



TRANSIT AND TRANSIT ORIENTED DEVELOPMENT: TO SHAPE OR TO SERVE?

ULI Triangle

Presentation Overview

1. Linking Transit and Development
2. The Value Transit and TOD Create
3. Emerging Lessons Learned From Transit and TOD
4. Concluding Thoughts

Linking Transit and Development



Transit Ridership is Highly Dependent on Land Use Patterns

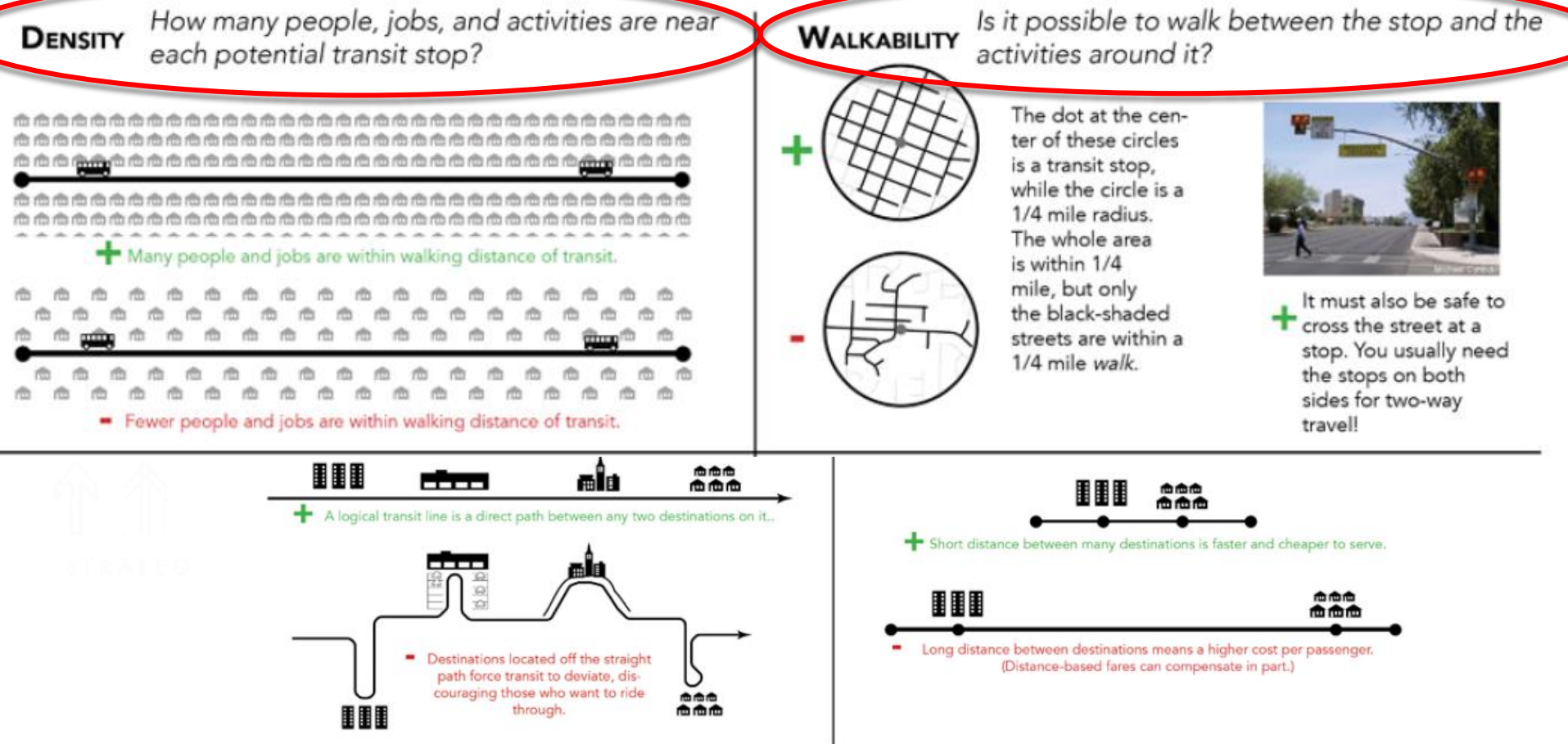


Figure 39: Geographic Indicators of High Ridership Potential

Development Near Transit – Transit Oriented Development (TOD)

