



Photo courtesy of Transit for Livable Communities

# *Transit Options*

## Supporting Communities During Tough Times

By Judy Newman

Throughout the United States, housing and commercial construction have slowed to a crawl, as banks have tightened lending and consumers have cut back on spending.

Construction spending nationwide hit a 10-year low of \$805 billion in July, according to an analysis of Census Bureau data by the Associated General Contractors of America.

But, even during these tight times, at least one kind of development continues to roll out: projects close to a transit rail line. Though the recession has impacted them as well, many of the projects built over the past decade associated with rail accessibility are still popular and holding their property values relatively well, officials say.

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Photo courtesy of Dallas Area Rapid Transit



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- In Dallas and in Charlotte, N.C., studies have shown light rail lines have spurred billions of dollars in development and planned extensions of the lines are triggering construction projects, years in advance.
- In suburban Minneapolis, Bloomington Central Station boasts that it is Minnesota's first urban village built along a light rail line and light rail has prompted new housing and new jobs.
- In Sacramento, plans are moving forward for 2500 R, a proposed development of 34 highly energy-efficient homes that will sit next to a light rail line.
- In Grayslake, Ill., Prairie Crossing residents grow native grasses on their front lawns and dine on organic veggies from the farm behind their homes, in a green development built next to a commuter rail station.

### By the Numbers

There is Texas-sized proof that light rail has kept construction crews busy in the Dallas area. A 2009 study by University of North Texas (UNT) economists Terry Clower and Bernard Weinstein projected that a planned 45-mile expansion of DART, Dallas Area Rapid Transit, doubling the reach of the rail line by 2013, would generate \$4 billion in development between 2009 and 2014.

In Plano, the announcement of a station has been the catalyst for reinvestment and growth in a neighborhood.

“Dallas Area Rapid Transit’s light rail operations continue to be one of the best examples of the growing importance of transit, in all modes, to sustainable economic and community development,” the study said.

Residents are riding the rails: DART recorded 19 million passenger trips on its 48-mile light rail system in the 2009 fiscal year.

Light rail has changed the face of suburban communities such as Plano, Clower said, in an interview. “We certainly have seen areas where the announced location of a station has been the catalyst for reinvestment and growth in a neighborhood,” he said.

Once a farming community, Plano has experienced significant growth since the 1970s. However, Plano’s downtown had seen better days, as of a decade ago, and was left with a number of run-down buildings and empty shops. When plans were announced for a light rail station there, “investors started to buy property. And the properties have done well,” Clower said.

The city of Plano razed some of the older buildings and created parks as developers built mixed-use projects. “It was a reinvigoration of the commercial district,” said Clower, director of UNT’s Center for Economic Development and Research.

Studies in Charlotte, N.C., have shown that since the Lynx light rail system opened in late 2007, \$810 million worth of development has been built or is under construction near light rail stations.

“It was very interesting. On the southern line, there were areas that had been a little depressed, and it’s really a trendy place now. And all that development is along the light rail,” said Alison Royal-Combs, government affairs chair for the Charlotte Regional REALTOR® Association.

Plans are in the works to extend light rail to northern parts of the Charlotte area, including the North Carolina Research Campus in Kannapolis, a public-private venture for biotechnology and nutrition research at the site of a former Pillowtex Corp. factory. Royal-Combs, a REALTOR® with Allen Tate Co. whose business is focused in that vicinity, has been attending meetings about the planned rail line since the 1990s, she said.

“That whole corridor has already started some development in anticipation of this,” Royal-Combs said.

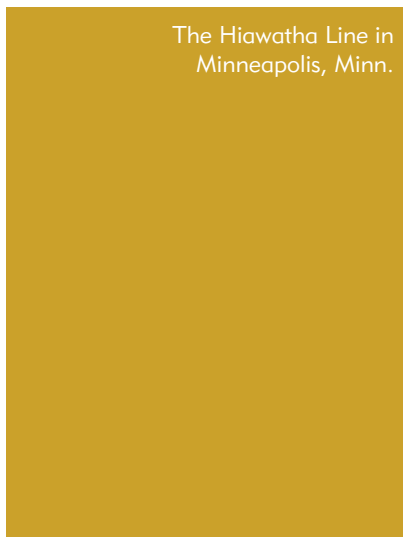
Ridership on the Hiawatha line in Minneapolis has been an astounding 50 percent above projections.

### Selling on the Rail

In Minnesota, the Hiawatha light rail line, running from downtown Minneapolis to suburban Bloomington, has been a huge success since it began operating in 2004, according to the nonprofit organization Transit for Livable Communities. Ridership has been an “astounding” 30,000 passengers a day; 50 percent above projections, said Dave Van Hattum, the group’s policy and advocacy program manager.

“In the Twin Cities, we have a lot of new ‘T,’ as in the transit piece of transit-oriented development. It’s shifting our region’s development approach from one that is highway dominant to one more focused on transit, biking and walking,” Van Hattum said.

A location near a Hiawatha light rail station has been a good draw for some of the housing developments around the area, said REALTOR® Jay Anderson, of Coldwell Banker Burnet. “Absolutely. It’s a huge selling feature for us.”





