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

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Challenge of Financing Transit

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

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Benefits of Transit

- Environmental Benefits
- Social Benefits
- Fiscal Benefits

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Environmental Benefits

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

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Social Benefits

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

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Fiscal Benefits

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

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Value Capture

- Land Value Premium
- Historical Context

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33rd Street IRT Station, Queens, NY

Transit Proximity Impacting Value

RESIDENTIAL - Single Family Home Sale Price

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

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

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Transit Proximity Impacting Value

COMMERCIAL - Office Sale Price

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

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

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Transit Proximity Impacting Value

COMMERCIAL - Retail Sale Price

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

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

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Optimizing Transit's Value

- Good Local Economy and Healthy Real Estate Market Conditions
- Supportive Public Policy
- Traffic Congestion

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Value Capture Opportunities

- Transit as a Desirable Amenity
- Infill or Development Possibilities
- Political Support for High-Density Development
- Financial Feasibility
- Benefits of Cooperation

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Best Practices and Current Examples: Opportunities for Philadelphia

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National Examples

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

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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)

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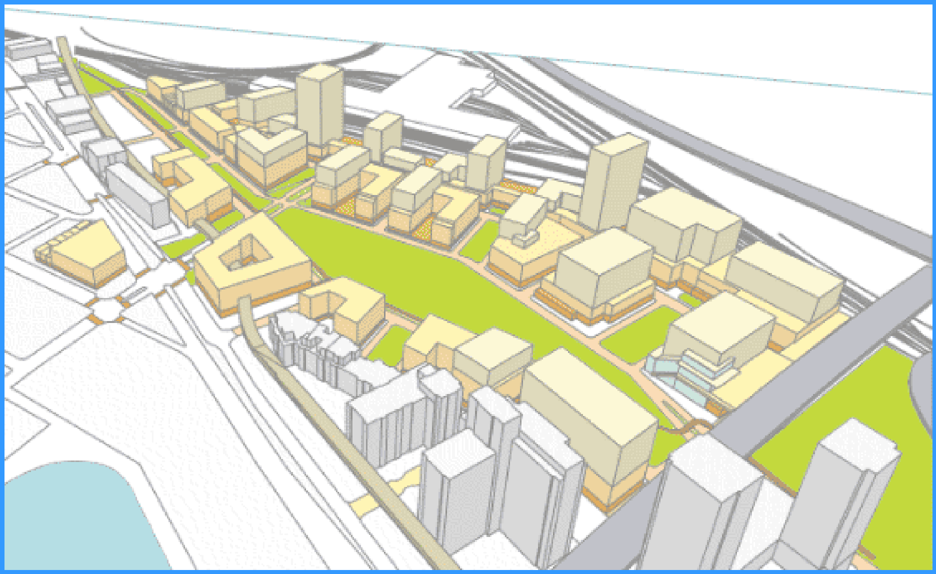
NorthPoint Cambridge, MA

- 2.2 million square feet of commercial development
- 10 acres of open space
- 2,700 residences
- Relocated MBTA station already underway



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Philadelphia Projects

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- Philadelphia Delaware River Waterfront
- Philadelphia Naval Yard Business Center (Navy Yard)

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Philadelphia Navy Yard

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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

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Navy Yard

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Navy Yard Growth Assumptions

- Two Separate Growth Assumptions
  - With Heavy Rail
  - Without Heavy Rail

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Comparison of Development Assumptions

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

Source: PIDC, 2008

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Comparison of Development Assumptions