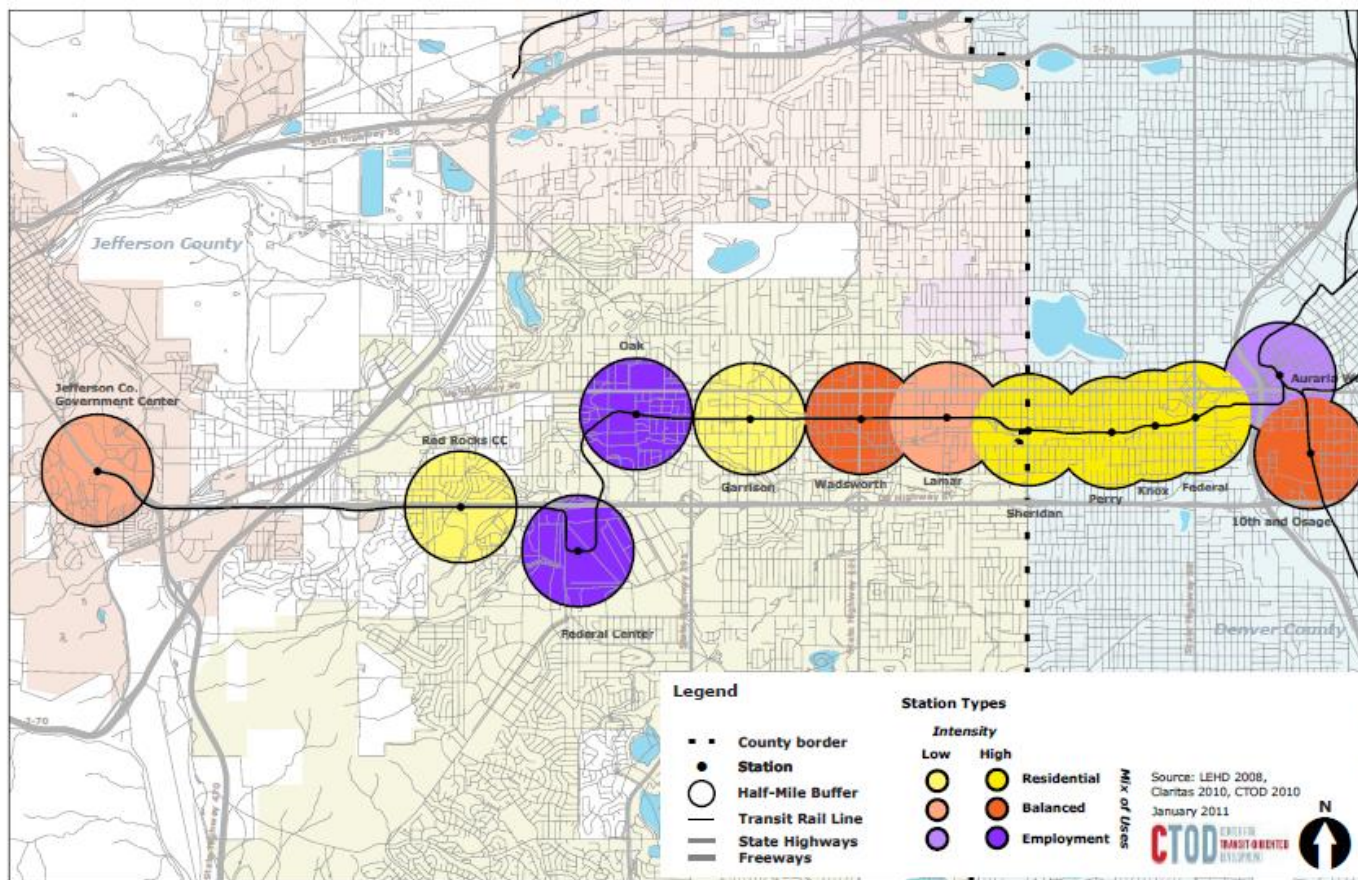
- Development located within $\frac{1}{4}$ to $\frac{1}{2}$ mile of a frequent transit station/stop (really a district)
- Located in an area where it is also easy to bike/walk
- Serves as an “origin”, a “destination,” or both for the transit system



There Is No Single Transit or Building Type in TOD



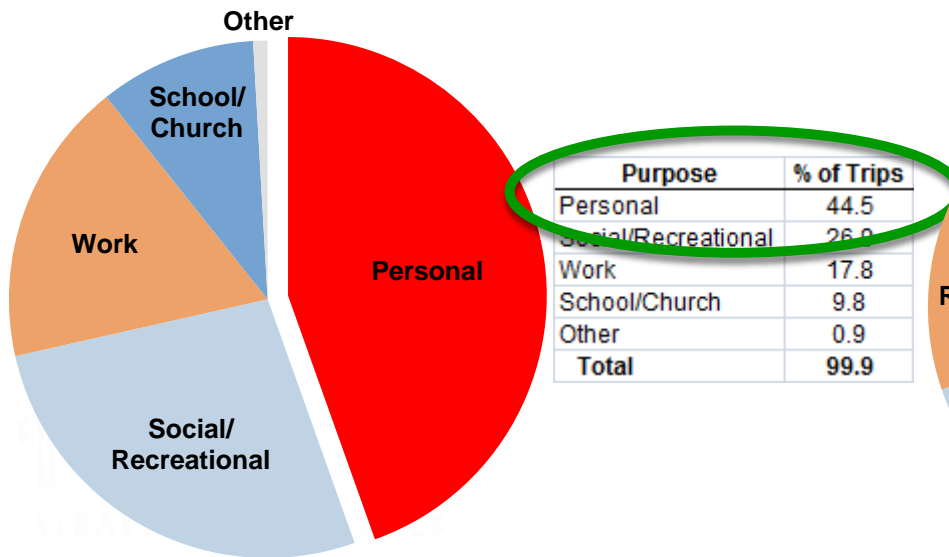
Transit Corridors Reflect the Range of Land uses and Densities – It's the Connections that Count!



