

TRANSIT-ORIENTED DEVELOPMENT IN PHILADELPHIA:

Using a proven strategy to create more vibrant, livable neighborhoods.

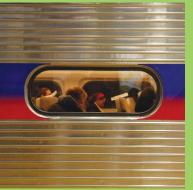
A report outlining
opportunities to create
more TOD in Philadelphia
and its role in supporting
a stronger city economy.













October 2007

About NeighborhoodsNow

NeighborhoodsNow, a Philadelphia-based nonprofit contributes to the economic vitality of the city and region by collaborating with public and private organizations to strengthen low- and moderate-income communities. We are a catalyst using public policy work, direct revitalization programs and strategic partnerships to re-energize and rebuild neighborhoods. Our Healthy Neighborhoods Initiative focuses on stabilizing 'middle-market' neighborhoods through improvements in physical appearance, resident engagement and market health. Our transit-oriented development work seeks to capitalize on existing transit assets by attracting new real estate investments that benefit current and future neighborhood residents. NeighborhoodsNow is governed by a board of directors with expertise in economic development, neighborhood revitalization and policy development.

About Econsult Corporation

Econsult Corporation (www.econsult.com) was founded in Philadelphia in 1979 for the purpose of providing high quality economic research and statistical & econometric analysis in support of litigation. Today Econsult's practice has expanded beyond litigation to include economic consulting services to assist business and public policy decision-makers. Econsult's academically distinguished consultants and affiliates combine quantitative expertise and experience with customized approaches designed to meet client's needs.

About the Authors

Richard P. Voith, Ph.D., Principal Author. Dick Voith is Senior Vice President and Principal of Econsult Corporation. He is an economist whose contributions to transportation and urban economics span both the academic and popular press. In particular, Dr. Voith is a well known expert in transportation and real estate economics, including the impacts of transportation and other policies on the real estate market and development patterns. Dr. Voith was recently appointed by PA Governor Rendell to the newly created Transportation Funding and Reform Commission charged with recommending appropriate levels of funding for transit systems, roads and bridges throughout the Commonwealth. Dr. Voith was also a leader in the Greater Philadelphia Transportation Initiative, the region's first independent organization dedicated to transportation policy analysis and research in Greater Philadelphia. Prior to joining Econsult, Dr. Voith held the position of Economic Advisor at the Federal Reserve Bank of Philadelphia where his responsibilities included analysis of Philadelphia's regional economy.

Dr. Voith served on the Board of Directors of the Southeastern Pennsylvania Transportation Authority (1992-2000) as one of two representatives for the City of Philadelphia. He is currently on the editorial board of Real Estate Economics and an associate member of the Urban Land Institute.

Lee Huang, M.G.A Lee Huang is a Director of Econsult Corporation. With an undergraduate degree from the Wharton School and a master's degree from the Fels School of Government of the University of Pennsylvania, Lee provides an excellent perspective for public, private, and non-profit clients. As an employee of The Enterprise Center in Philadelphia for ten years, Lee also has extensive experience in day to day management as well as strategic decision making. Lee is a key member of the Econsult consulting team, and has been responsible for leading projects examining commercial corridors, state and city tax incentive zones, and transportation planning, as well as providing financial and economic impact analysis for a wide range of clients.

Acknowledgements

We are extremely grateful to Lee Huang and Richard Voith of Econsult Corporation for producing a very thoughtful and timely report, and for engaging in an iterative process and graciously allowing many people to provide comments and participate in the review process. We also thank the following, who not only generously provided their time and expertise to the review process, but have also made valuable contributions to the development of NeighborhoodNow's approach and philosophy.

Richard Bickel, Delaware Valley Regional Planning Commission

Karen Black, May 8 Consulting

Karyn Conway, Ogontz Avenue Revitalization Corporation

Omowale Crenshaw, Enterprise Heights Real Estate Development Company

Anne Fadullon, Dale Corporation

David Fogel, SEPTA

Andrew Frishkoff, City of Philadelphia

Eva Gladstein, City of Philadelphia

Rose Gray, Asociación Puertorriqueños en Marcha

Donald Haskin, Citibank

Farah Jimenez, Mt. Airy USA

Melissa Long, Long Associates

Karin Morris, Delaware Valley Regional Planning Commission

Jeremey Newberg, Capital Access

Richard Redding, Philadelphia City Planning Commission

Jason Salus, Mt. Airy USA

Patrick Starr, Pennsylvania Environmental Council

Sam Zimmerman-Bergman, Reconnecting America

Diane Strauss, Strauss and Associates Michelle Webb, Philadelphia City Planning Commission

V. Lamar Wilson, Wilson Associates

NeighborhoodsNow Board of Directors

Thomas L. Webster, *Chair*, The Gabriel Institute Larry Segal, *Vice Chair*, Impact Pennsylvania Strategies, LLC

Robert Penn Biron, *Secretary*, City of Philadelphia,

Law Department

Jim Ferris, *Treasurer*, NeighborWorks Capital Corporation

Kimberly Allen, Wachovia Regional Foundation John Claypool AIA, AICP, American Institute of Architects Philadelphia

David Fair, United Way of Southeastern Pennsylvania

Amy B. Lempert, Federal Reserve Bank of Philadelphia

Belinda Mayo, Office of Housing and Community Development

Robert Rosenthal, TRF Development Partners Gene S. Schneyer, Esq., Resources for Human Development

Samuel Sherman, Jr. New Urban Ventures

NeighborhoodsNow Staff

Beverly Coleman, Executive Director Diane-Louise Wormley, Deputy Director Jacina Adolphus, Program Assistant Ariel Ben-Amos, Graduate Intern

Graphics and Editorial

Margaret Hughes Berkey Sage Communications Partners Cover Design - SK Designworks Photos - Raymond Holman, Jr., Heather Newcomb

The opinions expressed in this report are those of the authors and do not necessarily express the views of the funders.

Foreword

on behalf of Econsult Corporation, I want to thank NeighborhoodsNow for giving us the opportunity to produce this report: "Transit-Oriented Development: Using a Proven Strategy to Create More Vibrant, Livable Neighborhoods." Whether in my capacity as a consultant, or working on the Governor's Transportation Funding and Reform Commission or in my former role as Vice Chair of the Board of Directors of SEPTA, I have always believed that Philadelphia needs to make the most of its outstanding transit infrastructure. In many ways, transit is fundamental to the city's urban character, which is the city's greatest financial strength and its most distinctive characteristic. Transit-oriented development can be a powerfully effective way to capitalize on Philadelphia's assets and to do it in a way that has the most impact on neighborhoods.