Property values for single-family homes within a half-mile of light rail stations in south Minneapolis are, on average, \$5,000 higher than comparable homes.

Anderson was a sales representative for the Olin Crossings condominiums during 2004-2007 and for the Corridor Flats condos in 2007-2008. Both are adjacent to the Hiawatha line.

When he began marketing the developments, he had targeted a specific demographic of potential clients but soon tossed out the guidelines. “All sorts of persons were attracted (to the projects) for all sorts of reasons,” Anderson said, ranging from young families to downtown employees to adults looking to downsize their homes. It was clear that the light rail line was important. “That’s what the whole purpose was, the walkability factor and being able to use the light rail,” he said.

Single-family homeowners also have been interested in moving near the Hiawatha line stations, Anderson said, but their preference has been to live six to eight blocks away. “If it’s that type of person to use the light rail, they don’t mind walking (to the station),” he said.

Property values for single-family homes within a half-mile of light rail stations in south Minneapolis are, on average, \$5,000 higher than comparable homes in a control group, according to research by the University of Minnesota Center for Transportation Studies. The reports also showed that more than 2,000 jobs were created near downtown Minneapolis Hiawatha line stations, even as the number of jobs decreased, overall, throughout the region.

Affordable housing is being built near some of the new light rail stations still in the planning stage, said Van Hattum, of Transit for Livable Communities. “There is early investment in housing along the western end of the line, near the University of Minnesota. The new stops open the possibility of affordable housing — and housing is much more affordable when you don’t have to have a car to get around,” Van Hattum said.

Light rail helps sell the point that we have transportation available for people who can walk to the light rail station and walk to work.



Photo courtesy of Dallas Area Rapid Transit



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### Promoting Energy Conservation

Light rail was not the impetus for Pacific Housing, of Sacramento, to draw up plans for 2500 R. The project, at 25th and R streets, will feature 34 prefabricated, single-family homes built to produce as much energy as they consume. But it plays an important role in the concept for the project and may help get it built, says Mark Wiese, president of the nonprofit development company.

“I view being on the light rail line a plus. It helped make this site the perfect storm for what we want to do,” Wiese said.

Aimed at the first-time buyer, 2500 R homes will be 1,400 square feet, have a one-car garage, up to three bedrooms and two and a half bathrooms and will sell for \$310,000 to \$320,000. They will be built by Zeta Communities, a San Francisco company with a factory about five miles away from the development, eliminating the need to transport materials long distances. Sunverge Energy, of Stockton, will supply photovoltaic solar panels for the roofs and lithium batteries to store energy inside the homes for use when the sun doesn’t shine.

The property is 180 feet from a light rail station, Wiese said. “I think it will help in today’s world of people trying to move away from fossil fuel or from oil,” he said.

Noise studies are in progress. Wiese said he hopes the project will get the go-ahead from the city of Sacramento by the end of the year and construction can begin early next spring. Financing 2500 R is not yet complete. “We have some commitments and some interest” from private sources, Wiese said.

“All funding is terrible (since the recession). Does light rail help? It helps sell the point that we have transportation available for people who can walk to the light rail station and walk to work,” he said.

In Grayslake, Ill., Prairie Crossing is a far cry from the office towers, shopping centers and densely-packed homes in the Chicago area. A conservation community that broke ground in 1992, Prairie Crossing features a

Photo courtesy of Maryanne Natarajan



Prairie Crossing in Illinois

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People will be more frugal, will have fewer cars, and they will use trains.

natural lake and marsh grasses; an organic farm used for teaching sustainable farming practices and for providing fresh produce to residents; a community center where forums and concerts are held; and an alternative school. Two commuter rail lines stop at Prairie Crossing; one goes to downtown Chicago, the other, to O'Hare International Airport. All 359 of the development's single-family homes, equipped with geothermal heating, are sold as well as half of its 36 condominiums.

"The idea is to build in harmony with the land, build in a way so that the land is enhanced, the environment is enhanced and people's lives are enhanced at the same time," said Vicky Ranney, president of Prairie Holdings Corp., the development company.

A study showed 30 percent of the residents ride the train on a regular basis. "Having the train there is a real asset for us and for the people who use it," Ranney said. "I can get from Prairie Crossing to Chicago in one hour and ten minutes or less; there are times when it's two hours to drive in rush hour."

### **Tight Economy Slows Development**

To be sure, development is not a sure thing, even if it's near rail, especially in the current economy. A huge project that would have turned a former General Motors plant into a mixed-use development near rail transit in Doraville, Ga., crashed recently when public funding was turned down. Plans to add two more phases of housing to the Olin Crossings condo development in Minneapolis are on hold. Efforts to sell the remaining condominiums at Prairie Crossing in Illinois have dried up, for now, and several specialty shops closed their doors. But Ranney, of Prairie Crossing, said she thinks interest will revive when the economy improves.

"I do believe so. People will want to be living near the trains. When the economy comes back, people will come back, and they will be more frugal. They will have fewer cars and they will use trains," Ranney said. ●

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