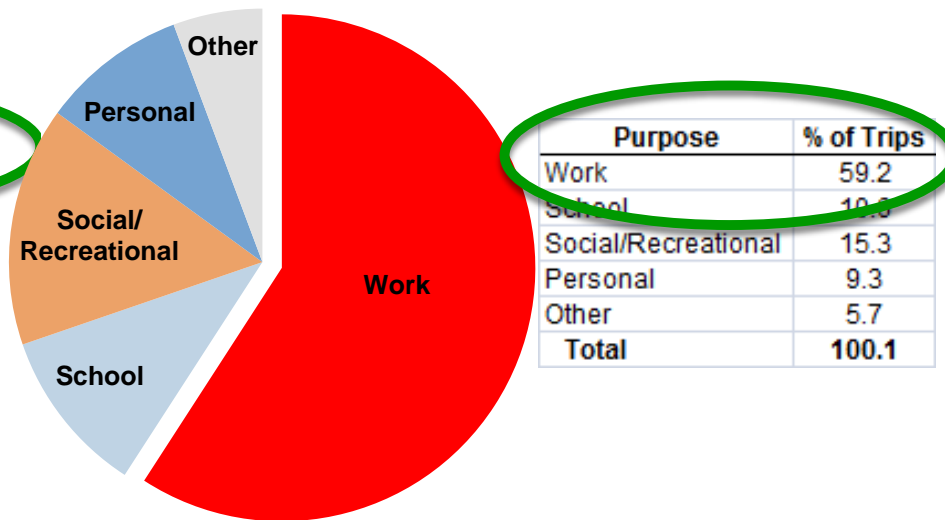
SOURCE: Center for Transit-Oriented Development, 2010

Employment Destinations Are Essential to Transit Because Commuters Ride Transit

Total Trips



Transit Trips

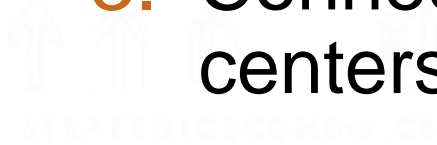


- By a wide margin, the largest group of transit trips are commute trips
- Commuters are key to transit's productivity

Source: Pisarski, *Commuting in America*

Any Transit That Supports Successful TOD is:

1. High quality
 - Frequent
 - Clean and Comfortable
 - Fast
2. Stops/stations that are easily accessible by biking or walking
3. Connected to employment centers/activity centers and major institutions