Transit-oriented development was an integral component of Philadelphia's development in the past, and deserves to be an integral approach to our development in the future. The notion of orienting residential, retail, and recreational activities to make the most of transit access is as old as some of Philadelphia's oldest neighborhoods. Sadly, citywide disinvestment during the second half of the 20th century, combined with funding crises at SEPTA, have resulted in little if any development near Philadelphia's transit hubs.

However, the pieces are in place to stimulate new and exciting development around Philadelphia's transit stops in ways that make the most of the city's urban assets and its incredible neighborhoods. The transit infrastructure is still there, of course, and despite past funding woes, SEPTA has continued to make large investments to maintain it. Just as importantly, the funding picture for public transportation has improved considerably as a result of this year's budget negotiations.

Philadelphia is in the midst of an extended upward trend in residential and commercial development, both in Center City as well as the neighborhoods. Existing and new residents are embracing Philadelphia's urban renewal as a positive thing, buoyed by amenities like newly renovated parks, improved public schools and vibrant cultural options. Finally, important work is being done at the state level, to provide incentives and targeted funds to facilitate the connection between transit and development.

In short, we are at a crossroads. Can we make the most of transit infrastructure, and the access to jobs, shopping, and recreation that it provides? Can we push to orient new development to transit in such a way that good urban design and safe passageways result? Do we have the collective will to do this all for the benefit of Philadelphia's neighborhoods and of the city as a whole?

We need to be able to answer yes to these questions. Our report concludes with action items, and it is my sincere hope that all of us will take action to make more transit-oriented development happen in Philadelphia.

- Dick Voith Econsult Corporation

Table of Contents

Executive Summary	i
Chapter One: Making the Case for Transit-Oriented Development in Philadelphia	1
Chapter Two: Transit Service and Its Impact on Development	7
Chapter Three: Barriers to Transit-Oriented Development in Philadelphia	17
Chapter Four: Solutions That Encourage More Transit-Oriented Development	25
Chapter Five: Recommendations for Stakeholders	31
Appendix: Site Analysis	37

Executive Summary

Making the Case for Transit-Oriented Development in Philadelphia

Transit-oriented development (TOD) may seem like a new-fangled notion, and in fact has particularly gained momentum and cachet in the past decade; but it is in fact a strategy as old as some of Philadelphia's oldest neighborhoods. Then, as now, neighborhoods became more vibrant and livable to the extent that new development could be oriented to transit access and to the value of the mobility it afforded. Conversely, neighborhoods have suffered in vibrancy and livability when reinvestment has been hindered or when there has been little or no coordination with transportation infrastructure.



Germantown neighborhood of Philadelphia

So it is appropriate that transit-oriented development is a major focus of NeighborhoodsNow. It is also an appropriate moment for the release of this publication, "Transit-Oriented Development in Philadelphia: Using a Proven Strategy to Create More Vibrant, Livable Neighborhoods."

Philadelphia has enjoyed a resurgence in

development activity in the past decade; and in parallel, the City and other key

stakeholders are bringing to the fore important discussions on related topics such as transportation funding, city planning, and neighborhood development. *The time is right* to return to a concept authentic to urban Philadelphia and to its most storied neighborhoods, that of transit-oriented development.

TOD refers to a mixed-use development in close proximity to a public transit station, which provides a community with a variety of transportation options, multiple uses in a compact setting, and pedestrian-friendly design. If done well, *TOD can confer a variety of benefits to residents and to a region:*

- A sense of place
- Economic development
- Economic equity
- Environmental stewardship
- Greater mobility
- Healthier citizens
- Increased transit ridership
- Public cost savings
- Public/private partnerships
- Public safety
- Quality of life
- Reduced congestion

This list of potential benefits is of great relevance to neighborhoods. Neighborhoods all across Philadelphia, after all, seek to be aesthetically pleasing and authentically designed; they want robust commercial growth but also multiple price points for housing; and they desire most of all an enhanced economic and social quality of life. TODs, at their best, can confer these sorts of *positives to neighborhoods* in which they are located:

- Affordability. Higher densities can enable
 a mixing of house price levels. Also and
 importantly, proximity to transit stops
 can lead to a reduction in
 transportation costs for working
 families, by reducing or even
 eliminating the need for a car and
 related expenses. Thus, connecting with
 TOD can produce a twofold effect on
 cost of living for working families.
- Access. For the segment of the local population that does not wish to or cannot afford to own a car, being near public transit greatly increases the pool of potential jobs that can be pursued and obtained, as well as the universe of retail outlets that can be reached and utilized. To the extent that TOD brings retail and other employment to neighborhoods, these also represent additional shopping options and job opportunities.
- Aesthetics. TOD can bring good urban design to previously disinvested communities. Its value for pedestrianfriendliness can also bring the necessary lighting and access to make safer previously avoided intersections.

These potential benefits represent the upside for neighborhoods of having TOD. The downside for neighborhoods of not having TOD, of course, is that disinvestment imposes higher costs on families, stifles access to employment and retail centers, and creates physical eyesores in once-prominent locations.

Infrastructurally, TOD requires extensive rail transit service and a dense central core, two conditions that regions around the nation are spending billions of dollars to create or recreate. Meanwhile, Philadelphia has both attributes in abundance. However, good TOD in Philadelphia's neighborhoods has proven elusive. In fact, where development has occurred near transit stops, it has not tapped into the benefits of transit-oriented

development and can generally be best described as merely transit-adjacent development. Even worse, there are a significant number of promising sites in which no meaningful development has occurred at all.

The hindrances to TOD in Philadelphia appear to be more systemic:

The hollowing out of urban
 Philadelphia diminished the value of access
 to destinations served by transit.
 From a development perspective, the
 value of transit access has been
 further lessened by cheap auto travel,



Fruitvale Transit Village. Located in Oakland, CA, this 257,000 square foot transit village was built on former BART parking lots and provides 47 units of mixed-income housing, 114,000 square feet of community services (clinic, library, senior center), 40,000 square feet of retail shops and restaurants and a 150-car parking garage. The project's primary goals include reducing poverty, encouraging public/private investment, improving public safety, providing high quality housing and increasing transit ridership. Fruitvale Transit Village is considered one of the most successful inner-city TODs in the country. Citigroup invested \$27 million in construction and permanent financing for this \$100 million, mixed-use development.

- regional decentralization, reduced service levels, and uncertainty resulting from the absence of dedicated funding.
- No development, let alone that oriented to transit, will take place if there is no profit to be made in developing. In fact, the City

- experienced a significant 50-year pattern of *population and employment loss* after World War II.
- Although Philadelphia does not lack for viable TOD sites, its antiquated zoning code does not go far enough to encourage TOD.

