

Developing Around Transit

*Challenges
for Cities
and
Suburbs*

ROBERT T. DUNPHY



The Englewood City Center project, outside Denver, Colorado, includes city hall, offices, retail shops, and housing. The Denver Light Rail station is at the rear in the center.

The author is Senior Resident Fellow, Transportation and Infrastructure, Urban Land Institute, Washington, D.C., and a member of the TRB Transportation and Land Use Committee.

Current interest in public transit investments is enormous. The challenge is to create the supporting development that will make the investments work.

The Federal Transit Administration recently approved funding for projects in Phoenix, Arizona, and Charlotte, North Carolina. The two join the ranks of light rail cities, which in recent years have added Houston, Texas; Las Vegas, Nevada; and Minneapolis, Minnesota—regions in which transit had captured only 3 to 5 percent of commuters in 2000.

In spreading from traditional markets such as New York, Chicago, and San Francisco to nontraditional markets in the South, Midwest, and West, transit faces a twofold challenge. The first challenge is for advocates to convince the larger community that transit will work—that it will serve middle-class people who are accustomed to driving. The second and more difficult challenge is making the case that compact, urban development around transit will work to generate the ridership necessary to support the new project.

This kind of smart growth linked to transit is also necessary in established markets that have grown up around transit. Ironically, residents in some traditional transit cities such as Boston and Cleveland do not believe that they have any transit-oriented development, which is perceived as more of a West Coast,

new urbanist phenomenon—that is, allied with smart growth and walkable communities that are large suburban planned developments.

Aspects of a Conundrum

The conundrum is that much of the interest in new transit investments is occurring in places where transit is a novelty, yet many established transit markets are struggling to maintain services. A national survey, conducted under the Transportation Research Board's Transit Cooperative Research Program, identified approximately 100 transit-oriented developments in the United States.¹ This is a paltry number, which suggests either that not much is occurring or that the size of this market is severely underrepresented in the survey results, considering the vast amount of attention devoted to the topic of transit-oriented development in the planning and transit literature.

A new book by the Urban Land Institute, *Developing Around Transit: Strategies and Solutions That Work*, avoids the term transit-oriented development but highlights examples that meet the goals, whether or not the developers or the cities acknowledge it (1).

Another aspect of the conundrum is that from a

¹ Transit Cooperative Research Program Project H-27, Transit-Oriented Development: State of the Practice and Future Benefits.

transit perspective, urban projects yield the greatest leverage in expanding transit ridership and supporting transit services. New housing and offices in neighborhoods with good transit service create additional transit riders, often without the need for adding transit service. Neighborhoods accessible to transit also give options to new residents who would like to avoid driving.

Reshaping Development

Building in established urban areas is friendly to transit, but unfriendly to development. Projects take longer and are more expensive to build. The market is often unproven—the risks are high, and profits are uncertain. In contrast, conventional suburban projects are development-friendly, but transit-unfriendly. Most growth is expected in the suburbs; therefore the challenge is to reshape conventional development to create the kind of vibrant places that offer transit choices.

The market opportunities for urban infill development are excellent in many older areas, with young professionals and empty nesters seeking a more urban lifestyle, and with employers seeking neighborhoods that offer more employee amenities. In the report, *Emerging Trends in Real Estate: 2005*, the Urban Land Institute and PricewaterhouseCoopers ranked the areas near transit highest for development and investment, reflecting the appeal of infill development, as well as the public's frustration with traffic congestion.

Development, however, does not occur just because of transit. Block 37 in downtown Chicago, for example, has been vacant since 1990, when the city cleared the land for mixed-use development. The location is excellent, but the vagaries of the marketplace have foiled the city's plans to create a mixed-use development in one phase—the office market lacked sufficient depth when retail business was strong, and vice



Block 37 in downtown Chicago was hard to develop despite the ready benefits of transit access in the Loop.



The Mockingbird Station residential development stands adjacent to Dallas Area Rapid Transit's Mockingbird Lane Station.

versa. When the city relaxed the requirement for single-phase development, a new developer with a retail orientation gave the project new momentum. The experience demonstrates that in urban infill development, a strong location cannot make up for soft market conditions or unrealistic expectations.

The first mixed-use transit project in Texas, Mockingbird Station is located adjacent to a Dallas Area Rapid Transit light rail station. The developer understood the appeal of in-town living near transit, although the city would not assist with pedestrian improvements and would not relax parking standards because of the light rail. In contrast, Dallas suburbs such as Richardson and Plano have created more urban development around their transit stations.

Markets and Policies

Reinforcing a strong market with consistent public policies can turn individual projects into successful transit districts. One of the best examples in the United States is the Rosslyn–Ballston corridor in Arlington, Virginia. The vision that developed three decades ago with the support of public officials and civic leaders has turned a once-declining strip into a vibrant mix of office, high-density residential, retail, dining, and entertainment. The development is a massive fiscal success, giving Arlington County the region's lowest tax rate.

Successful development around transit is a challenge for cities and suburbs. The transit project must be attuned to the needs of the real estate development market, and developers in turn must appreciate the special opportunities of transit.

Reference

1. Dunphy, R., R. Cervero, F. Dock, M. McAvey, and D. Porter. *Developing Around Transit: Strategies and Solutions That Work*. Urban Land Institute, Washington, D.C., 2005.

POINT OF VIEW presents opinions of contributing authors on transportation issues. The views expressed are not necessarily those of TRB or TR News. Readers are encouraged to comment in a letter to the editor on the issues and opinions presented.