The Value Transit and TOD Create



Location and Access to Transit Save Households Money

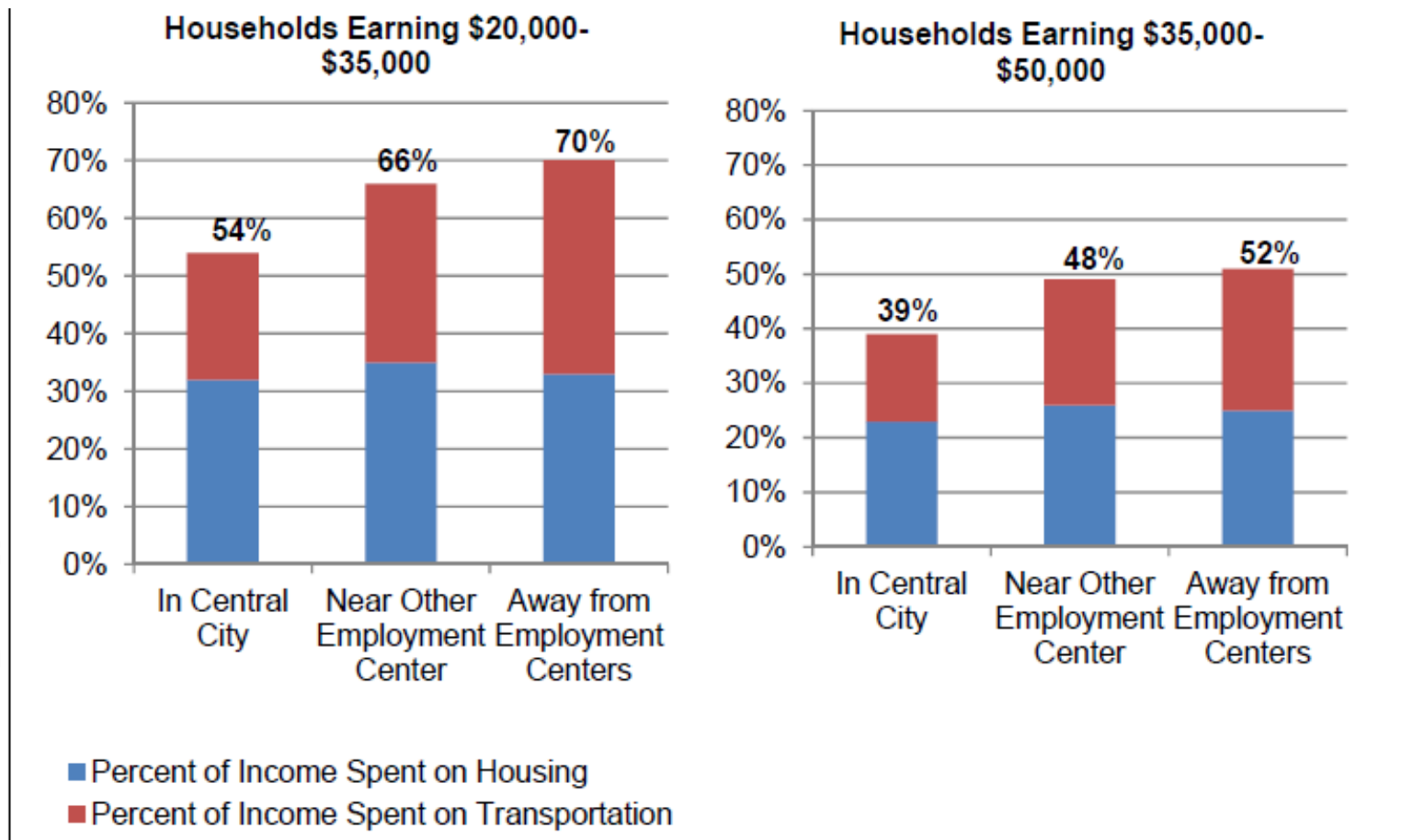
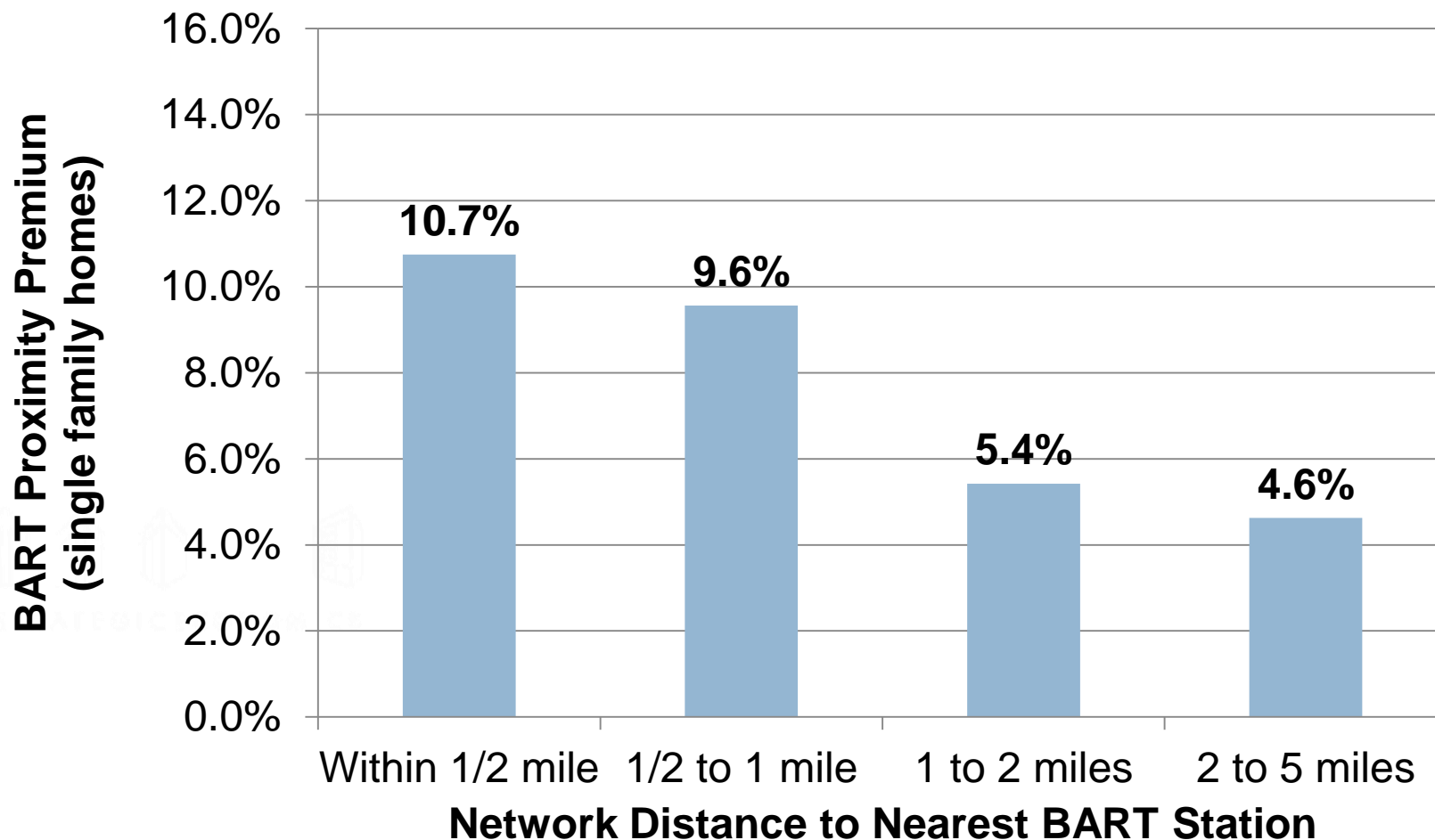


Figure 1. Percent of Income Spent on Housing and Transportation by Neighborhood where Households Live

Source: Center for Neighborhood Technology and Virginia Tech, 2006.

