

# “Partnerships in Transportation”

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## “The Public/Private Financing of TODs”

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# Overview of Presentation

- The Basis for Public and Private Partner Investment in TODs
- Non-Tax Income & Tax Revenue Paid to TOD Public Partner
- The Multiple Components of TODs
- Multiple Sources of Financing for TODs
- Conclusion: PPPs are the Key to Implementing TODs

# The Basis for Investment in TODs

## From the Perspective of the Public Partner

- Increase ridership
- Generate nontax income for Public Partner from land lease of site adjacent to station
- Generate tax revenue from the development of TODs
- Reduce traffic congestion
- Reduce environmental pollution

# The Basis for Investment in TODs, *cont.*

## From the Perspective of the Private Partner

- Capture premium rental rates
- Increase density of development
- Increase net proceeds from the sale of the TOD
- Increase retail sales from transit riders
- Increase advertising income
- Avoid the cost of urban sprawl

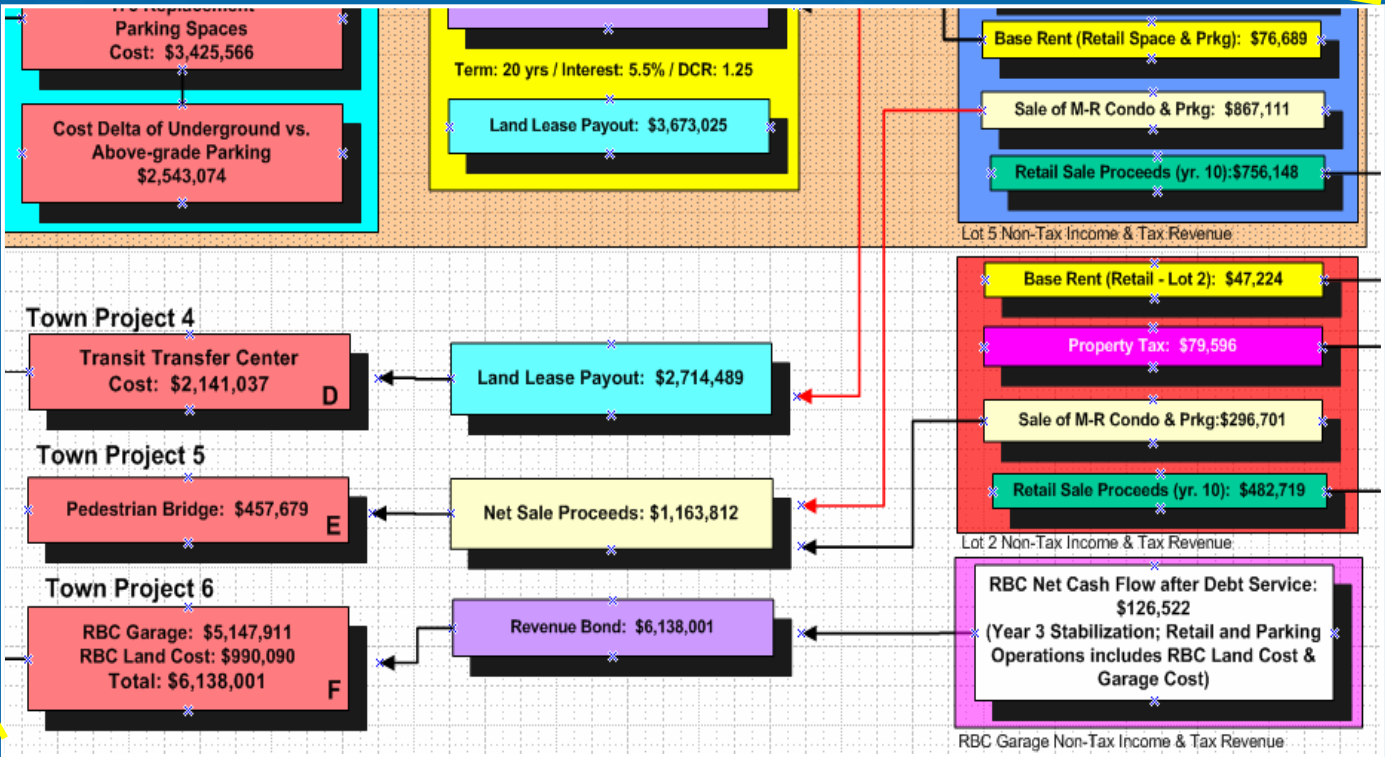
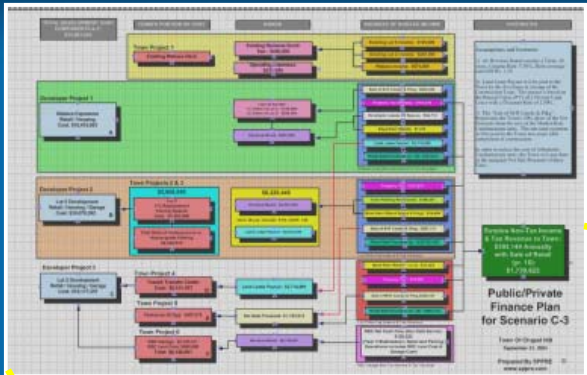
# Leveraging Nontax Income and Tax Revenue Paid by the Private Partner to the Public Partner of a TOD

- Leverage the various types of Land Lease payments from the Private Partner
- Leverage Property and/or Sales Tax generated by the TOD
- Realize nontax income not needed to support bond(s) issued by the Public Partner
- Use nontax income and tax revenue as a basis to negotiate Intergovernmental Agreements

# 3 Downtown Developments, Chapel Hill



# Public/Private Finance Plan



# Multiple Components of a TOD can be Financed with Federal, State and Local Programs

- Parking garages
- Landscaping
- Day care centers
- Pedestrian bridges
- A wide range of housing
- End users of housing

# Multiple Sources of Financing Available from Federal, State and Local Public Partners

- There are at least 17 financing programs for TODs in place from six federal entities
- There are at least 36 alternative public/private financing instruments
- There are 58+ ways to reduce development costs and enhance cash flow

# Conclusion: PPP are the Key to Implementing TODs

- Public and Private partners are motivated to finance and develop TODs
- Public Partner nontax income and tax revenue generated by the TOD can be the sole support for public partner bonds needed for TODs
- There are a multitude of federal, state and local financing programs available for TODs
- There are a multitude of creative financing instruments available to the public and private partners of TODs