These barriers, however discouraging, also represent opportunities to act now to stem the existence of transit-adjacent development and transit-anemic development and to stimulate the movement towards transit-oriented development. In many ways, the time is right for transit-oriented development in Philadelphia:

- There is a distinct increase in the quality and quantity of conversations at the highest levels over the important subject of *dedicated funding for public transportation*, coupled with the recent multiyear funding commitment by the Commonwealth of Pennsylvania for SEPTA.
- The City is no longer bleeding residents and jobs, and in fact, thanks in part to a citywide ten-year tax abatement on new construction and significant renovation, there has been a notable *increase in residential and commercial development*.
- There has been much discussion recently over the updating and reforming of the City's zoning code, and many groups are particularly urging the City Planning Commission to spearhead a more aggressive and coordinated agenda to zone key transit-proximate sites to encourage TOD.

Transit Service and Its Impact on Development

As much as public transit in Philadelphia is disdained in the media and on the street, it is unmistakably a core asset for the City. It could become a key advantage in an increasingly competitive regional, national, and global economy. The continuing suburbanization of jobs, houses, and retail only underscores this reality: *Philadelphia's edge lies in its urbanness*. From this perspective, the City's vast transit infrastructure is an asset around which to build, literally, rather than a liability to starve or avoid.



West Philadelphia neighborhood

Many of Philadelphia's neighborhoods grew up around transit and railroad lines. In fact, much of the real estate development in the first half of the 20th century was undertaken jointly with transit development. Before the predominance of the car, private incentives were well aligned for TOD; with the advent of the car, that link has been broken. Highways are developed and financed independently of residential and commercial development, and as there is no single entity that has the incentive or authority to undertake TOD, there is no easy coordination between land use, transportation planning, and private development. Further, as the region has decentralized, more and more areas are not accessible except by car.

In evaluating sites for TOD, one must consider the value of the site's nearby transportation

services. The extent to which transit offers real value to residents and businesses in a TOD will determine the profitability and therefore the viability of its realization. After all, developers engage in a TOD when they can expect a sufficient return for their efforts. Developer's profits, in turn, depend on the extent to which households and firms are willing to locate in the TOD.

The price that the site commands, then, will increase if the transit service is perceived as having long-term value, value that people and businesses are willing to pay for to be in close proximity, and value that is determined in part by the following considerations:

- The long-term certainty of the service. The prospect of insufficient funds has frequently resulted in SEPTA proposing to cut or end services and/or raise fares. The significant uncertainty regarding the frequency, cost, and very existence of SEPTA services is a major impediment to successful TOD. Conversely, positive developments, such as the State's recent multi-year commitment of funding to SEPTA, are positively accounted for in the decisions of people and organizations that depend on transit.
- The number and desirability of destinations. An important aspect of the value derived from proximity to a rail station is the access afforded by that station. For example, of the considerable evidence demonstrating that people are willing to pay more to live near transit stops, it has been proven that much of the value conferred is as a result of access to employment centers. Access to employment centers is of huge consequence to neighborhoods, particularly low- to moderate-income ones. To the extent that car ownership percentages are low, access for such neighborhoods to employment centers via public transit is the difference between a relatively small

- universe of job opportunities and a much larger, more promising universe.
- The frequency of service and integration with other services. High frequency routes, wide spans of hours of operation, and service integration, all increase the comfort level riders have about the transit system and thus the value developers can derive from locating new uses in close proximity to its stations.
- The importance of service amenities. Riding transit can be made to be a more enjoyable means of traveling, since riders do not get stuck in traffic, they can concentrate on their work or on a good book, and do not have to worry



SEPTA's Market East Regional Rail Station

about the cost or hassle of parking once they have arrived at their destination. The stations themselves could be sources of value enhancement, to the extent that they adhere to the TOD principle of being aesthetically pleasing, friendly to pedestrian access, and authentic to their particular place. Well-lit and well-greened transit stations could *reduce crime*, *noise*, *and pollution*, three important potential factors that otherwise could confer negative value on transit-proximate sites.

 How automobile access integrates with TOD.
 Successful TODs are able to balance the need for cars with the need for density, and are designed in such a way to extract the value of good automobile access without that accessibility rendering the transit service less valuable. At the very least, parking structures could be designed to enhance the pedestrian experience, by including retail or other visually appealing uses at the street level.

Barriers to Transit-Oriented Development in Philadelphia

Construction costs in Philadelphia are significantly higher than those in the surrounding suburbs, making it expensive to supply Philadelphia with TOD. Furthermore, decentralization of residential, employment, and retail centers has resulted in a significant loss of population, jobs, and shopping activity in Philadelphia.

The fact that the impacts of this decline in population and jobs were not felt equally across the city is even worse for the existence of TOD in Philadelphia. Typically, the oldest, most obsolete development is abandoned first. In Philadelphia's case, this meant that the oldest communities that developed along the major transit lines were the most adversely affected. Thus, instead of TOD-friendly sites attracting more development, they experienced more disinvestment.

Structural Hurdles

- Site assembly with multiple small and/or odd-sized lots
- Demolition and environmental clean-up costs
- Union costs rates and work rule changes required

Governmental Hurdles

- Time consuming and uncertain zoning permitting and entitled processes
- Regulatory requirements with excessive costs

- Lack of government promotion of TOD
- · Outdated and excessively restricted zoning
- SEPTA's regulatory and monetary constraints in advocating for TOD
- Need for public subsidy

Therefore, all things being equal, developers will tend to gravitate towards developing in the suburbs rather than in the city. The City could change that equation and *make development in the city more desirable* in terms of amenities, and/or by lowering the cost to develop in the city.

Thus, for example, the continuation of the ten-year property tax abatement is vital to continuing to make development economically feasible in the city. Other citywide policy decisions, such as reducing the wage tax and Business Privilege tax, improve the viability of TOD by making access to Center City and its retail and employment locations all the more valuable.

Finally, the City could work with SEPTA to shore up its uncertain funding base. There is very little contribution to transit services at the local level, and this translates into a lack of focus on transit at the local level and a lack of coordination between SEPTA and the City around transit and development. This lack of collaborative mindset has resulted in major investments in transit infrastructure, such as the rebuilding of the elevated portion of the Market Frankford Line (MFL) in West Philadelphia, with virtually no consideration of TOD surrounding its station areas.

TOD, with its focus on transit access, good urban design, and multiple housing price points, could be an effective mechanism by which previously disinvested locations, such as those around MFL stations in West Philadelphia and Broad Street Line (BSL) stations in North Philadelphia and South Philadelphia, could be rejuvenated in ways that are aesthetically pleasing and that produce lively, mixed-income settings. Other opportunities exist in communities



TOD opportunity at Broad and Spring Garden Streets

served by the Regional Rail and bus transit service. Thus, such an uncoordinated effort as what has taken place with the reconstruction of the elevated portion of the MFL in West Philadelphia represents a huge loss in opportunity to consider approaches that foster healthy and vibrant neighborhoods and that encourage development that fully capitalizes on the transit resource that the MFL represents to the City.