Proximity to Transit Increases Property Values

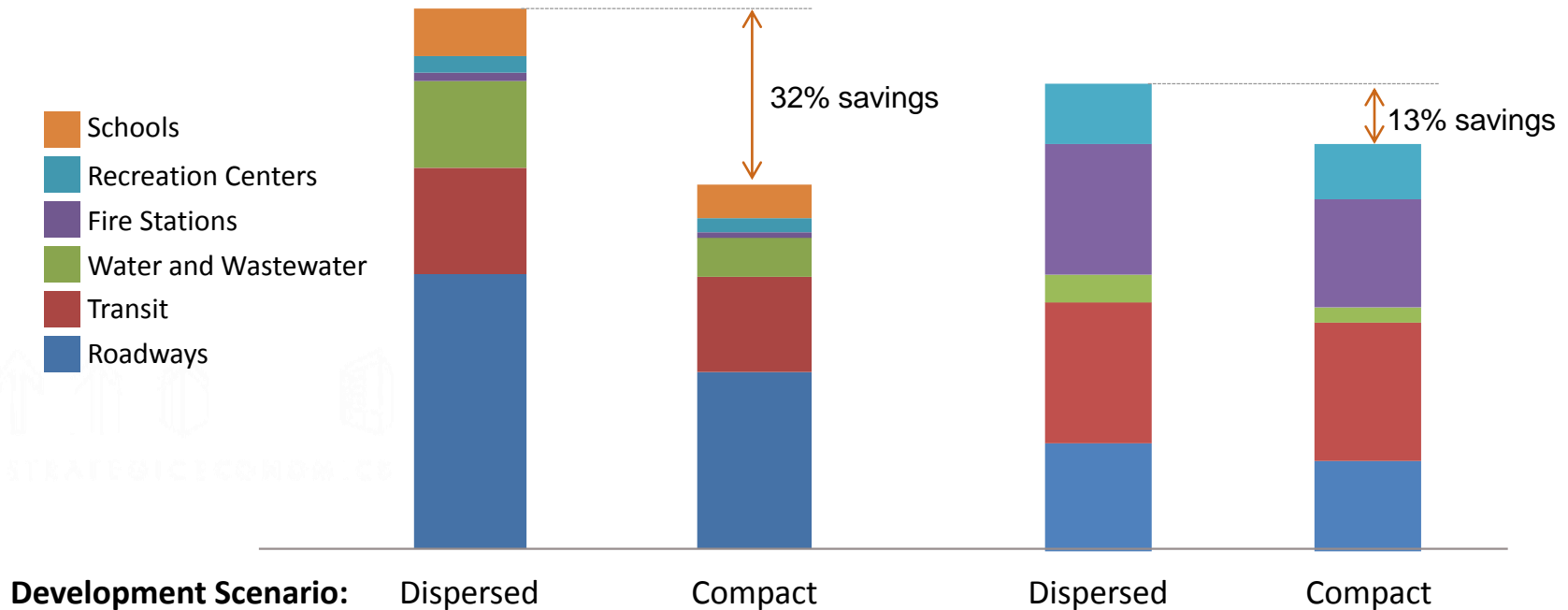


Compact Development, Like TOD, Lowers Capital and Operating Costs for Municipalities

Calgary, Alberta

Capital Costs

Operating Costs



Emerging Lessons Learned from Transit and TOD



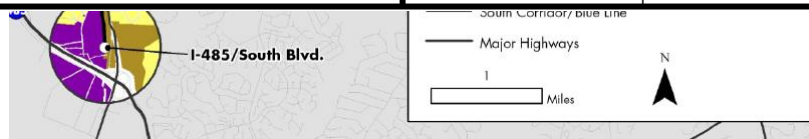
Lesson 1: BRT Generates Economic Benefits Similar to LRT

Healthline Cleveland, OH	\$4-\$5 billion worth of investment has occurred in the corridor since the Healthline began operations; associated with hospitals, universities, other institutions
Franklin EmX Eugene, OR	\$100 million worth of construction projects are under way downtown near the Franklin EmX line, including a boutique hotel, office space renovations, and expansions to a community college
Troost MAX, Kansas City, MO	The city recently received a \$25-million federal grant for urban reinvestment; area was chosen for federal investment in part due to its proximity to the BRT

Source: U.S. Government Accountability Office, "Bus Rapid Transit: Projects Improve Transit Service and Can Contribute to Economic Development," July 2012, GAO analysis of interviews with local officials.