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

Source: PIDC, 2008

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Transportation Alternatives

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

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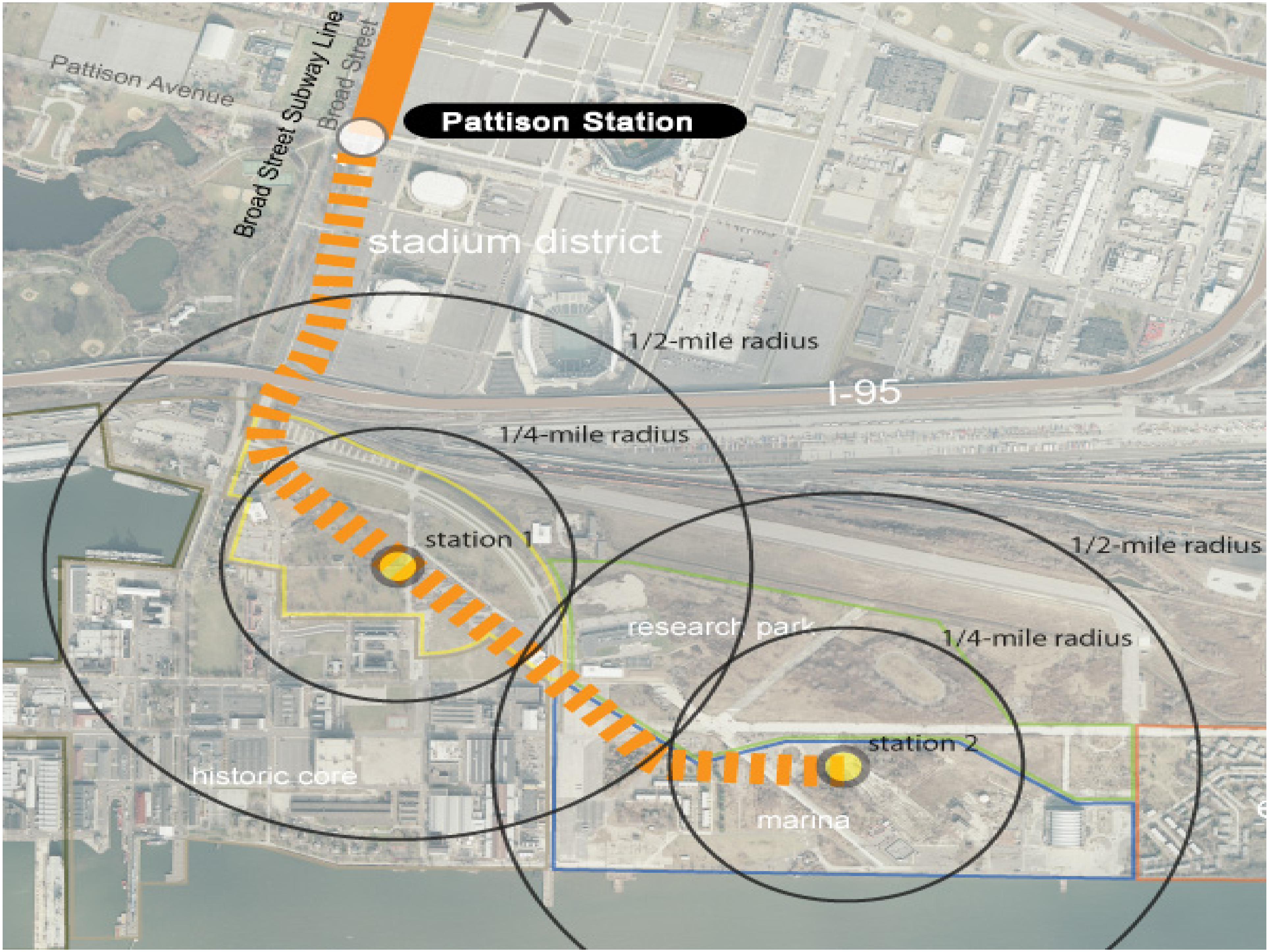
Pattison Avenue
Broad Street Subway Line
Broad Street
Pattison Station
stadium district
1/2-mile radius
I-95
1/4-mile radius
station 1
1/2-mile radius
research park
1/4-mile radius
station 2
historic core
marina

Evaluation Criteria

- Ridership
- Capital Cost
- Operating Cost
- Environmental Impacts
- Economic Impacts
- Traffic Impacts