Solutions That Encourage More Transit-Oriented Development

There are three key steps that the City of Philadelphia and SEPTA must take to make transit-oriented development (TOD) a reality:

Creation of transit-oriented zoning overlays for neighborhood TODs and regional TODs. In order to encourage and facilitate TOD, the City could create zoning overlays appropriate for neighborhoods near transit stations.

• For station areas in Philadelphia that are appropriate for residential *neighborhood TODs*, the zoning rules could include parking maximums, higher residential density allowances, facilities for pedestrian access, neighborhood-oriented mixed-use development and transit interconnections. Such mechanisms could

help ensure that development activity results in affordable housing, safe passageways, good urban design, and other positive outcomes for neighborhoods.

• Zoning overlays could also be used to stimulate *regional TODs*, where existing transit services make the station area accessible to a wide area of the region by transit. These overlays can attempt to spur development by increasing allowed densities. The developments can be multimodal in nature, providing good auto access as well as transit access. Zoning overlays could ensure, however, that parking does not interfere or detract from transit access.

Transit Revitalization Investment Districts (TRIDs). The Transit Revitalization Investment District Act was enacted in 2004 by the Commonwealth of Pennsylvania to enable local governments and transit authorities to create TRIDs. TRIDs enable municipal governments and transit authorities to more closely coordinate transportation infrastructure, land use, and private development. Both the City and SEPTA have much to gain from the aggressive pursuit of TRID as a means to creating more TOD:

The enabling mechanism of value capture, whether through tax increment financing or other avenues, means that TOD-related development and amenities could be funded with no negative impact on the City budget, but rather by taking a portion of future property tax increases that will materialize around the site as a result of the new enhancements. A typical value capture at a neighborhood level might, for example, generate anywhere from two to four million dollars upfront, which could be used for infrastructure improvements and paid off over time with the incremental increase in property tax revenues that result from

- higher property values in and around the TOD.
- As for SEPTA, it has already been discussed that TOD could equate to increased ridership; TRIDs are an effective way for SEPTA to work with the City towards that end.

Developing a priority list of TOD sites. In addition to an overall, citywide TOD strategy, the City could develop a priority list of TOD sites, and mobilize funding, leadership, and administrative efforts



Temple University SEPTA Station

towards developing such sites, in order to achieve early success and build momentum for even more aggressive and comprehensive action. Specifically, all possible sites could be identified and then classified by demand and by use. Perhaps early successes will provide lessons for stakeholders to warm to the potential of TOD to rejuvenate other locations around the city. Not insignificantly, TOD is somewhat fuzzy to grasp on paper but distinctly clear to all when built out, so quick wins are not only useful for building momentum but also for creating images around which more and more supporters could rally. In parallel, City funds could be identified and allocated towards this effort, which would further stimulate additional private sector attention and investment.

- In the long-term, all MFL and BSL stops could be considered for TOD; after all, these very areas were once major residential and retail centers, during the first half of the 20th century, when such uses truly were transit-oriented. Such an orientation to transit use has a deep lineage in Philadelphia, and is a major reason for the remarkable socioeconomic diversity of its neighborhoods. It is inspiring to think that sites that once thrived because high density and transit access were considered assets, and then deteriorated because those same characteristics were deemed liabilities, could now be evaluated anew as promising places for development.
- The need for early successes from which to build leads us to suggest that a few attractive sites should be targeted for immediate action. We agree with NeighborhoodsNow's focus on the 46th and Market and the Temple University sites, as they represent highly attractive, high-density locations primed for early TOD success. Importantly, both sites represent opportunities to organize existing positive momentum around private development towards ends that ensure a healthy evolution to mixeduse, mixed-income communities that are transit-oriented and aesthetically pleasing.
- Other locations, particularly the *Wayne Junction* station, the *North Philadelphia* station, and the *Broad and Girard* station exhibit characteristics conducive to TOD, as do other subway, bus, and rail stops.

Recommendations for Stakeholders

Transit-oriented development (TOD) is, like all real estate development, a collaborative exercise. Thus, it is important that all stakeholders work collectively to pursue both individual TOD sites as well as an overall environment that is more conducive to TOD. Several nonprofits including the Pennsylvania Environmental Council, the Economy League of Greater Philadelphia, and PennTrans are contributing to elevating the significance of public transportation. The following stakeholders are critical to ensuring successful TOD:

- The City of Philadelphia. The City should pursue an aggressive implementation of TRIDs and of TOD zoning overlays, as well as of value capture mechanisms to generate funds to support reinvestment, and affordable housing initiatives that induce a greater mixing of house price levels. City funds could be identified and allocated, further stimulating additional private sector attention and investment. Accompanied by reduced development costs (via the continued property tax abatement on new development) and reduced administrative costs (via unified TOD checklists and inter-agency orientations), these measures help create an environment friendly to development and especially to TOD.
- The Commonwealth of Pennsylvania. The TRID Act is a great start and the Commonwealth resources it commits could be appropriately expended; the Commonwealth could also work with the City to identify dedicated funding sources for transit, thus reducing uncertainties around service levels, as well as additional public subsidies in support of TOD. The Commonwealth's recent commitment to funding SEPTA is also a huge step towards fully capturing the value of transit proximity, and thus represents positive momentum upon which to build.
- SEPTA. The TRID Act provides SEPTA with greater flexibility to consider collaborations with the City, as well as operational objectives that more closely coordinate land use and development

- opportunity with transportation infrastructure; SEPTA could also build TOD plans into all major infrastructure investments.
- Developers. If the public sector is stepping forward with incentives to encourage TOD, private and non-profit developers need to step forward with proposals that deliver the intended results: mixed-income, pedestrian-friendly, and aesthetically pleasing developments.
- Institutional Anchors. Institutional anchors including universities and hospitals could enter into dialogues with the City and SEPTA, such that issues of mobility, parking and pedestrian friendliness are incorporated into their development plans.
- Neighborhood Groups. Neighborhood groups could take advantage of their strong community voice and demand not no TOD or any TOD, but TOD that helps lead to more vibrant, livable neighborhoods; they could also sell residents and policymakers alike on the merits of TOD by championing small-scale examples of successful TODs that have been brought into existence by the efforts of local CDCs.
- Delaware Valley Regional Planning Commission (DVRPC). The big-picture perspective of metropolitan planning organizations (MPOs) comes in handy as TOD initiatives intersect with regional issues of land use, transportation policy, and environmental stewardship. Accordingly, DVRPC could advocate for more dedicated and secure sources of funding for SEPTA, and could continue to make TOD a priority in is funding allocation process, thus using its influence in setting land use to encourage private development that is oriented to transit and that adheres to TOD principles.