Lesson 2: Transit is a Market Accelerator, Not a Market Maker

Development Context	Share of Total Land Area (2005)	Share of Opportunity Sites* (2005)	Share of New Development (2005-2009)
Existing Downtowns/Urban Business Districts	10%	13%	68%
Major Suburban Employment Areas	0%	0%	0%
Legacy Industrial Areas	3%	4%	3%
Mixed-Use Neighborhoods/Main Streets	2%	1%	5%
Auto-Oriented Commercial Corridors	23%	35%	9%
Industrial/Distribution Areas	28%	30%	7%
Low Density Residential Neighborhoods	34%	18%	8%
Major Greenfield/Infill Sites	0%	0%	0%
Other	0%	0%	0%
Total Corridor	100%	100%	100%



Lesson 3: Changing Demographics is Driving Demand For Transit Oriented Locations



76 Million Baby Boomers many of whom are downsizing

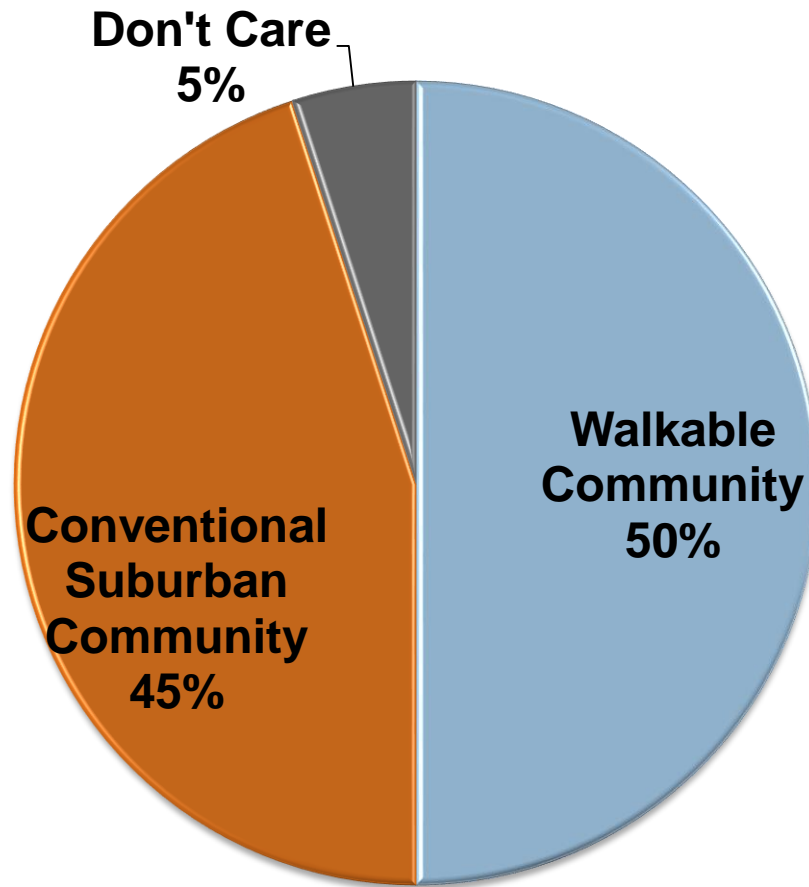


75-80 Million Millennials – The newest members of the work force



Almost 1/2 of All Households are Single People

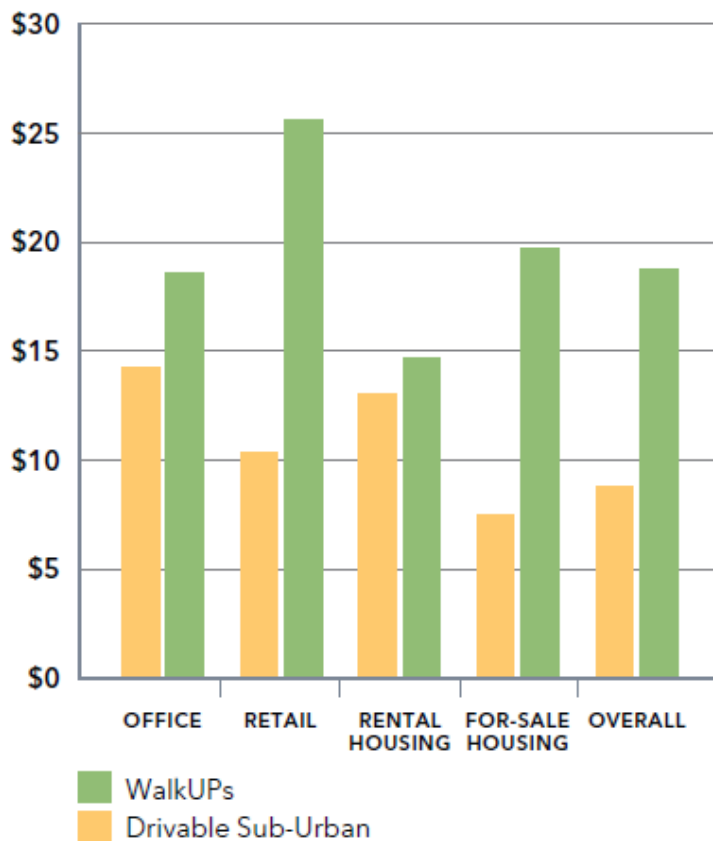
Many Consumers Want to Live In Walkable Communities



