office prototypes that include structured parking. The cost of parking for higher-density office projects is particularly high because parking ratios are higher for office than housing.

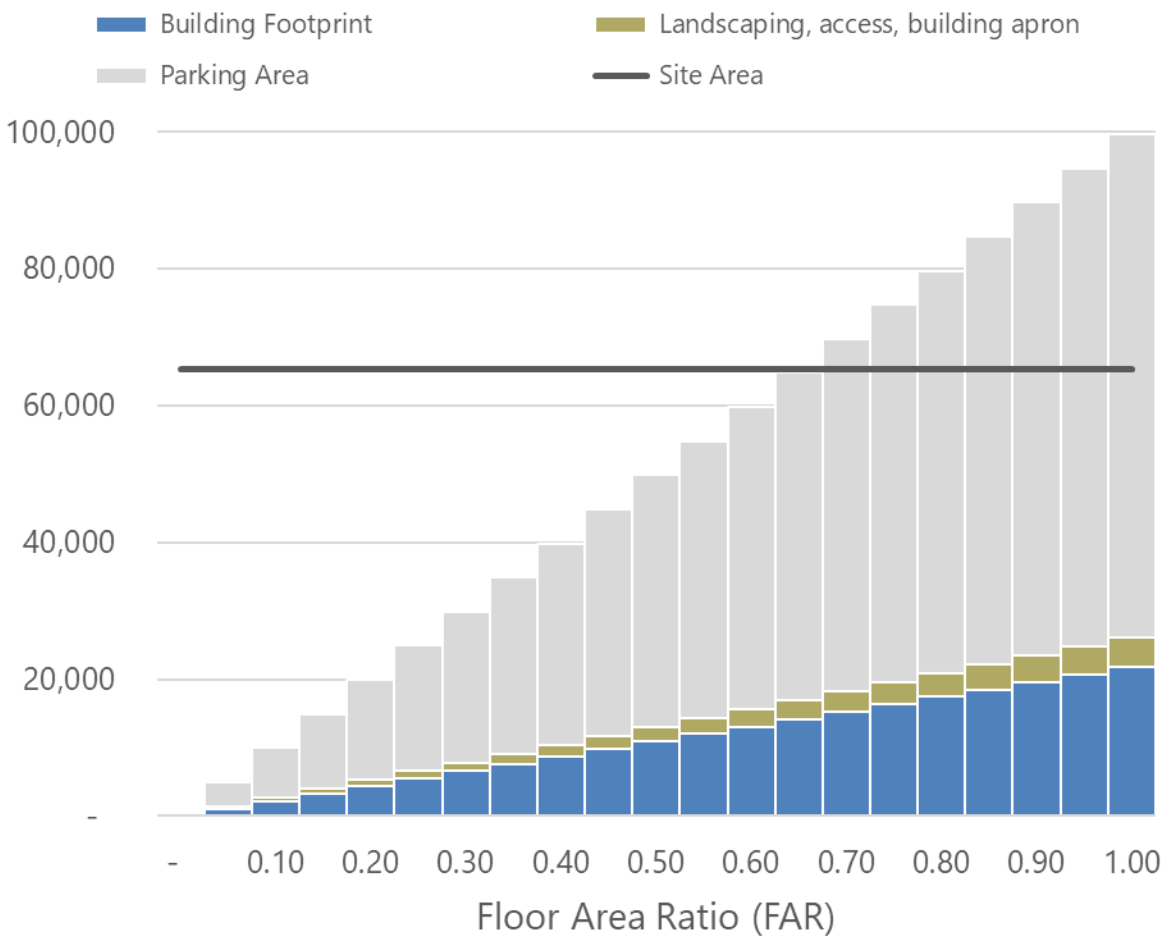


Form Follows Parking: Office

One saying in the design and real estate development industries is "form follows parking." In other words: parking—whether surface or structured—has a significant impact on the types of buildings that are physically and financially feasible.

The chart at right represents the development of a typical, three-story office building on a 65,000 square foot site (1.5 acres). Assuming that 3.0 surface parking spaces are required for each 1,000 square feet of office area, the building can be no more than about 42,500 square feet of building area (with a building footprint of about 14,000 SF and FAR of 0.65). *A larger building will either require more parking than can fit on the site, or structured parking.*

