Linking Redevelopment Areas With Transit In Philadelphia

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Agenda

- Making the Case for Linking Development with Transit
- Best Practices and Current Examples: Opportunities for Philadelphia
Challenge of Financing Transit

- Expensive
- Federal Participation Is Decreasing
- Federal Funds More Competitive
- State and Local Funds Less Available
Benefits of Transit

- Environmental Benefits
- Social Benefits
- Fiscal Benefits
Environmental Benefits

- Reduced Traffic Congestion
- Reduced Fuel Consumption
- Improved Air Quality
- Reduced Sprawl
- Conservation of Open Space
Social Benefits

- Increased Community Interactions
- Health Benefits
- Reduced Traffic Accidents
- Increased Modal Choice
- Neighborhood Revitalization
Fiscal Benefits

- Reduced Road and Parking Facility Costs
- Secondary Economic Development Benefits Through Increased Productivity
- Increased Property Values
- Increased Property Tax Revenue
- Value Capture
Value Capture

- Land Value Premium
- Historical Context
33rd Street IRT Station, Queens, NY

2008
## Transit Proximity Impacting Value

RESIDENTIAL - Single Family Home Sale Price

<table>
<thead>
<tr>
<th>Location/System</th>
<th>Premium Effect</th>
<th>Transit Type</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF Bay Area/BART</td>
<td>+17% within 500 feet of station</td>
<td>Rapid Transit</td>
<td>1979</td>
</tr>
<tr>
<td>San Diego/SD Trolley</td>
<td>+2% within 200 feet of station</td>
<td>Light Rail</td>
<td>1992</td>
</tr>
<tr>
<td>Portland/MAX Light Rail</td>
<td>+10.6% within 1,500 feet of station</td>
<td>Light Rail</td>
<td>1993</td>
</tr>
<tr>
<td>Chicago/Metra Commuter Rail</td>
<td>+20% within 1,000 feet of station</td>
<td>Commuter Rail</td>
<td>1997</td>
</tr>
<tr>
<td>St. Louis/MetroLink Light Rail System</td>
<td>+32% within 100 feet of station</td>
<td>Light Rail</td>
<td>2004</td>
</tr>
</tbody>
</table>

Source: Center for Transit Oriented Development, *Capturing the Value of Transit*, November 2008

**Parsons Brinckerhoff**
## Transit Proximity Impacting Value

**COMMERCIAL - Office Sale Price**

<table>
<thead>
<tr>
<th>Location/System</th>
<th>Premium Effect</th>
<th>Transit Type</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wash., DC/Metro – Silver Spring Station</td>
<td>+14% within 300 feet of station</td>
<td>Rapid Transit</td>
<td>1981</td>
</tr>
<tr>
<td>Atlanta/MARTA</td>
<td>+11% to +15% within 300 feet of station</td>
<td>Rapid Transit</td>
<td>1993</td>
</tr>
<tr>
<td>SF Bay Area/BART – East Bay Stations</td>
<td>No effect within a mile of stations</td>
<td>Rapid Transit</td>
<td>1995</td>
</tr>
<tr>
<td>Dallas/DART Station Areas</td>
<td>+10% within 1,320 feet of station</td>
<td>Light Rail</td>
<td>1999</td>
</tr>
<tr>
<td>Santa Clara County/VTA Light Rail</td>
<td>+15% within a mile of stations</td>
<td>Light Rail</td>
<td>2001</td>
</tr>
</tbody>
</table>

Source: Center for Transit Oriented Development, *Capturing the Value of Transit*, November 2008
## Transit Proximity Impacting Value

### COMMERCIAL - Retail Sale Price

<table>
<thead>
<tr>
<th>Location/System</th>
<th>Premium Effect</th>
<th>Transit Type</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF Bay Area/BART – East Bay Stations</td>
<td>+1% within 500 feet of station</td>
<td>Rapid Transit</td>
<td>1978</td>
</tr>
<tr>
<td>San Diego/SD Trolley</td>
<td>+167% within 200 feet of station</td>
<td>Light Rail</td>
<td>1992</td>
</tr>
<tr>
<td>SF Bay Area/BART – East Bay Stations</td>
<td>No effect within a mile of stations</td>
<td>Rapid Transit</td>
<td>1995</td>
</tr>
<tr>
<td>Dallas/DART Station Areas</td>
<td>+30% within 1,320 feet of station</td>
<td>Light Rail</td>
<td>1999</td>
</tr>
</tbody>
</table>