Source: National Association of Realtors/ American Strategies. "National Community Preference Survey" 2013

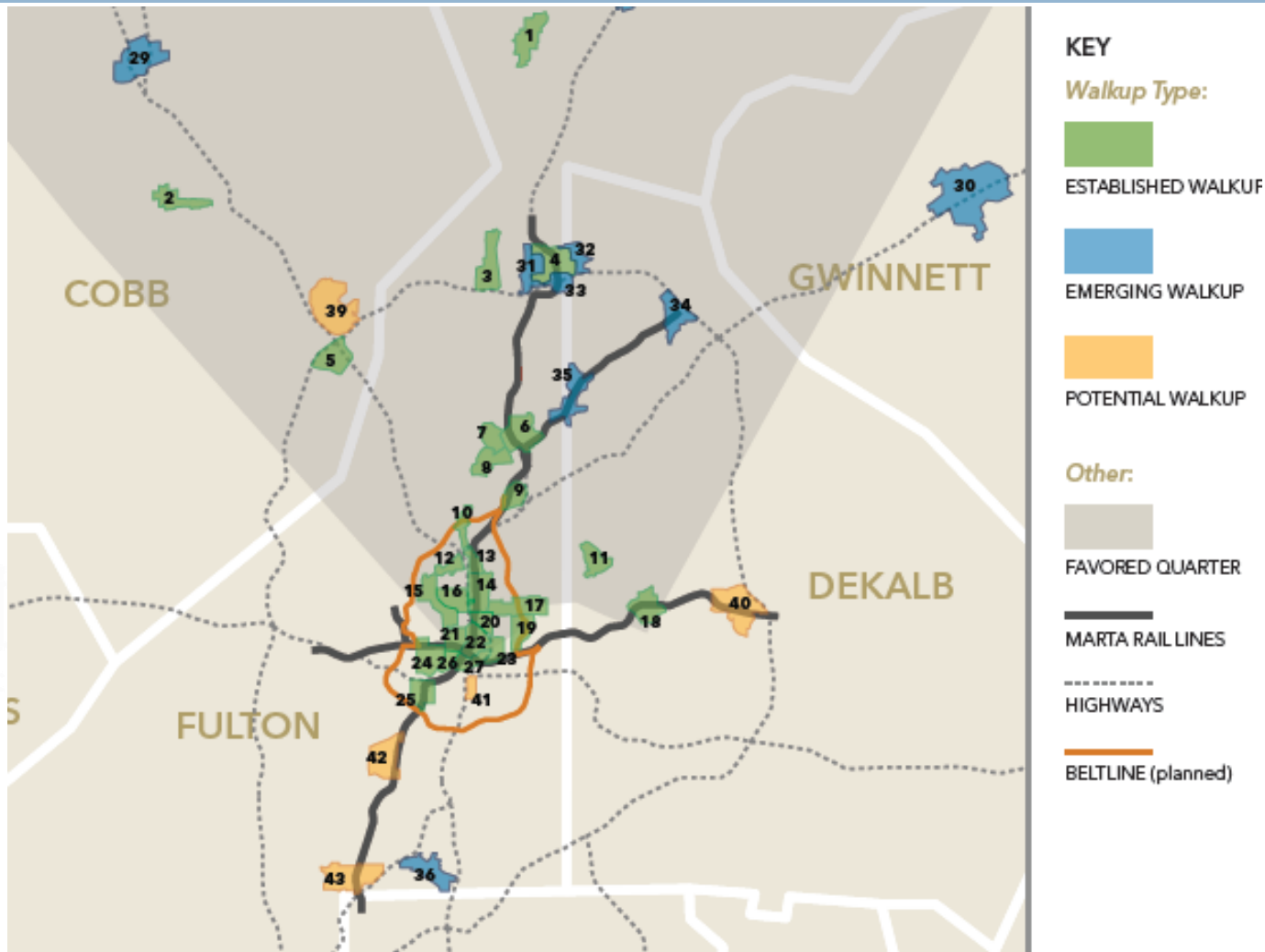
This Demand is Generating Price Premiums for Both Residential and Commercial Properties

Average Rents per Square Foot
Walkable vs Suburban Neighborhoods in Atlanta



	Suburban	“WalkUp”	% Difference
Office	\$14.23	\$18.55	30%
Retail	\$10.42	\$25.71	144%
Rental Housing	\$13.07	\$14.67	12%
For-Sale Housing	\$60.06	\$156.46	161%

And, This is Not Just about “Downtown” Locations



Source: Leinberger, GWU School of Business – The WalkUP Wake-Up Call: Atlanta 2013

Lesson 5: These Other Transportation Systems Also have Economic Benefits



Bike Share =
Additional \$150,000 in rider
expenditures (Minneapolis)



Urban Bike “Trails” =
As much as \$846 million in
economic impact
(Indianapolis Cultural Arts Trail)

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Lesson 6: TOD Must Be Equitable