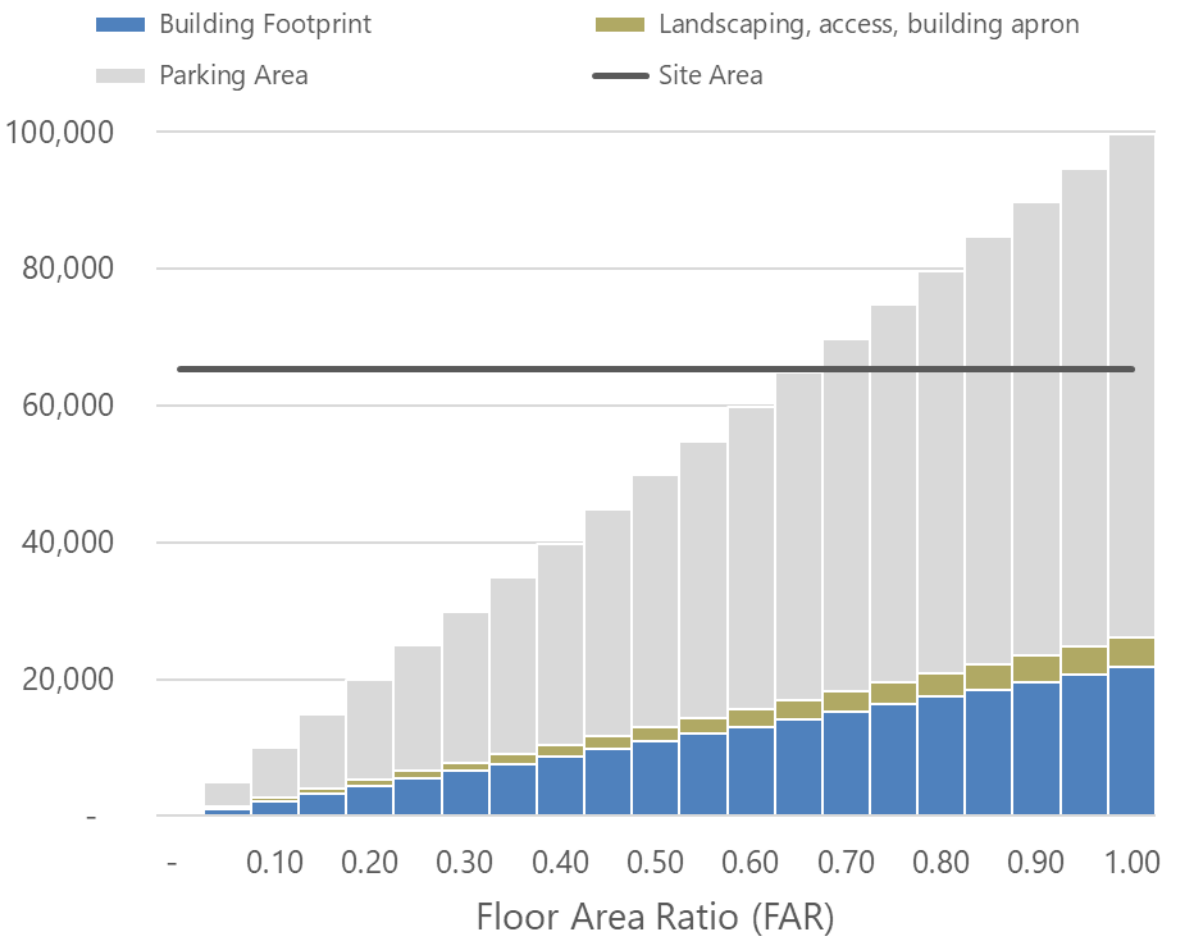
Total Site Area - Actual and Required



Form Follows Parking: Office

The traditional parking ratios for suburban office development is 3.0 spaces per 1,000 SF of space. Parking demand may actually be increasing in some cases as denser "creative" and open office floorplans replace earlier floorplans with numerous enclosed offices. Even if regulations do not require a high parking ratio, developers will try to build the amount of parking they think their tenants will demand.

Total Site Area - Actual and Required

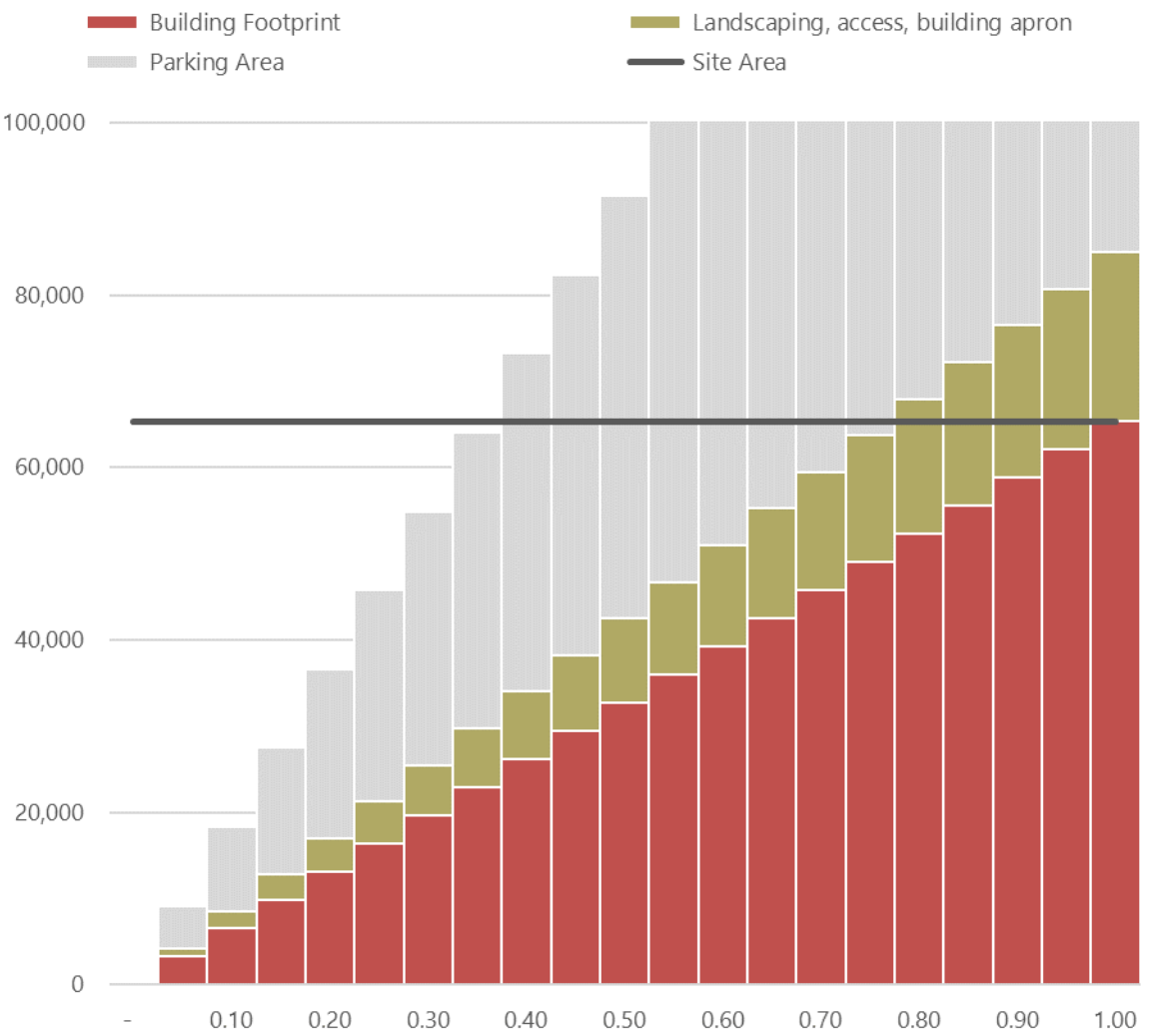


Form Follows Parking: Retail

The chart at right represents the development of a typical, one-story retail building on a 65,000 square foot site (1.5 acres). Assuming that 4.0 surface parking spaces are required for each 1,000 square feet of office area, the building can be no more than about 22,800 square feet in size (a FAR of 0.4).).

A larger building will either require more parking than can fit on the site, or structured parking.

