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Transit-Oriented Retail Takes Center Stage

By Eric Peterson

LAS VEGAS-Leading off a discussion on transit-oriented development, or TOD, noted urbanist Chris Leinberger termed it "one of the most important trends of our time. It is a structural shift in development," he told ICSC REcon attendees.

Specifically, it's part of a larger trend that has seen retail development move away from the standard enclosed mall or community strip, and toward such things as lifestyle centers and mixed-uses. "It's the biggest structural change since the 1950s," said Leinberger, who is a visiting fellow at the Brookings Institute and a professor at the University of Michigan.

His message, specifically in terms of TOD, was that, "for the built environment, the pendulum is swinging from drivable suburban projects to walkable urban projects. It's tied to market demand: People want much of their daily needs met on foot." One target market: The growing number of households that don't have children, created in part by the aging of the baby boomer generation.

Leinberger led into the rest of the panel by noting that metro Washington, DC seems to have more TODs than just about anyplace else. The rest of the panel had a decidedly metro DC tone.

Andy Scott, special assistant to the secretary for economic development for the Maryland DOT, termed TOD "a Maryland priority." He specifically noted the rising price of gas and global warming issues as among the catalysts, and the goals include sustainable development, increased transit ridership, community revitalization and reduced emissions.

"As a matter of public policy, it is an effort to leverage private investment into the huge public investment we have in transit," Scott

said. "Public infrastructure needs to support growth and create a use of publicly owned station property."

Local government's role has to come in the form of planning, zoning, permitting, incentives and infrastructure support, he explained. "At the state level, we can provide leadership," Scott said. "On the back end, we're even involved in marketing through the Maryland Department of Economic and Community Development."

A lot of metro DC TOD is related to the Washington Metro system, of course. One interesting statistic from Scott: "There are 1,107 undeveloped acres within the Capital Beltway available for TOD."

With a view of TOD as a transit function, Chris Patusky, real estate director for the MDOT, outlined three projects currently under way, the largest of which is the \$1.6 billion, 2.3 million-sf Station Center in Baltimore. It's being done as a joint venture of Steuver Brothers, McCormack Baron and Doracon.

Patusey gave credit to new TOD legislation now in place in Maryland. While to some extent it's symbolic in that it defines TOD and effectively puts it on the table, there are numerous legal aspects to the legislation. "It enables us to spend our money, to use our resources," he said.

On the local level, business improvement districts can play a key role in TOD. "Our group is a strategic manager," Rich Bradley, executive director of the Downtown DC BID Corp., told attendees. "Our focus is on the basics. If we like the deal, we provide the strategic leadership to get it done."

Deborah Ratner-Salzberg, president of the Forest City Washington division of Forest City Enterprises, noted that because her company does a lot of different property types, "mixed-use development is a natural for us." That includes TOD, urban and in-fill projects.

And she related some lessons learned from previous TOD projects. For one, "it should connect with the existing fabric of the city," she said. Also, "transit is great for people to walk to work, but it's not enough," she said, alluding to the inclusion of residential and other uses in the mix.

"People want sustainable and walkable uses," Ratner-Salzberg concluded.