“MARTA will apply a policy goal of 20% affordability, on average, to joint development projects undertaken subsequent to the adoption of the TOD Guidelines”

- Policies for Implementing MARTA's TOD Guidelines, 2010



MARTA – Metropolitan Atlanta Rapid Transit Authority

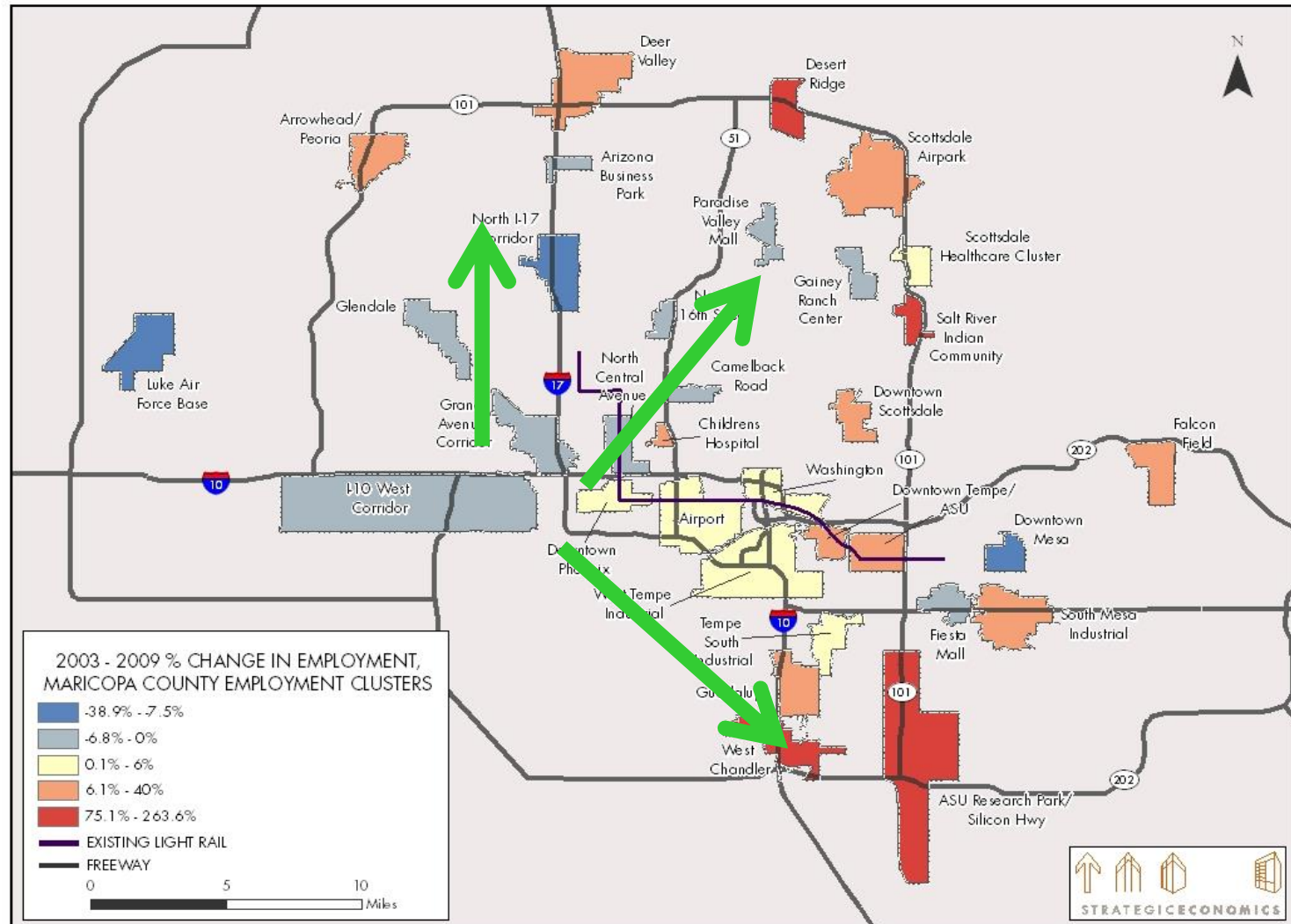


Concluding Thoughts



Planning for Transit is a Regional Proposition, Planning for Job Growth Should Also be a Regional Concern

Job
sprawl in
the
Phoenix
region



Local Governments Need to “Set the Table” For TOD With Clear Land Use Policy to Reflect Community Values and Guide the Market

- Good Zoning
- Good street connectivity policies



Steer The Market Rather Than letting the Market Steer Itself

Once places become “transit accessible” they may serve different market niches than these same place did in the past.



Be Realistic About the Market, but Don't "Settle" Either

- This is a long term proposition
- Not every developer has the right skill set to do TOD, look for the right partners



Create a Strategy To Ensure Housing Affordability Early in the Transit Planning Process

- One entity or organization should take the lead on developing and implementing the strategy
- This should be a regional effort
- Many tools will be required



Transit Can Both Shape and Serve But Only By:

- Working with the right market segments
- Having the right policies in place
- Making the supporting public investments
- Being patient!