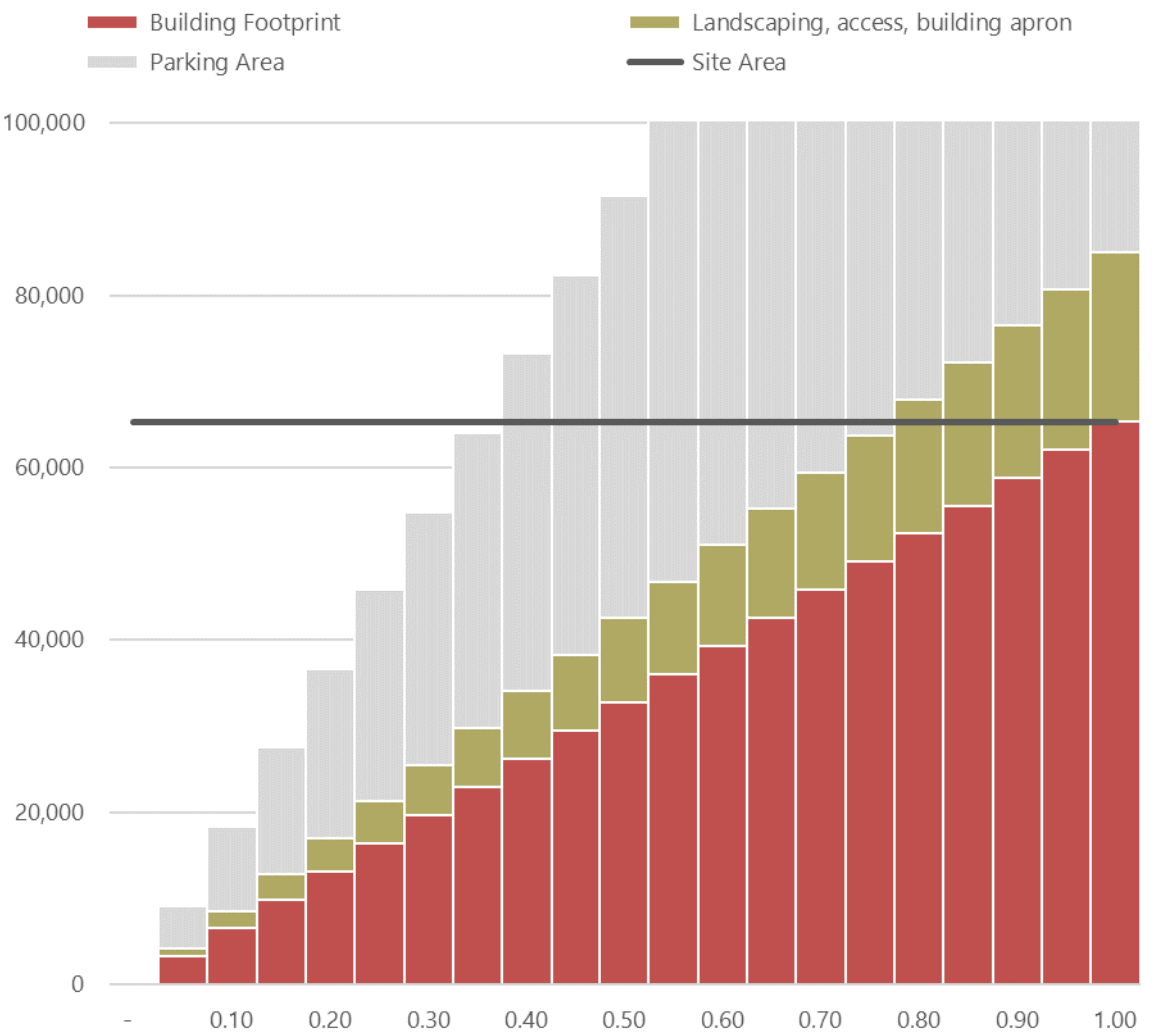
Total Site Area - Actual and Required



Form Follows Parking: Retail

Parking has an even bigger impact on retail than office development for two reasons. First, most retail buildings are one story since customers are accustomed to parking and walking directly into their store. Second, parking ratios are higher. Ratios of 4 to 5 spaces per 1,000 SF are typical for general retail/commercial, and ratios can be higher for specific uses such as restaurants.

Total Site Area - Actual and Required



Land Cost

The cost the developers must pay to purchase land is another key factor in development feasibility, particularly in the State Street Corridor, where most of the land is developed with existing retail/commercial buildings.

The chart at right shows the estimated land value (per square foot of site area), based on the rental rate and assuming a retail/commercial property. High rents are capitalized into the total value of the land and building since buyers will be willing to pay more to acquire that income stream. Asking prices for "high rent" properties is expected to be approximately $66 PSF, while low rent or "distressed" properties could be about $22 and $16 per square foot, respectively. All other things equal, developers will look to purchase and redevelop properties that are achieving low rents, have high vacancies, or are otherwise considered "tear downs."

In addition to acquiring land with buildings on it, developers have several other ways of developing. They may acquire vacant land (at an estimated value of $5 PSF). Or, owners of existing property that is highly underutilized (e.g., a lightly-used parking lot or commercial property with significant deferred maintenance) can redevelop that property. Our baseline assumption is that developers will buy and develop vacant land; we also test the feasibility of developers purchasing land with "low rent" buildings on it (at $22 PSF).

Property Acquisition Cost PSF of Land, Based on Retail Rent PSF

Sources: Costar, Leland Consulting Group.

Key Inputs

Site and Building Attributes

Site		
Gross Site Size (acres)	1.5	
Residential		
Avg unit size (sf)	850	
Efficiency (%)	85%	
Parking		
Residential	1.00	/unit
Retail	4.00	/1,000 SF
Office	3.00	/1,000 SF
Parking Area	350	SF per space

Timing

Construction Start	9/1/2018	
Construction Duration	18	months
Opening Day	3/1/2020	
Lease Up	12	
Average Leasing Date	8/31/2020	

Cost

Land Cost			
PSF by Type			
Developer-owned	Owned		$0
Vacant	Vacant		$5
Commercial Building	Building		$22
Site Prep			
Site Prep PSF	$2		
Hard Cost			
Source: RS Means Construction Cost Estimating Data.			
Residential			
/PSF	$143		
Retail			
Rehab discount			
Core and Shell	$116	/PSF	
Tenant Improvement Allowance	$45	/PSF	
Subtotal			
Office			
Core and Shell	$142	/PSF	
Tenant Improvement Allowance	$45	/PSF	
Subtotal			
Parking	/PSF		/Space
Rehab discount			
Surface	$5		$1,750
Tuck under	$34		$11,824
Structured	$68		$23,649
Underground	$107		$37,589
Post Tensioned Slab	$42		$14,825
Soft Costs	% of HC		
Architectural & Engineering	5.0%		
Development Fees & Admin	3.0%		
Permits, Fees, & Entitlement	8.0%		
Insurance	0.5%		
Legal	0.5%		
Construction Loan Interest	5.0%		
Marketing			
%	3.0%		
Contingency	5.0%		
Total Soft Costs & Contingency	30.0%		

Revenue and Expenses

Revenue Source: CoStar.		
Residential		
Target Rent PSF per Month, Opening Year	$1.53	/PSF/month
Potential Gross Income		
Asking Rent, per unit / month	$1,303	
Vacancy	5.0%	
Operating Expenses		31.3%
Office		
Lease Rate per year (Full Service) PSF	$28.00	/PSF/year
Vacancy	9.0%	
Operating Expenses	$8.00	/PSF/year
Retail		
Lease Rate per year (NNN) PSF	$20.00	/PSF/year
Vacancy	9.0%	
Operating Expenses	$0.00	/PSF/year
Parking		
Gross revenue per month	$40.00	
Vacancy	10%	
Operating Expenses	30%	

Return on Investment

Cap Rates	
Source: Integra Realty Resources.	
Apartments	4.71%
Office	6.23%
Retail	6.31%
Target Yields	
vs. Cap Rates	125%
Apartments	5.9%
Office	7.8%
Retail	7.9%

Return on Investment

In this section, we summarize the return on investment for various development alternatives. Different developers use different metrics and approaches to evaluate whether a project is a good investment, including return on cost (or yield), internal rate of return, net present value, multiple of equity invested, and other metrics.