Chapter One

Making the Case for Transit-Oriented Development in Philadelphia

Transit-oriented development (TOD) may seem like a new-fangled notion, and in fact has particularly gained momentum and cachet in the past decade; but it is in fact a strategy as old as some of Philadelphia's oldest neighborhoods. Then, as now, neighborhoods became more vibrant and livable to the extent that new development could be oriented to transit access and to the value of the mobility it afforded. Conversely, neighborhoods have suffered in vibrancy and livability when reinvestment has been hindered or when there has been little or no coordination with transportation infrastructure.

So it is appropriate that transit-oriented development is a major focus of NeighborhoodsNow. It is also an appropriate moment for the release of this publication, "Transit-Oriented Development in Philadelphia: Using a Proven Strategy to Create More Vibrant, Livable Neighborhoods." Philadelphia has enjoyed a resurgence in development activity in the past decade; and in parallel, the City and other key stakeholders are bringing to the fore important discussions on related topics such as transportation funding, city planning, and neighborhood development. The time is right to return to a concept authentic to urban Philadelphia and to its most storied neighborhoods, that of transit-oriented development.

What is Transit-Oriented Development?

While there is not yet a universally accepted definition of TOD in the US, most experts would agree that it refers to a mixed-use development in close proximity to a public transit station, which provides a community with a variety of transportation options, multiple uses in a compact setting, and pedestrian-friendly design. Recent examples in the Philadelphia region include Frankford (Market-Frankford Line) and Cecil B. Moore (Broad Street Line), while a recent publication profiled successful TODs in Dorchester, Massachusetts; Washington, DC; and Decatur, Georgia.

Defining TOD

Reconnecting America's program, The Center for Transit-Oriented Development, uses the following definition: "Transit-oriented development is often defined as higher-density mixed-use development within walking distance – or a half mile – of transit stations. We use a performance-based definition, and believe that projects should also:

- Increase 'location efficiency' so people can walk and bike and take transit
- Boost transit ridership and minimize traffic
- Provide a rich mix of housing, shopping and transportation choices
- Generate revenue for the public and private sectors and provide value for both new and existing residents
- Create a sense of place

We believe that TOD is really about creating attractive, walkable, sustainable communities that allow residents to have housing and transportation choices and to live convenient, affordable, pleasant lives – with places for our kids to play and for our parents to grow old comfortably."

If done well, TOD can confer a variety of benefits to residents and to a region:

¹ Pennsylvania Environmental Council, SEPTA.

² "Preserving and Promoting Diverse Transit-Oriented Neighborhoods," Center for Transit-Oriented Development (December 2006).

 A sense of place. In contrast to the sameness of blandness of many suburban developments, TOD values the physical form, and its designs seek to be visually appealing and authentic to a particular community.



Fruitvale Transit Village, Oakland, CA

- Economic development. Retail and other commercial development catalyzed by TOD can result in job creation, commercial growth, and tax revenues.
- Economic equity. By making available housing at different price points, all within walking distance to public transportation, TOD can truly create mixed-income communities and address affordable housing concerns.
- Environmental stewardship. The highdensity approach of TOD means greater recapture of brownfields, increased preservation of open spaces, and fewer resources wasted in providing infrastructure to far-flung developments.
- Greater mobility across all generations.
 Proximity to transit means more social and vocational options for teens, boomers, and the elderly, in comparison to more car-oriented suburban developments.

- Healthier citizens. TOD encourages residents to get out of their cars and make at least part of the trip from point A to point B by walking or biking.
- Increased transit ridership. Co-locating residential, retail, and office uses near transit gets more people out of their cars and onto public transportation, spreading out the fixed costs of transit infrastructure over more users.
- Public cost savings. Aggregating development in a compact fashion means governments need not stretch out their sewer, water, and other infrastructures in costly ways.
- Public/private partnerships. Because it promises profits for private developers, quality-of-life gains for residents, and property tax revenue increases for municipalities, TOD can be a meeting point for dynamic alliances between the public and private sectors.
- Public safety. The re-orienting of transit stops to facilitate pedestrian access can achieve great gains in the perception of safety, both for users of the stop and for residents and workers near it.
- Quality of life. Residents, now given central locations to congregate and interact, can build a richer sense of connectedness that is not often found in isolated, car-centric suburbs.
- Reduced congestion. Moving people towards greater public transit use takes cars off the road, reducing pollution costs, highway wear and tear, and time lost while stuck in traffic.

The Payoff for Neighborhoods

While we will distinguish later between regional TODs and neighborhood TODs, and between the more expansive versus the more localized advantages of TOD, it is important to note here that this list of potential benefits is of great relevance to neighborhoods. Neighborhoods all across Philadelphia, after all, seek to be aesthetically pleasing and authentically designed; they want robust commercial growth but also multiple price points for housing; and they desire most of all an enhanced economic and social quality of life.



Both photos: Mt. Airy neighborhood of Philadelphia

TODs at their best can confer these and other *positives to neighborhoods* in which they are located. A neighborhood-framed review of the above list of benefits would yield the following main payoffs at the neighborhood level:

• Affordability. Higher densities can enable a mixing of house price levels. Also and importantly, proximity to transit stops can lead to a reduction in transportation costs for working families, by reducing or even eliminating the need for a car and related expenses.³ Thus, connecting

³ The Center for Housing Policy contends that affordable housing measures must also account for transportation costs, with access to public transit being

- inclusionary zoning programs with TOD can produce a twofold effect on cost of living for working families.
- Access. For the segment of the local population that cannot afford or does not desire to own a car, being near public transit greatly increases the pool of potential jobs that can be pursued and obtained, as well as the universe of retail outlets that can be reached and utilized. To the extent that TOD brings retail and other employment to neighborhoods, these also represent additional shopping options and job opportunities.
- Aesthetics. TOD can bring good urban design to previously disinvested



communities. Its value for pedestrianfriendliness can also bring the necessary lighting and access to make previously avoided intersections safer.

These potential benefits represent the upside for neighborhoods of having TOD. The downside for neighborhoods of not having TOD, of course, is that disinvestment imposes higher costs on families, stifles

one significant way to ease the cost burden for low- to moderate-income families. "The Combined Housing and Transportation Burdens of Working Families," Center for Housing Policy (October 2006). access to employment and retail centers, and creates physical eyesores in once-prominent locations.

Transit-Oriented – Not Transit-Adjacent or Transit-Anemic

TOD is not a new-fangled notion but actually dates back to the original streetcar suburbs of the late 19th century and early 20th century, although such clustering of jobs and homes around rail stops is often more correctly referred to as "development-oriented transit," since developers built transit around existing uses rather than vice versa. These original locations are often the very sites that hold the most promise for modern-day TOD. However, general disinvestment in older urban corridors, combined with fragmented or no planning, has resulted not in TOD but in what we refer to as "transitanemic development," represented by crumbling infrastructure and minimal active use.