Source: Center for Transit Oriented Development, Capturing the Value of Transit, November 2008
Optimizing Transit’s Value

• Good Local Economy and Healthy Real Estate Market Conditions
• Supportive Public Policy
• Traffic Congestion
Value Capture Opportunities

- Transit as a Desirable Amenity
- Infill or Development Possibilities
- Political Support for High-Density Development
- Financial Feasibility
- Benefits of Cooperation
Best Practices and Current Examples: Opportunities for Philadelphia
National Examples

- New Development
  - Hudson Yards
  - NorthPoint
  - Portland’s Pearl District
- Existing Development
  - Rosslyn-Ballston Corridor
Hudson Yards

Private Development Potential 2005-2035
28 msf Office
12.6 msf Residential
1.5 msf Hotel
.7 msf Retail

Public Investment
No. 7 Subway extension
Parks and streets

Funding
State funded
Payments in lieu of taxes (PILOTs)
Land sales
Payments in District Improvement Fund (DIF)
NorthPoint Cambridge, MA

- 2.2 million square feet of commercial development
- 10 acres of open space
- 2,700 residences
- Relocated MBTA station already underway
• Philadelphia Delaware River Waterfront
• Philadelphia Naval Yard Business Center (Navy Yard)
Navy Yard

- 1,000 acres
- 3.5 miles from Center City
- ½ mile from Terminus of BSL
- 2004 Master Plan
  - Six Neighborhoods or Development Areas
  - Growth Assumptions
Navy Yard
Navy Yard Growth Assumptions

- Two Separate Growth Assumptions
  - With Heavy Rail
  - Without Heavy Rail
## Comparison of Development Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Master Plan Scenario</th>
<th>Master Plan with Heavy Rail Scenario</th>
<th>Percent Difference with Heavy Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (sf)</td>
<td>5,538,908</td>
<td>7,539,868</td>
<td>36%</td>
</tr>
<tr>
<td>Retail (sf)</td>
<td>72,000</td>
<td>442,070</td>
<td>514%</td>
</tr>
<tr>
<td>Hotel (sf)</td>
<td>369,650</td>
<td>369,650</td>
<td>0%</td>
</tr>
<tr>
<td>Total Commercial (sf)</td>
<td>5,980,558</td>
<td>8,351,588</td>
<td>40%</td>
</tr>
<tr>
<td>Residential (units)</td>
<td>775</td>
<td>4245</td>
<td>448%</td>
</tr>
</tbody>
</table>

Source: PIDC, 2008
## Comparison of Development Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Parking Ratios (Bus)</th>
<th>Parking Ratios (Heavy Rail)</th>
<th>Parking Spaces (Bus)</th>
<th>Parking Spaces (Heavy Rail)</th>
<th>Change in Parking Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>4 / 1,000 sf</td>
<td>2 / 1,000 sf</td>
<td>22,156</td>
<td>15,080</td>
<td>-7,076</td>
</tr>
<tr>
<td>Retail</td>
<td>9 / 1,000 sf</td>
<td>4 / 1,000 sf</td>
<td>648</td>
<td>1,768</td>
<td>1,120</td>
</tr>
<tr>
<td>Hotel</td>
<td>1 / 1,000 sf</td>
<td>1 / 1,000 sf</td>
<td>370</td>
<td>370</td>
<td>0</td>
</tr>
<tr>
<td>Residential</td>
<td>2 / unit</td>
<td>1 / unit</td>
<td>1,550</td>
<td>4,245</td>
<td>2,695</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td><strong>24,723</strong></td>
<td><strong>21,463</strong></td>
<td><strong>-3,261</strong></td>
</tr>
</tbody>
</table>