In this analysis, we use the return on cost approach, since this is probably the most commonly used for preliminary analysis. A return on cost compares is calculated as a percentage: net operating income (NOI) in the first stabilized year divided by total project costs (land, hard cost, soft cost, etc.). Target returns are 5.9% percent for multifamily, 7.8% for office, and 7.9% for retail. Target returns are lower for multifamily because the development industry is generally more optimistic about the reliability of future apartment revenues, and more concerned about office and retail projects.

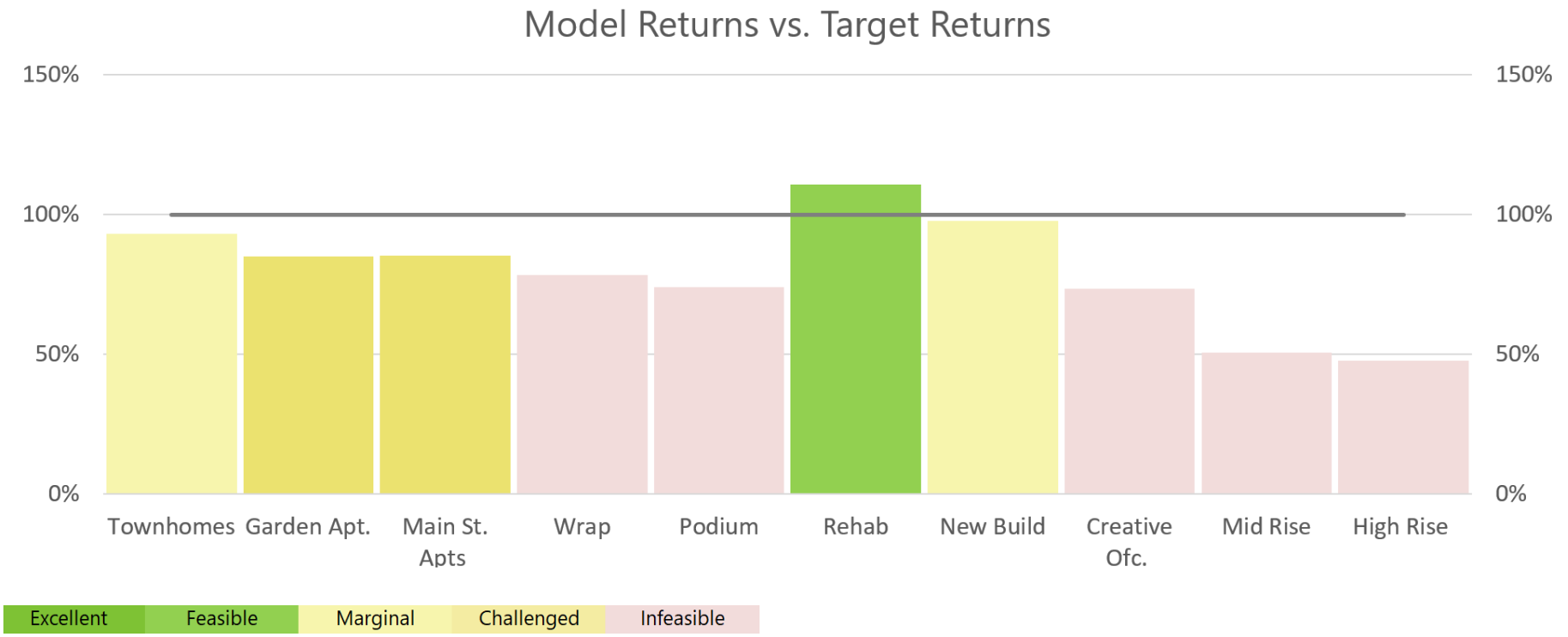
We categorize the ROI of different development alternatives as follows:

1	Infeasible Less than 80% of target return.
2	Challenged 80 to 90% of target return. However, major changes could improve feasibility
3	Marginal 90 to 100% of target return. Value engineering or other changes could make this project feasible.
4	Feasible, 100 to 120% of target return. Should attract capable developers.
5	Excellent More than 120% of target return. Multiple developers should seek out this project type.

Alternative 1: Baseline

Returns for the baseline alternative are shown below, and assumes the developer purchases vacant land and the "opening year target" rents shown above. Returns are best for the renovation of an existing retail building.

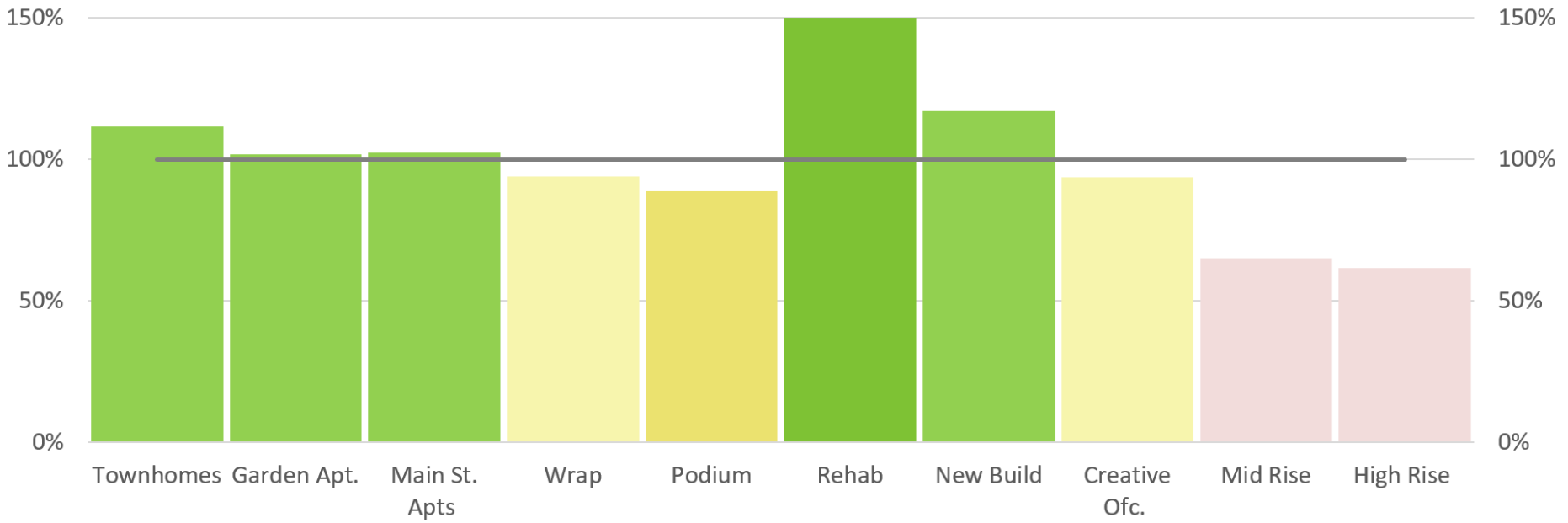
Returns are marginal for townhomes and new-build retail projects; and challenged for garden apartments and main street apartments. Other project types are infeasible.