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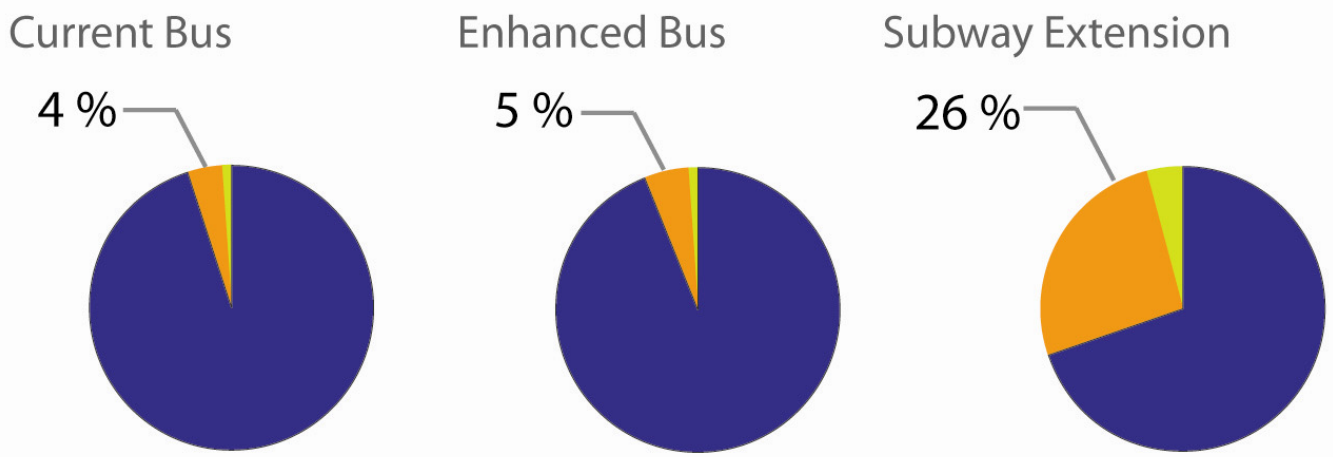
Transit Mode Share



Employment	20,179	20,179	24,266
Residents	1,356	1,356	7,429
Boardings	765	1,153	8,200

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Philadelphia PATCO Waterfront Expansion

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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

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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)

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Evaluation Criteria

- Estimated Capital and Operating Cost
- Integration with Existing Transportation System
- Consistency with Present and Future Land Use
- Projected Ridership
- Implementation Challenges

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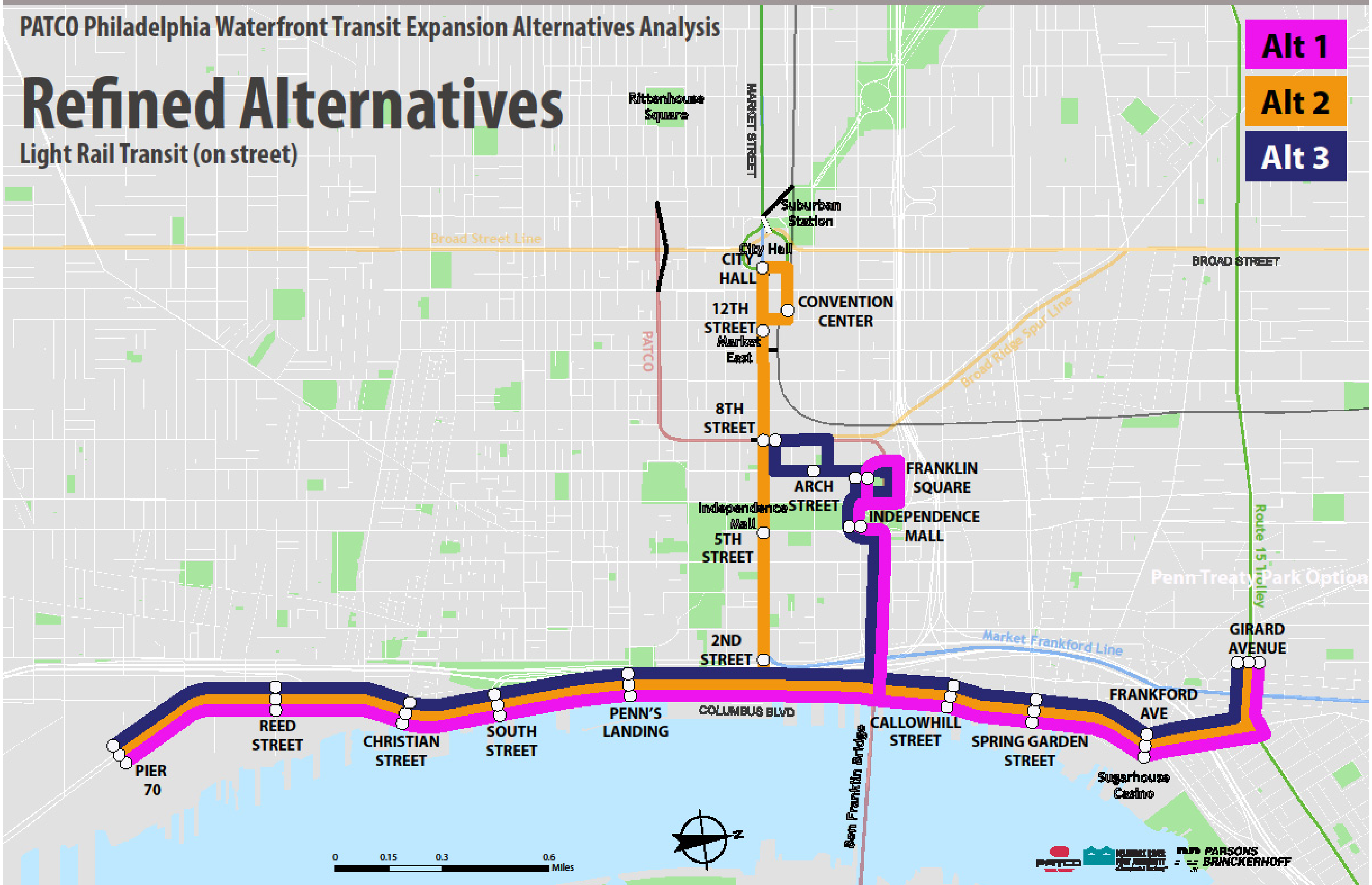
PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Refined Alternatives