Source: PIDC, 2008
Transportation Alternatives

- Current Bus Service
- Enhanced Bus Service
- Heavy Rail Extension
Evaluation Criteria

- Ridership
- Capital Cost
- Operating Cost
- Environmental Impacts
- Economic Impacts
- Traffic Impacts
Transit Mode Share

<table>
<thead>
<tr>
<th></th>
<th>Current Bus</th>
<th>Enhanced Bus</th>
<th>Subway Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>20,179</td>
<td>20,179</td>
<td>24,266</td>
</tr>
<tr>
<td>Residents</td>
<td>1,356</td>
<td>1,356</td>
<td>7,429</td>
</tr>
<tr>
<td>Boardings</td>
<td>765</td>
<td>1,153</td>
<td>8,200</td>
</tr>
</tbody>
</table>
Philadelphia PATCO Waterfront Expansion
Philadelphia Waterfront

- History
- In step with the City’s Vision for its Waterfront
- Existing and proposed investment
- Columbus Blvd./Delaware Ave. not served by existing rail transit service
Transit Alternatives

- Light Rail Line along Columbus Boulevard
- Provide a Transit Linkage Between:
  - Center City and Columbus Boulevard
  - South Jersey and Columbus Boulevard
  - Future Linkage to Navy Yard and Sports Complex (Phase II)
Evaluation Criteria

- Estimated Capital and Operating Cost
- Integration with Existing Transportation System
- Consistency with Present and Future Land Use
- Projected Ridership
- Implementation Challenges
PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Alternative 1
Including Phase 2
PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Alternative 2
Including Phase 2
PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Alternative 3
Including Phase 2

[Map of Alternative 3 including Phase 2 with various locations and landmarks labeled]
PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Summary of Alternatives

<table>
<thead>
<tr>
<th></th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily riders</td>
<td>7,000-8,500</td>
<td>12,000-14,600</td>
<td>7,900-9,700</td>
</tr>
<tr>
<td>Annual O&amp;M costs</td>
<td>$10.4M-$12.3M</td>
<td>$11.7M-$14.3M</td>
<td>$11.0M-$13.5M</td>
</tr>
<tr>
<td>Capital costs</td>
<td>$310M-$437M</td>
<td>$364M-$514M</td>
<td>$339M-$479M</td>
</tr>
<tr>
<td>Annualized cap costs</td>
<td>$30.8M</td>
<td>$36.2M</td>
<td>$33.8M</td>
</tr>
</tbody>
</table>

Benefits
- Connects to Franklin Square Station
- Avoids interference with operation of Market Street
- Provides a connection between Market Street, City Hall, PA Convention Center/Reading Terminal Market and Waterfront
- Provides a link between Foxwoods & Sugarhouse casinos
- Highest estimated ridership

Challenges
- No connection to Market Street, Market East or City Hall area
- Limited connectivity to majority of City's transit core

Ridership Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>5000</td>
<td>10000</td>
<td>7500</td>
</tr>
<tr>
<td>2030</td>
<td>7000</td>
<td>14000</td>
<td>9000</td>
</tr>
<tr>
<td>2030</td>
<td>9000</td>
<td>18000</td>
<td>12000</td>
</tr>
</tbody>
</table>

Capital Cost Comparison

<table>
<thead>
<tr>
<th>2008 $</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 $</td>
<td>5000</td>
<td>10000</td>
<td>7500</td>
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<td>2008 $</td>
<td>9000</td>
<td>18000</td>
<td>12000</td>
</tr>
</tbody>
</table>

O&M Cost Comparison

<table>
<thead>
<tr>
<th>Opening Date</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5000</td>
<td>10000</td>
<td>7500</td>
</tr>
<tr>
<td>2006</td>
<td>7000</td>
<td>14000</td>
<td>9000</td>
</tr>
<tr>
<td>2006</td>
<td>9000</td>
<td>18000</td>
<td>12000</td>
</tr>
</tbody>
</table>
Summary
Summary

• Value capture proven to be successful in some markets
• Contingent upon favorable market conditions
• Public private partnerships as financing opportunity
• Potential for value capture in Philadelphia
Sources