Alternative 2: Rents + 20%

Returns for alternative 2 are shown below. This assumes the developer purchases vacant land, and that rents are 20 percent higher than opening year estimate in alterative 1. Returns remain best for the renovation of an existing retail building. Numerous projects are feasible, including townhomes, garden apartments, main street apartments, and new-build commercial.

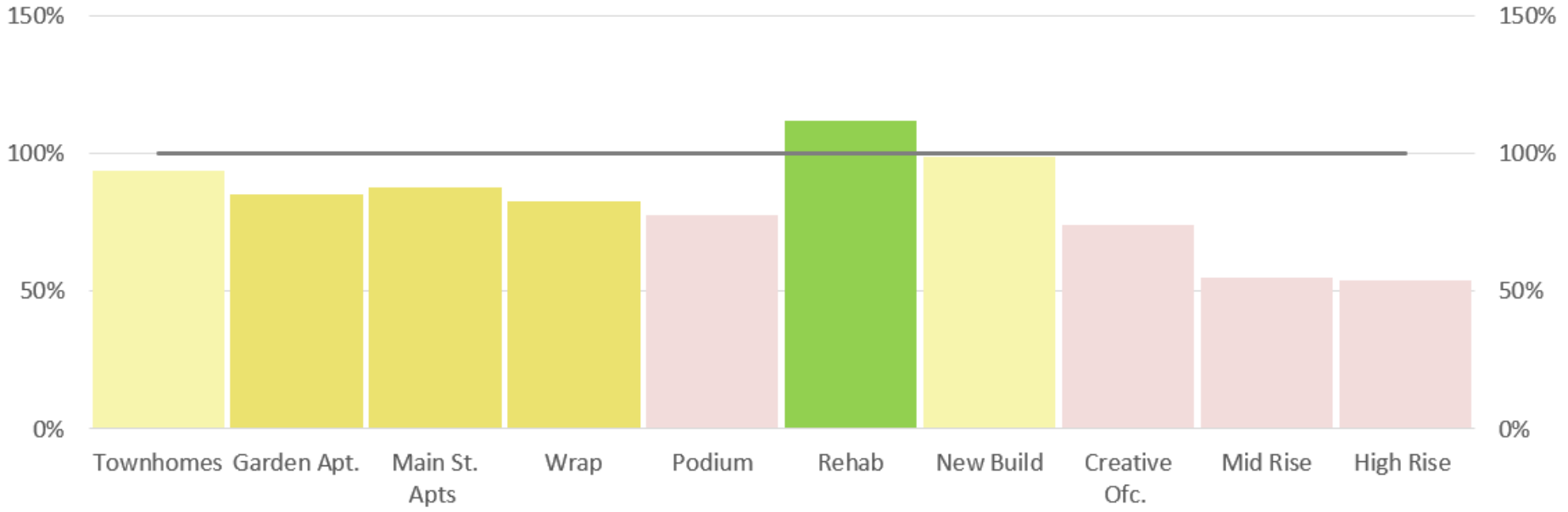
More analysis will need to be conducted in order to determine the likelihood of such a significant rent increase. However, BRT, neighborhood amenities (parks, trails, pedestrian-oriented retailers), and rent escalation will all increase rents over time.



Alternative 3: Less Parking

Returns for alternative 3 are shown below. This assumes the developer purchases vacant land, "opening year target" rents, and parking demand that is one-third less than the current/baseline demand. (Specifically, .67 spaces per dwelling unit, 2.7 spaces per 1,000 SF of retail, and 2.0 spaces per 1,000 SF of office.)

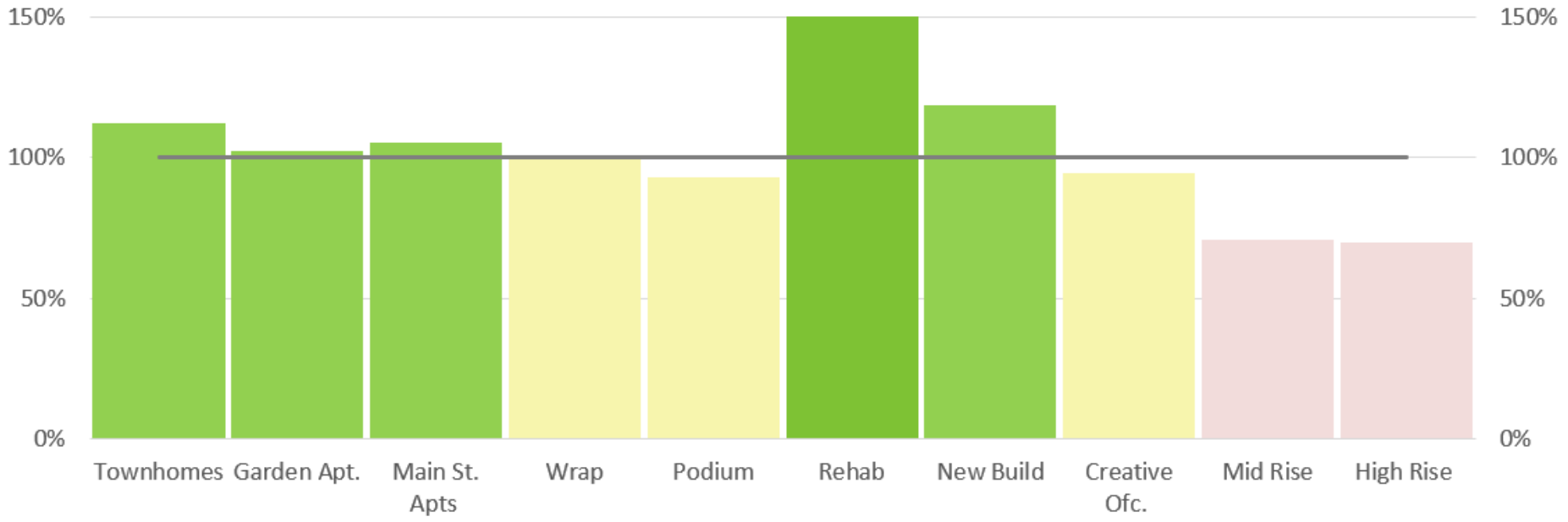
Since parking is a significant component of cost for some of the higher density development types, this improves feasibility slightly. While return metrics are slightly better for all projects when compared to alternative 1, the wrap is the only project that has shifted categories, from challenged to marginal.