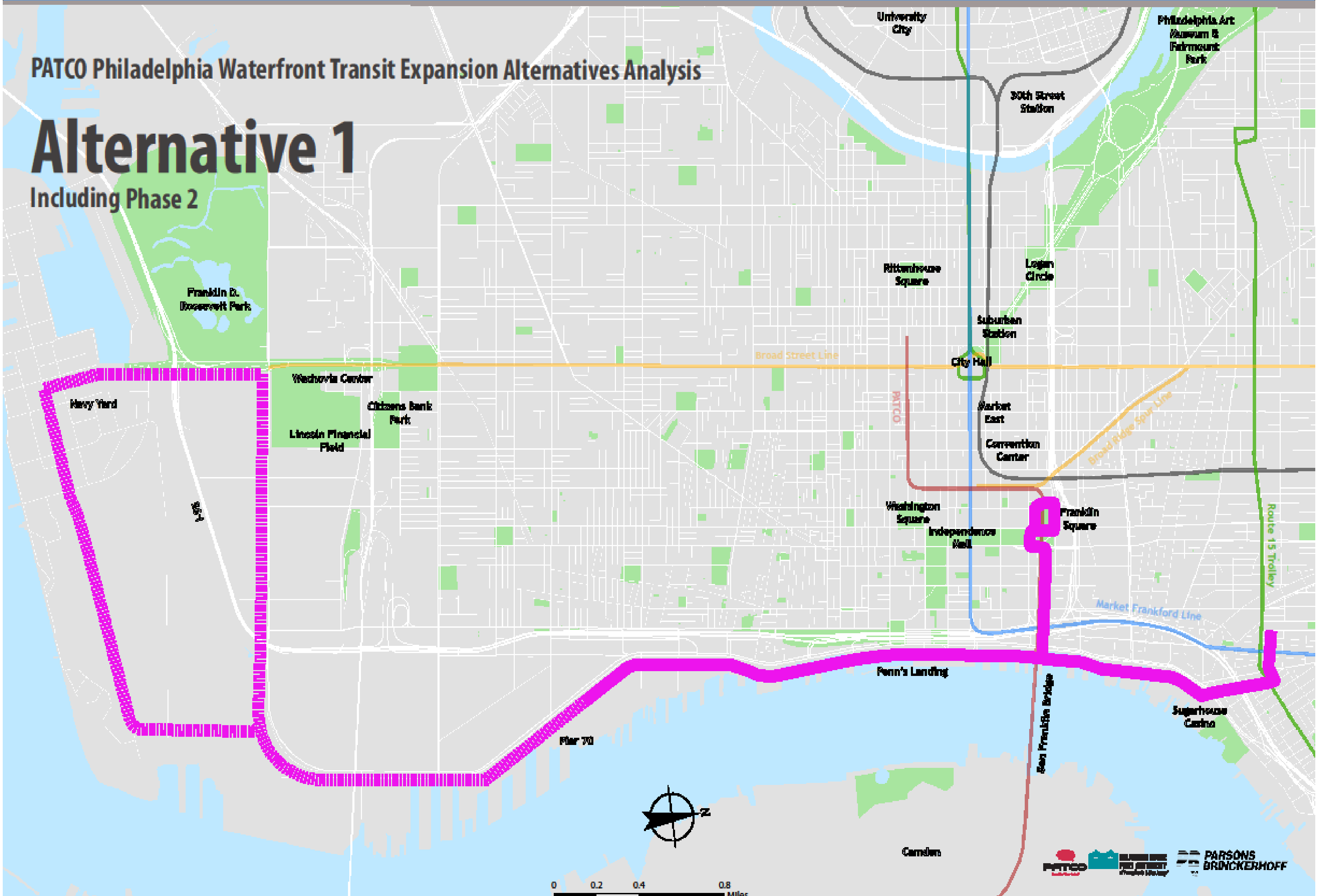
Light Rail Transit (on street)



PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Alternative 1

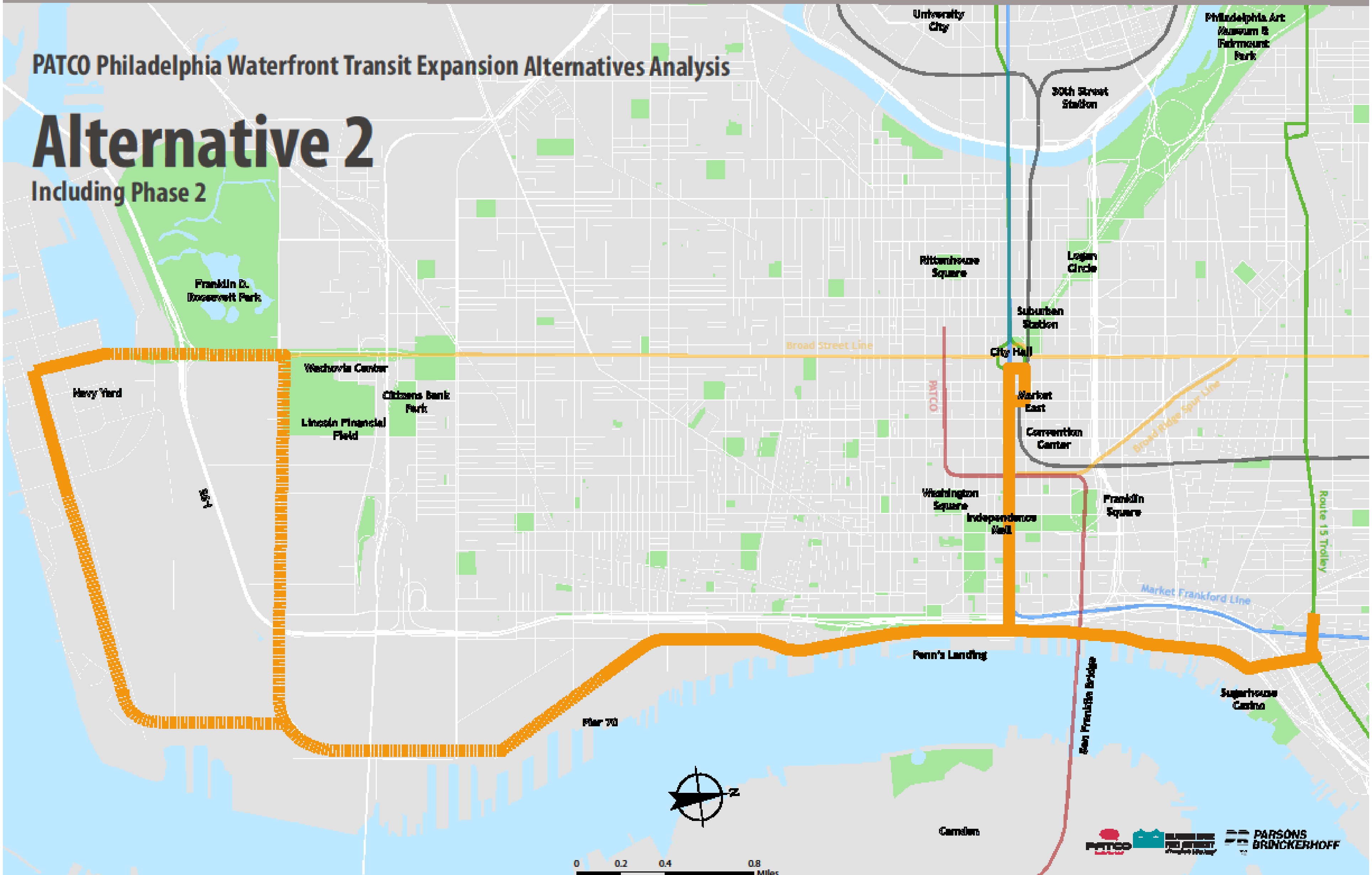
Including Phase 2



PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

Alternative 2

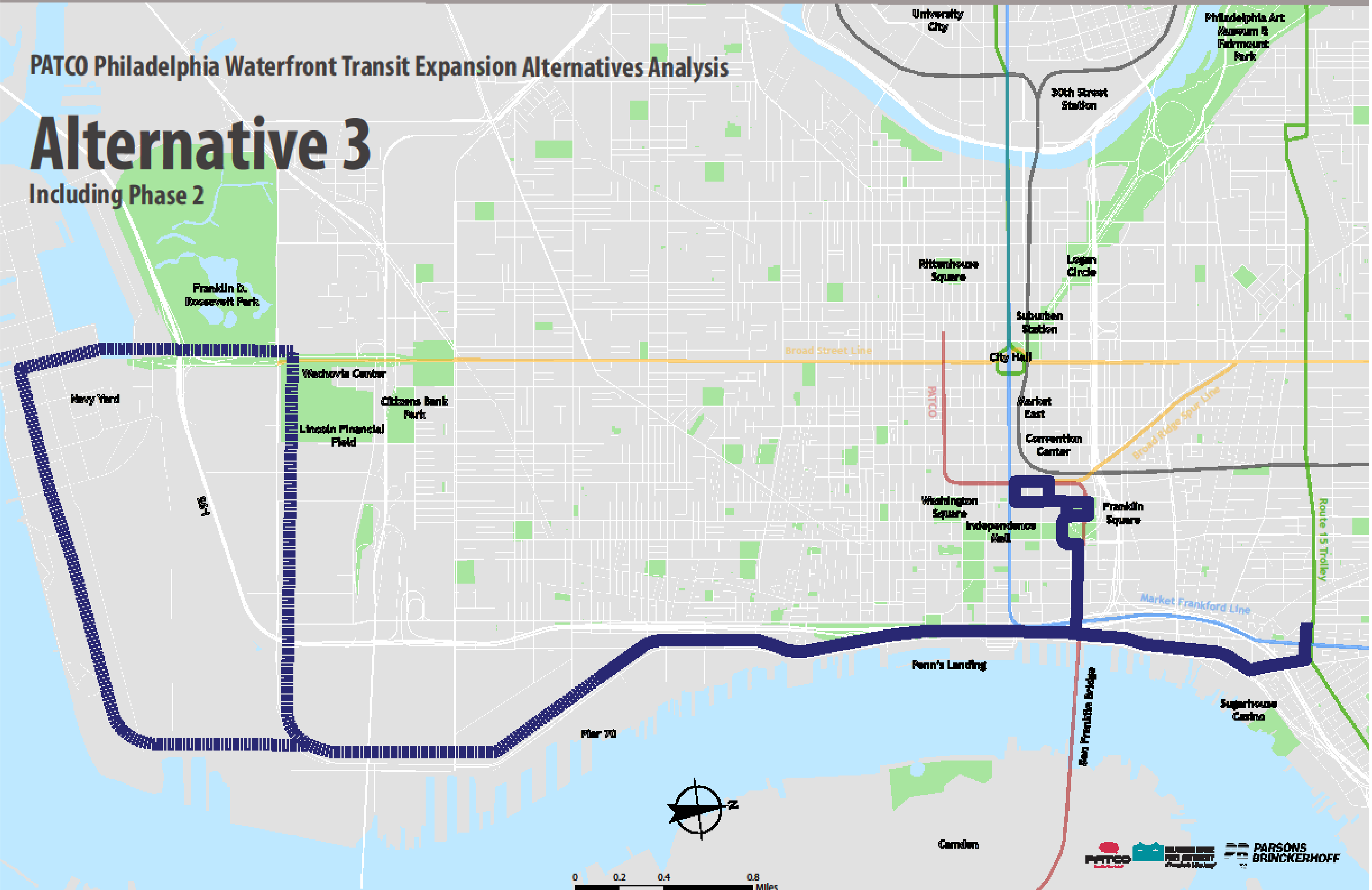
Including Phase 2



PATCO Philadelphia Waterfront Transit Expansion Alternatives Analysis

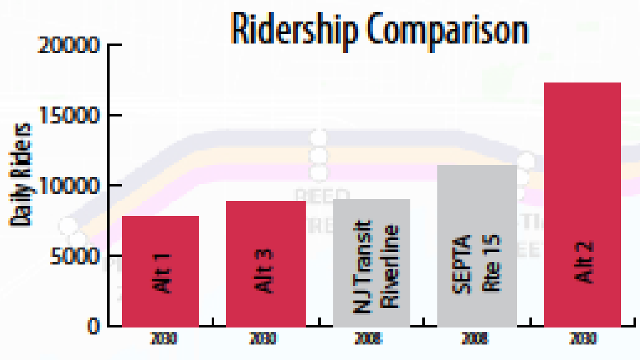
Alternative 3

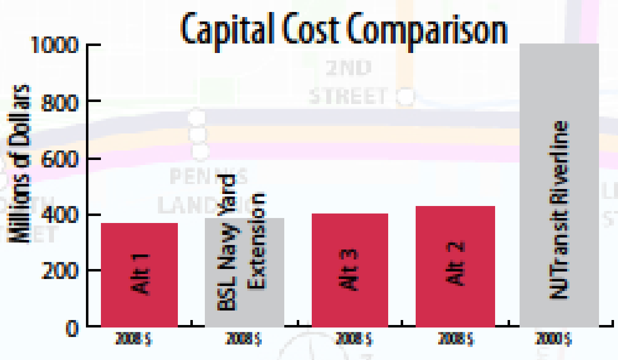
Including Phase 2

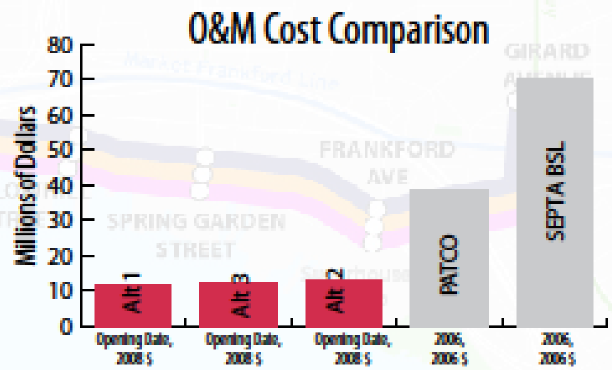


Summary of Alternatives

	Alternative 1	Alternative 2	Alternative 3
Daily riders (2030)	7,000-8,500	12,000-14,600	7,900-9,700
Annual O&M costs	$10.4M-$12.3M	$11.7M-$14.3M	$11.0M-$13.5M
Capital costs	$310M-$437M	$364M-$514M	$339M-$479M
Annualized cap costs	$30.8M	$36.2M	$33.8M
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	Connects to Franklin Square Station Connects to Market East and Market Street at 8th and Market
Challenges	No connection to Market Street, Market East or City Hall area Limited connectivity to majority of City's transit core	Impacts to operation of Market Street Success tied to relocation of some transit service from Market Street Routing over I-95 may be inconsistent with City's vision for Penn's Landing	Impacts functioning of Market Street between 7th and 8th Operates on heavily-congested 8th Street between Arch Street and Market Street







Summary

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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

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Sources

- Center for Transit Oriented Development, "Capturing the Value of Transit," Nov. 2008
- PennPraxis, "A Civic Vision for the Central Delaware," Nov. 2007
- ERA, "Delaware Waterfront Economic Feasibility Analysis Technical Memorandum," September 2007
- PIDC, "Broad Street Line Feasibility Study Executive Summary," Sept. 2008
- DRPA/PATCO, "PATCO Philadelphia Waterfront Transit Expansion AA Definition of Alternatives," October 2009

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