This clustering of residential and commercial districts near streetcar stops was followed by a more car-driven land use pattern after World War II, as heavy investment in roads and highways greatly accelerated Americans' reliance on the automobile. During this time, what little public transportation that remained focused on buses, which of course used the same streets and added even more traffic congestion. Thus, any public transit initiatives put forth during this period tended to focus on relieving congestion, and were not connected to any sort of comprehensive or strategic development of land. We consider this "transit-adjacent development," facilitating auto-oriented access and not fully capitalizing on the benefits of proximity to transit and the increased mobility it affords.

Within the last ten years or so, conversations about transit and land use began to reemerge, as federal legislation started to level the playing field for public transit versus highways, and as developers realized that closer proximity to transit stops could increase land value. At this point, the full-range of TOD-related benefits had not yet been considered, so transit projects were considered solely on the basis of increased financial value, not for how they could synergistically and aesthetically interact with adjacent development.

This sort of development, often referred to as "transit-related development," is now giving way to a broader approach, coined "transitoriented development" by industry godfather Peter Calthorpe, a Berkeley architect and planner who envisioned TOD as an important aspect and manifestation of a growing "New Urbanist" movement in the US. Far from being just about dollars and cents, Calthorpe advocated for TOD as a way to restore identity, texture, and beauty to neighborhoods. Meanwhile, other advocates were beginning to formulate their own economic cost-benefit cases in favor of TOD, seeing it as not just marginal improvements tacked onto existing approaches but as a completely new and more holistic paradigm of development.4

Infrastructural Prerequisites for Transit-Oriented Development

There are two infrastructural prerequisites to doing TOD well and accruing its many potential benefits:

- 1. Extensive rail transit service. TOD is typically near a rail station, not only because such facilities provide transportation access, but because they represent a long-term, fixed infrastructure commitment.
- 2. *Dense central core.* Dense central cores enhance the attractiveness of a

4

⁴ "Transit-Oriented Development: Moving from Rhetoric to Reality," Brookings Institution (June 2002).

TOD because they provide a major destination where automobiles are not required.

Across the nation, regions are spending billions of dollars to create or recreate these two conditions. For example, Denver, Phoenix, and Seattle have invested billions of public dollars into building transit lines; while older cities like Chicago and Washington, DC have seeded major mixeduse initiatives to generate new foot traffic in struggling neighborhoods around social services, arts and culture, and retail. In all of these cases, the hoped-for return on such public investments is clear: higher property tax revenues resulting from the enhanced property value of locations that have experienced greater private reinvestment and more public amenities from TOD.

Meanwhile, as other cities expend massive public funds to achieve the rail infrastructure and physical density necessary to achieve such a return, Philadelphia has both attributes in abundance. Philadelphia is one of five metropolitan areas that have more than 200 stations and are thus classified as having "extensive systems." Its dense, easily walkable downtown, which is heavily served by public transit, suggests to some that all of Center City Philadelphia is one big TOD. In addition, Philadelphia has enjoyed success in creating what we will consider "regional TODs," such as the Gallery Mall at Market East, the Cira Centre at 30th Street Station, and the soon-to-be-completed One Pennsylvania Plaza near Suburban Station.

However, in recent years, good TOD in Philadelphia's neighborhoods has proven elusive. In fact, where development has occurred near transit stops, it is has not tapped into the benefits of transit-oriented development and can generally be best described as merely transit-adjacent development. Even worse,

there are a significant number of promising sites in which no meaningful development has occurred at all.

The Time is Right for Transit-Oriented Development in Philadelphia

As mentioned above, some of Philadelphia's oldest and most storied neighborhoods were early examples of TOD success; while more recent successes in TOD have tended to be more regionally-oriented sites, such as the Cira Centre in University City. It is possible we are at the cusp of yet another set of successes, this time again at the neighborhood level, based on the promise of up-and-coming developments, particularly at 46th and Market Streets in West Philadelphia and at the Temple University Regional Rail station in North Philadelphia.

Nevertheless, such promising developments are still too few and far behind. Where Philadelphia has fallen short in catalyzing TOD, it has not been because of a lack of the requisite physical infrastructure. Rather, the hindrances in Philadelphia appear to be more systemic. Consider three necessary ingredients for TOD to take root:

- 1. There must be a perception of added value from transit services. The hollowing out of urban Philadelphia diminished the value of access to destinations served by transit. From a development perspective, the value of transit access has been further lessened by cheap auto travel, regional decentralization, reduced service levels, and uncertainty resulting from the absence of dedicated funding.
- 2. There must exist a potential for *profitable development*. No development, let alone that oriented to transit, will take place if there is no profit to be made in developing.

⁵ "Preserving and Promoting Diverse Transit-Oriented Neighborhoods," Center for Transit-Oriented Development (December 2006).

In fact, the city experienced a significant 50-year pattern of population and employment loss after World War II.

3. Available sites, and *TOD-friendly* zoning at such sites. Although Philadelphia does not lack for viable TOD sites, its antiquated zoning code does not go far enough to encourage TOD.

These barriers, however discouraging, also represent opportunities to act now to stem the existence of transit-adjacent development and transit-anemic development and to stimulate the movement towards transit-oriented development. In many cases, the time is right for transit-oriented development in Philadelphia:

- 1. Transit funding and use. There is a distinct increase in the quality and quantity of conversations at the highest levels over the important subject of dedicated funding for public transportation. A recent multi-year funding commitment by the Commonwealth of Pennsylvania means that for the first time in its history, SEPTA anticipates adequate and stable funding for the foreseeable future, opening its window to a more long-term perspective.
- 2. Development is taking place in Philadelphia. The city is no longer bleeding residents and jobs, and in fact, thanks in large part to a citywide ten-year property tax abatement on new construction and significant renovation, there has been a notable increase in residential and commercial development. While it is impossible to predict what the future will hold, especially in light of the current pullback in residential real estate, it is safe to say that the past few years have seen a commendable reversal of a decades-long disinvestment.

3. TOD zones. There has been much discussion recently over the updating and reforming of the City's zoning code. Many groups are particularly urging the City Planning Commission to spearhead a more aggressive and coordinated agenda to zone key transit-proximate sites to encourage TOD.

We will discuss each of these points in further detail in the sections to follow, beginning with the importance of transit service, followed by TOD from a development standpoint, and concluding with implementable solutions. We close our report with some specific recommendations for key stakeholders. For while the time is right for transit-oriented development in Philadelphia, actual success will come only from the actions of specific players and of all entities working in concert.

Chapter Two

Transit Service and Its Impact on Development

As much as public transit in Philadelphia is pilloried in the media and on the street, it is unmistakably a core asset for the City and one on which its residents and workers rely heavily (see below). If properly managed, it can become a key advantage in an increasingly competitive regional, national, and global economy. The continuing suburbanization of jobs, houses, and retail only underscores this reality: *Philadelphia's edge lies in its urbanness*. From this perspective, the City's vast transit infrastructure is an asset around which to build, literally, rather than a liability to starve or avoid.