Alternative 4: Rent+, Less Parking

Returns for alternative 4 are shown below. Here, we assume the developer purchases vacant land, rents that are 20 percent higher than the alternative 1 assumption, and parking demand that is one-third lower than current estimates. In this scenario, three of the five multifamily prototypes—townhomes, garden apartments, and main street apartments—are feasible. The wrap and podium projects are marginal.

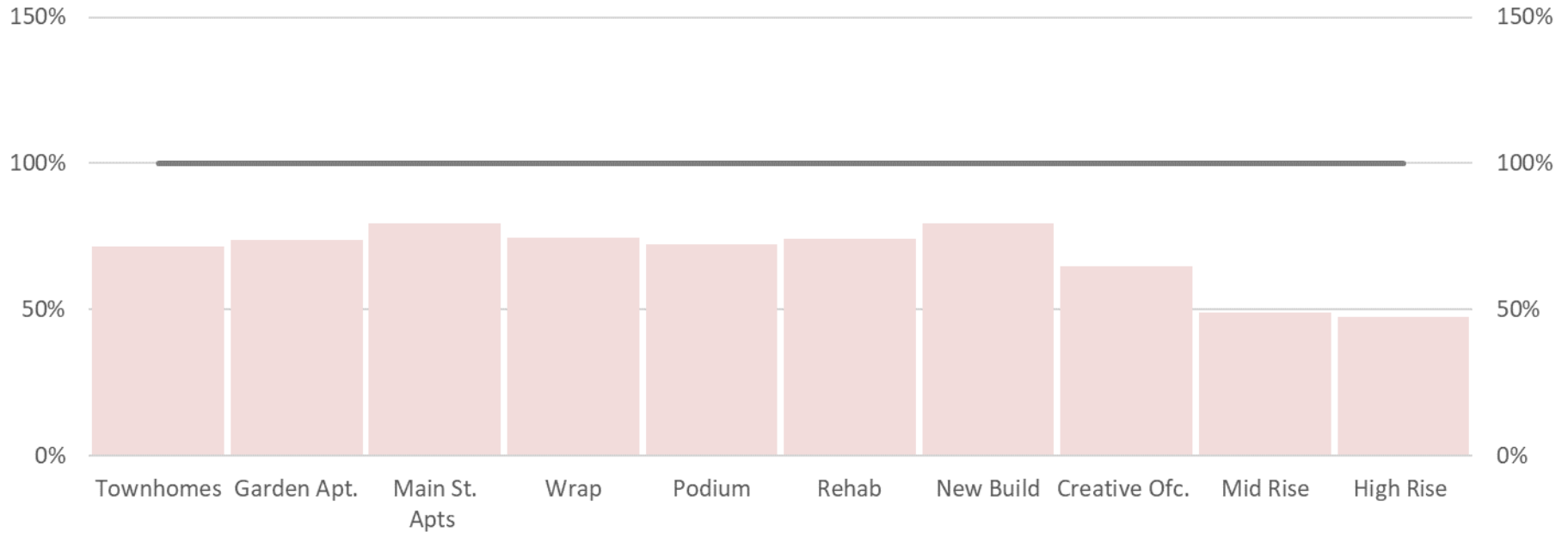
Both retail projects are feasible. The creative office (surface parked) project is marginal; the other office projects are infeasible. This alternative may represent a medium- to long-term TOD scenario, with higher rents and lower parking.



Alternative 5: Baseline w/Building

Returns for alternative 5 are shown below. Alternatives 5 through 8 assume that a developer must buy a property with an existing one-story building on it. (The building is valued at $22 PSF of site area, or $80 PSF of building area.) This figure clearly shows that property acquisition costs have a significant impact on development feasibility and will present a challenge.

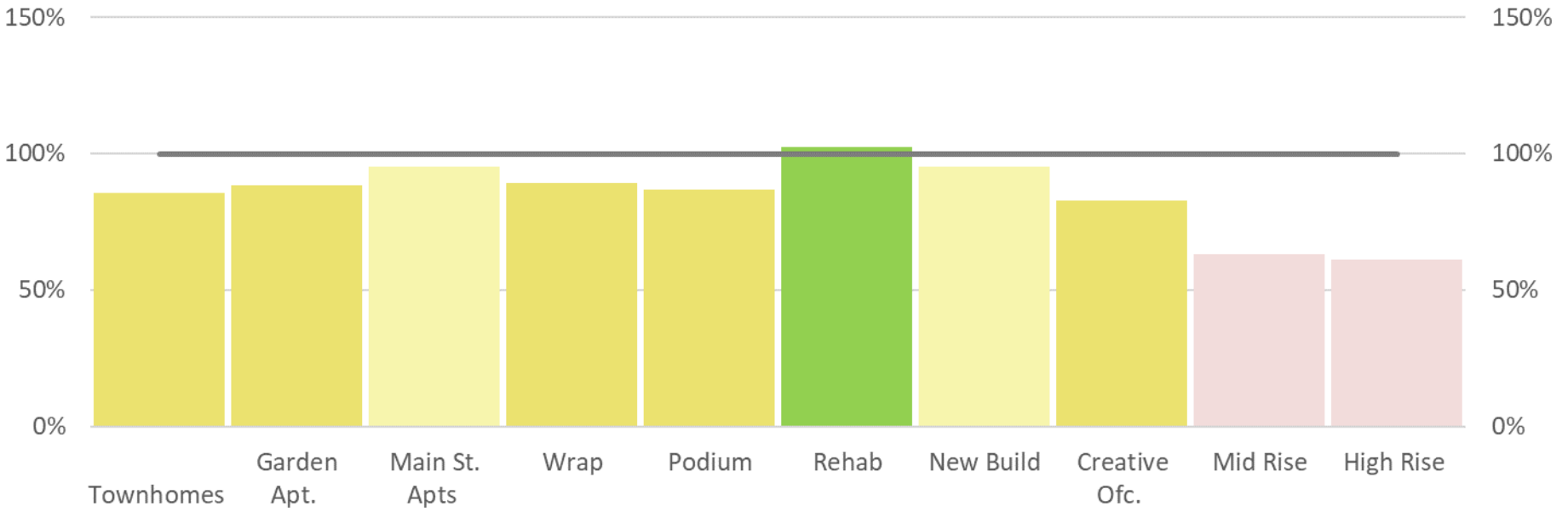
In alternative 5, all development types are infeasible.



