Southwest Corridor Development Assessment

Southwest LRT Community Works Steering Committee
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Outline

• Purpose
• Methodology
• Key Findings
  – Regional and corridor-level demographic, employment, and market conditions
  – Opportunities and challenges for capturing demand
Purpose of the Development Assessment

• Provide a corridor-level perspective on market and development potential, including:
  ▪ Likely timing, scale and location of future development
  ▪ Likely impact of new transit service on the market
• Provide a resource for transitional station area planning efforts
• Offer useful information for conversations about potential corridor-level funding and financing strategies
Methodology

- Evaluated regional and corridor-level demographic, employment, and market conditions
- Mapped walksheds, recent development, vacant land, development opportunity sites
- Interviewed local developers
- Forecast TOD housing and employment demand based on corridor trends, regional projections, and national research on transit impacts
Corridor Demographics Support TOD

- High proportion of Echo Boomers/Gen Y, renters, singles and couples without kids
- Potential long-term shift in Baby Boomer housing preferences

![Bar chart showing household demographics](chart.png)

Source: U.S. Census, 2010
Employment Trends Also Supportive

- 7-metro region is expected to grow by about 1% a year through 2030
- Growth will be concentrated in industries that have the strongest preference for locating near transit:
  - Educational and medical services
  - Knowledge-based industries (professional, scientific, and technical services, information, financial services, management)
  - Entertainment
Relatively Strong Real Estate Market Conditions

- SW suburbs are among the region’s strongest market areas
- Housing prices have remained relatively strong compared to other parts of the region; apartment market is returning
- Retail and office rents remain higher than average; recent investment in new corporate space and medical office
Potential Impacts of Transit

- Experience shows that new corridors that connect multiple employment centers are more likely to result in strong development impacts
Projected Demand for TOD

Between 2010 and 2030:

• 3,200 to 3,900 new housing units
  o Average of 150 to 165 households annually

• 19,400 to 22,700 new jobs (not including decline in PDR jobs)
  o Average of 1,150 to 1,300 jobs annually

Key factors influencing ability to achieve projections:

• Station area development opportunities
• Access and urban amenities
• Feasibility of desired building types
Existing Land Uses

Sources: Metropolitan Council, 2005; Bonestra, 2008; Strategic Economics, 2011.
Walkshed Analysis
Walkshed Analysis
TOD POTENTIAL: Minneapolis Segment (i.e., Royaltson to West Lake)

- Proximity to downtown will make any developer take a second look
- Industrial areas are complex with over 100 years of history
- Some stations will need a tremendous amount of new infrastructure to activate them
- West Lake is a great area for TOD, but sites are very expensive to acquire for redevelopment
TOD POTENTIAL:

Middle Segment (i.e., Belt Line to Shady Oak)

- Strongest segment of corridor for TOD in the short-term
- Existing urban fabric can support smaller infill development
- Intensification already occurring
- Good supply of underutilized/obsolete properties
TOD POTENTIAL:
Southern Segment (i.e., Opus to Mitchell Rd)

• TOD potential is more mid- to long-term
• Auto-oriented development pattern will require significant infrastructure investments to accommodate most types of TOD
• Predominance of newer properties will be more expensive to redevelop
• Rich supply of large lawns and parking lots presents opportunity for infill development