2006 SEPTA Ridership, Selected Lines

,				
All City Transit bus lines	146.7 M			
Market-Frankford Line	52.2 M			
Broad Street Line	33.5 M			
All Subway Surface lines	19.1 M			
All Regional Rail lines	28.6 M			

Source: SEPTA (2007)

Transit and Development

Many of Philadelphia's neighborhoods, and some of its older suburbs, grew up around transit and railroad lines. In fact, much of the real estate development in the first half of the 20th century was undertaken jointly with transit development, often by the same entity. Before the predominance of the car,

private incentives were well aligned for transit-oriented development (TOD).

With the advent of the car, that link has been broken. Highways are developed and financed independently of residential and commercial development, and our primary transit provider was previously prohibited from being directly involved in TOD.⁶ Thus, there is no single entity that has the incentive or authority to undertake TOD, no easy coordination between land use, transportation planning, and private development.

Since the time that most of the transit system was put into place, we have invested heavily in roads and cars, with the net result that the region has spread out tremendously, in most cases in places and with densities that are not amenable to transit access (see below). As the region has decentralized, more and more areas are not accessible except by car. This means that households need to own more cars, and that the value of the region's transit system is diminished as a general mobility tool.

As the region decentralized, the transit system increasingly became stretched beyond its resources as it tried to provide at least minimal transit services to increasingly far-flung suburban areas, despite no significant growth in resources. To provide service to the spreading region, SEPTA reallocated resources by reducing frequency on core urban routes while creating new suburban routes. In addition, in an attempt to be more competitive on long distance regional rail routes, SEPTA eliminated urban stations and reduced frequency on many of the remaining urban stops. Thus,

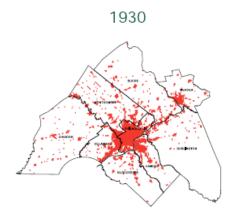
⁶ This barrier appears to be on its way to being removed, as the Pennsylvania State Legislature recently passed the Transit Revitalization Investment District (TRID) Act. This act authorizes state public transportation agencies to work with counties, local governments, transportation authorities, the private sector, and Amtrak to create and designate Transit

Revitalization Investment Districts (TRIDs). TRIDs are discussed in further detail later in the report.

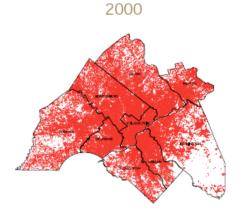
7

the process of decentralization has tended to reduce the value of transit service in urban areas.

Philadelphia Metropolitan Development: 1930 - 2000



3,324,183 people 221,936 acres developed 9% of region developed*



5,387,407 people 920,200 acres developed 38% of region developed*

Source: DVRPC: "2030 Report"

It may seem obvious but it is all too often overlooked: in evaluating sites for TOD, one must consider *the value of the site's nearby transportation services*. The extent to which transit offers real value to residents and businesses in a TOD – that will determine the profitability and therefore the viability of its realization. After all, developers engage in a TOD when they can expect a sufficient return for their efforts. Developer's profits, in turn, depend on the extent to which households and firms are willing to locate in the TOD.

The price that the site commands, then, will increase if the transit service is perceived as having long-term value, value that people and businesses are willing to pay for to be in close proximity. In unpacking this concept, we will discuss the following considerations:

- The long term certainty of the service
- The number and desirability of destinations
- The frequency of service and integration with other services
- The importance of service amenities
- How automobile access integrates with TOD

The Long Term Certainty of Transit Service

Transit-oriented development (TOD) is generally considered most appropriate around fixed-rail facilities, in part because these facilities represent significant, immovable infrastructure with very long lives. In general, it is believed that once a community bears the high fixed cost of rail investments, it will continue to bear the marginal cost of providing service. Thus, in contrast to bus stops, there is greater assurance that the value conferred by the

transit service will be a long-term proposition.

Still, the existence of infrastructure does not guarantee the quality or even continuation of service. Notably, as will be discussed below, in Philadelphia, the lack of good TOD activity in the region can likely be traced to *uncertainties in quality and in service levels as a result of ongoing budget shortfalls*.



Market East SEPTA Regional Rail Station

Since its inception in 1964 from a conglomeration of failing private transit providers, SEPTA has lurched from budget crisis to budget crisis, each with a resulting effect on the long term certainty of part or all of its system:⁷

- There were significant reductions in rail services in the early years, including the Newark and Pottstown lines.
- There have been eliminations and downgrades of service to Regional Rail lines and service in the city, including, for example, the off-peak

⁷ We do not count periodic service disruptions arising from infrastructure reinvestment. While they can greatly inconvenience riders as well as neighboring residents and businesses, if managed well they can and should have a positive and long-term impact on a location's value and its desirability as a TOD site, to the extent that they represent investments in delivering better and more stable transit service.

- and weekend service on the Chestnut Hill West route being cut by half.
- Numerous stations have either seen their service eliminated, downgraded, or threatened with closure.⁸
- The Market-Frankford Line and Broad Street Line have also been periodically reduced due to budgetary issues.
- There have been extended service disruptions for strikes (108 days on Regional Rail in 1983, and 40 days on buses, subways, and trolleys in 1998).

Perhaps even more important than the slow downward trend in the level of SEPTA's rail services within the City of Philadelphia is the periodic threat of drastic service reductions in response to budgetary crises. The prospect of insufficient funds has almost every year led SEPTA to state its inability to predict if it will have to cut or end services



SEPTA Regional Rail train

and/or hike fares. Conversely, positive developments, such as the State's recent multi-year commitment of funding to SEPTA, are positively accounted for in the decisions of people and organizations that depend on transit.

⁸ The reasons for these closures or threatened closures ranged from low use to attempts to speed up service by eliminating interim stops to budgetary savings.

Fundamentally, *TOD* is based on the long-term viability of transit service. Therefore, the significant uncertainty regarding the frequency, cost, and very existence of SEPTA services is a major impediment to successful TOD. To the extent that developers have perceived this very real uncertainty for a number of years in a row, they will be accordingly discouraged to pursue projects that depend on monetizing peoples' perceived value of proximity to transit.

The Number and Desirability of Destinations

An important aspect of the value derived from proximity to a rail station is the access afforded by that station, i.e., where one can get to from the rail stop. If a rail station has trains that go to multiple destinations, or if there are convenient connections from one transit service to another, the transportation advantages of the station are greater than if the travel opportunities are basically limited to stations along the one line, all other things being equal.