Alternative 6: Building, Rents+

Returns for alternative 6 are shown below. This assumes the developer purchases vacant land, and that rents are 20 percent higher than opening year estimate in alterative 1. The main street apartments project is marginal, and therefore somewhat more likely to be feasible this alternative.

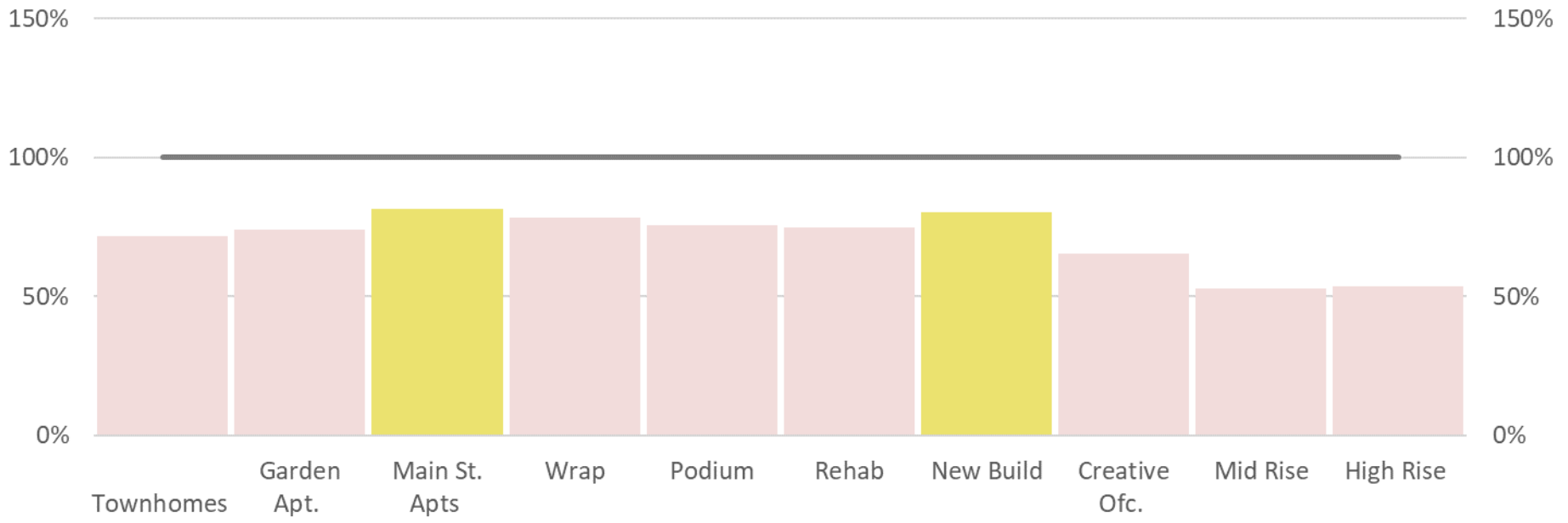
The other housing types are challenged. Retail rehab continues to be feasible; new retail construction is marginal, and creative office development is challenged.



Alternative 7: Less Parking

Returns for alternative 7 are shown below. We assume the developer purchases an existing commercial building, and parking demand that is one-third lower than current estimates. Feasibility has decreased significantly compared to alternative 6 (since rents are lower in alternative 7), but improved slightly versus alternative 5.

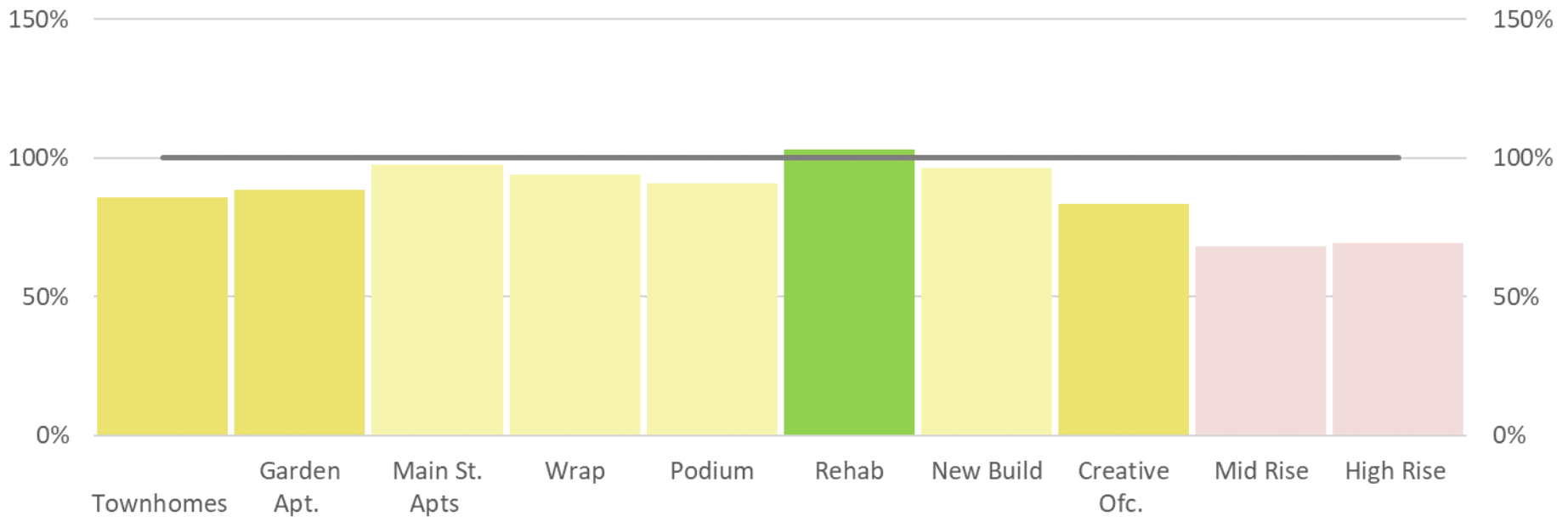
Main street apartments and new-build retail have improved, from infeasible, to challenging.



Alternative 8

Returns for alternative 8 are shown below. Here, we assume the developer purchases a commercial building, rents that are 20 percent higher than the alternative 1 assumption, and parking demand that is one-third lower than current estimates. The only feasible building type is retail rehab.

However, the other major building types associated with TOD are approaching feasibility, and it is possible that some additional incentives/approaches to encourage TOD could make the projects feasible. This alternative may represent a medium- to long-term TOD scenario, with higher rents and lower parking.



Conclusions

Development Context and Inputs

- A significant share of all real estate development is built within a defined series of prototypes that are familiar to the development industry; nine different prototypes have been modeled for this analysis.
- The key inputs to this development feasibility analysis are program, timing, development costs, operating revenue and expenses, and return on investment.
- Rents are a critical driver of financial feasibility and are often one of the first figures that developers want to know about for a particular area. A rule of thumb in the industry is that for every $1 of rent revenue, developers can spend $10 on the project. (This is a first rough indicator and more detailed analysis is completed here.)
- Rents vary in the State Street corridor. LCG established an opening year "target" for new projects that would be built in the corridor that starts with the top rents in the corridor, escalates the rents for two years, and adds a 10% premium based on the assumption that new projects in the corridor will be high quality, be differentiated from less distinctive projects elsewhere, and benefit from special amenities in the corridor. No escalation was assumed for retail rents, given industry-wide concern about the future of retail and the downward trend in average retail rents in the corridor.
- Construction costs have been escalating rapidly in the Boise region, and nationwide, over the past decade as the economy and construction have continued to boom. Housing is the primary development type whose rents have kept up with the increasing cost of construction; office rents in the State Street corridor have also increased significantly, though new office development has been minimal. Retail rents have declined, reflecting the ongoing challenges associated with the retail sector, and the impact of online retailing.
- High demand for housing and moderate demand for other uses has meant that housing has been the primary land use built in the corridor over the last decade. Some retail development has also taken place near Horseshoe Bend. (See State Street TOD Market Analysis Update, May 2018, for more information on development patterns and real estate trends throughout the corridor.)
- Denser development types that require more structured parking have higher construction costs per square foot and therefore require higher rents. New office and retail buildings cannot be both high-density *and* have surface parking. High-density buildings require tuck under or structured parking.
- Land cost is another important factor that impacts feasibility. Existing healthy commercial buildings in the corridor will be expensive for developers to purchase and redevelop, and are likely to remain in place in the near term. In the near term, development is most likely to occur on property that is "underutilized" (e.g., unused surface parking); is already owned by potential developers, institutions, or public agencies; or is commercial property that generates low rents or high vacancies, and is therefore low-value.

Conclusions

Return on Investment

- The return on investment section shows Leland Consulting Group's (LCG) assessment of development feasibility for the nine different development prototypes, and eight different alternatives (or scenarios). The ROI metric used here is the stabilized net operating income divided by the total project cost. Different threshold ROIs are established for multifamily, retail, and office projects (5.9%, 7.9%, and 7.8% respectively).
- The first four alternatives assume that a developer is buying vacant (and therefore lower-cost) land; alternatives five through eight assume that a developer is buying a one-story commercial building with low rents, and then demolishing this building and constructing new building(s). Moving from alternative 1 to 4 (and from 5 to 8), the model assumptions generally become more optimistic (with higher rents and lower parking costs).
- While this analysis is intended to reflect the perspective of many developers, some developers will have different priorities, assumptions, strategies, and return expectations. In some cases, developers may undertake projects that this analysis indicates are challenged or infeasible. For example, developers who have high expectations for State Street in the long-term may be more willing to invest than this analysis—which focuses on a short-term ROI—would indicate. This analysis can only be an accurate representation of common real estate development thinking; it cannot predict every developer's actions.
- The baseline alternative (1) indicates that retail rehab projects are feasible. Returns are marginal for townhomes and new-build retail projects; and challenged for garden apartments and main street apartments. Other project types are infeasible. Retail rehab (also called "renovation," or "retenanting") tends to be the most feasible development type in most alternatives.
- In Alternative 2, rents are 20 percent higher than the baseline assumption (and therefore close to current downtown Boise rents, and in the case of office exceeding downtown Boise rents). Using this assumption, numerous projects are feasible, including townhomes, garden apartments, main street apartments, and new-build commercial.
- Alternative 3 shows the effects of a 33% reduction in parking demand, which has a small impact on ROI and feasibility.
- In Alternative 4, rents are 20 percent higher and parking is reduced, and feasibility is therefore increased. In this scenario, three of the five multifamily prototypes—townhomes, garden apartments, and main street apartments—are feasible. The wrap and podium projects are marginal. Both retail projects are feasible. The creative office (surface parked) project is marginal; the other office projects are infeasible. This alternative may represent a medium- to long-term TOD scenario, with higher rents and lower parking.

Conclusions

- In alternatives 5 through 8—which assume the developer purchases and then redevelops a commercial building—far fewer projects are feasible, due to the increased cost of land and building acquisition.
- Alternative 8, in which we assume both higher rents and lower parking demand, shows numerous housing projects that are getting close—either marginal or challenged. The new-build retail and creative office project are also close. This alternative may represent a medium- to long-term TOD scenario, with higher rents and lower parking.

Potential Actions

- There are a number of potential actions that the State Street public-agency partners can take in order to enhance the feasibility of transit-oriented development. Some actions are listed below, and others may emerge as planning for the corridor moves forward:
- Build amenities including Bus Rapid Transit. A "complete community" and high-quality environment, that includes high-frequency BRT access to downtown Boise and other destinations, pedestrian and bicycle infrastructure, access to parks and public gathering spaces, and a mix of easily accessible goods and services, should increase demand and rents.
- Create one or more tax increment financing/urban renewal districts. TIF funds can be used by the implementing agency to help fund infrastructure and public realm improvements; site acquisition, assembly, and disposition; targeted grant and loan programs; parking; staffing; and other efforts that spur private investment.
- Consider reducing parking requirements. TOD residents typically own fewer cars. Structured and tuck under parking is expensive, and developers' costs are less when they build less parking. Lower parking requirements, shared parking, and other similar approaches can help improve feasibility.
- Leverage other programs, such as Capital Improvement Plan funds from various agencies; Boise's Energize Our Neighborhoods, which brings together a range of City resources; affordable housing funding tools such as Low Income Housing Tax Credits (LIHTC), HOME, and CDBG programs in order to build affordable or mixed-income projects; other grant and loan programs; crowdfunding; impact fee amortization; and special infrastructure funding districts such as local improvement districts (LID).
- Focus on special catalyst sites. Numerous sites in the corridor have special ownerships or conditions that will improve the odds of achieving TOD. These include properties owned by public agencies (ACHD and ITD), institutions (St. Luke's), property owners with both financial and non-financial goals (e.g., churches), subdivided land that is "development-ready," and under-performing commercial properties.
- Take Action, Incrementally. The Orenco Station TOD was featured in the project Market Analysis, and shows how a great TOD district can be built in steps over a 20-year period.

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