Many, but not all, of the Regional Rail stations in the city essentially provide convenient service only to other stations along a single line. This means that most neighborhood regional rail services are oriented to providing commuter service to the central core of the city, including Temple, Market East Station, Suburban Station, 30th Street Station and University City. Their value as transit-oriented development (TOD) areas are thusly limited to residential and neighborhood service retail development.

In contrast to most of the Regional Rail stations, stops along the Market-Frankford Line (MFL) and Broad Street Line (BSL), as well as a limited number of Regional Rail stations, provide access to a wide variety of destinations. In the case of the MFL and BSL, their frequent service (average wait times under five minutes) allows for easy transfer to other services, while for some Regional Rail stations such as Wayne Junction, North Philadelphia, and Temple, the entire system passes through these stations, so in theory, there is region-wide access. Finally, in the case of North Philadelphia and Temple, there is also subway service. These features, in an ideal world, should confer significant value to these locations as places to live and to work.

Of course, while the sheer number of destinations is an important indicator of a station's desirability, the quality of those destinations is just as important, particularly in the case of employment opportunities. Of the considerable evidence demonstrating that people are willing to pay more to live near transit stops, it has been proven that much of the value conferred is as a result of access to employment centers.¹⁰

Research has shown that in Philadelphia, the value of living near Regional Rail stations increases when employment in Philadelphia increases. ¹¹ One need only scan this region's major employment centers to see that the ones that enjoy the densest concentrations of jobs, most notably Center City and University City, are the very ones that are relatively well-served by transit, while for the ones that have lower job densities, the mode of choice is the car (see below).

⁹ Regional Rail service, unlike buses, subways, and trolleys, is too infrequent to transfer to or from another trip, whether a bus, subway, trolley, or another Regional Rail line. Instead, riders time their arrival to Regional Rail stations based on a schedule, and thus their use of Regional Rail is limited to that trip's starting and ending point.

¹⁰ "Public Investment Strategies: How They Matter for Neighborhoods in Philadelphia," Gillen and Wachter (2006); "Has Suburbanization Diminished the Importance of Access to Center City?" (Voith,

^{11 &}quot;The Suburban Housing Market: The Effects Of City And Suburban Job Growth" (Voith, 1996).



Ten Largest Employment Centers in the Pennsylvania Sub-Region 2005

Employment Center	County	# of Employees	Employees per Acre
Center City	Philadelphia	287174	180.0
West Phila./Univ. City	Philadelphia	74353	26.3
Rt.30/Devon-Haverford	Delaware	56486	13.9
King of Prussia	Montgomery	49812	11.3
Rt.202/Great Valley-Malvern	Chester	48023	8.5
Far Northeast	Philadelphia	45350	6.9
West Chester	Chester	42539	10.0
North Broad Street	Philadelphia	41931	13.2
Willow Grove/Horsham	Montgomery	40045	8.1
Rt.30/ Exton-Coatesville Source: Delaware Valley Regional Planning	Chester Commission (2005)	39414	5.7

Access to employment centers is of huge consequence to neighborhoods, particularly low- to moderate-income ones. To the extent that car ownership percentages are low, access for such neighborhoods to employment



Market-Frankford Line subway car

centers via public transit is the difference between a relatively small universe of job opportunities and a much larger, more promising universe. Simply put, proximity to a transit station confers value to the degree that one can use that station to go to and come from other desirable locations. This connectivity, particularly to employment centers, also

works the other way, in that employers seek locations their workers can reach in multiple ways, including transit. *The quality and quantity of destinations* is therefore an important characteristic that both private and non-profit developers and public decision-makers need to consider in identifying suitable candidates for TOD.

The Frequency of Service and Integration with Other Services

The high quality and vast quantity of destinations that a particular station can access can, however, be trumped by infrequent and un-integrated or underintegrated service. In too many cases, that is the case for transit, particularly for Regional Rail users, who must schedule their trips to be consistent with services that may run only once an hour; and who are essentially limited by the discrete destinations of the line. In contrast, two of the great advantages of a car, at least in theory, are that the driver does not have to wait for it and he can go to any destination he chooses.

However, it is possible to create a transit system that requires relatively little waiting and scheduling, while also providing access to a wide variety of destinations. What is required is a combination of high frequency routes, wide spans of hours of operation, and service integration, three characteristics that, if coexisting together, greatly increase the comfort level riders have about the transit system and thus the value developers can derive from locating new uses in close proximity to its stations.¹²

Fortunately, SEPTA currently has many of these elements in place. The MFL and BSL are high frequency services that also connect with bus services (which, unfortunately, are often less frequent) and light rail services. ¹³ Still, SEPTA is not perceived as an integrated system providing a wide variety of travel options, because riders experience so much uncertainty regarding successful connections, due in large part to incomplete or missing information.

In theory, SEPTA is close to what is necessary to create significant value-added for development near transit stops. Unfortunately, this value has yet to be realized to its fullest potential. Rectifying that missed opportunity will make TOD more likely to happen.

The Importance of Service Amenities and Station Aesthetics

There has been a great deal of research on how people value their time when traveling, but much less on how people value the pleasantness and amenities associated with their travel. However, it is clear that limited funds cause SEPTA to make difficult tradeoffs in terms of passenger amenities. Philadelphia transit services are utilitarian at best. Stations are frequently in disrepair, many vehicles are crowded, and passenger information is very limited if not nonexistent. One only has to compare this to a trip in one's own car – with stereo, air conditioning, privacy, frequent traffic reports, and other pluses – to recognize the amenity deficit SEPTA faces.

It does not have to be so. *Riding transit can be made to be a more enjoyable means of traveling* from Point A to Point B. Fixed-rail transit riders do not get stuck in traffic, they can concentrate on their work or on a good



Temple Regional Rail Station

book, and do not have to worry about the cost or hassle of parking once they have arrived at their destination.

The stations themselves could be sources of value enhancement, to the extent that they adhere to the TOD principle of being aesthetically pleasing, friendly to pedestrian access, and authentic to their particular place. As municipalities get smarter about generating a return through increased property tax

¹² Of course, the elimination of paper transfers, which was proposed this past summer, would have made the system less integrated and therefore less valuable.

¹³ With some notable exceptions, the integration of the Regional Rail and other transit services is, unfortunately, limited. This is a result, in part, of the relatively infrequent Regional Rail service, as described above.

revenues on public investments in such amenities as parks and waterfront recreation areas, they can consider that the same principles are in play when it comes to building, improving, and beautifying transit stops in neighborhoods.

Importantly, part of the value enhancement achieved by well-designed transit stations is in reducing any real or perceived negative impacts of proximity to a transit station. For example, well-lit and well-greened transit stations can *reduce crime*, *noise*, *and pollution*, three important potential factors that otherwise could confer negative value on transit-proximate sites.

Unfortunately, all too often transit infrastructure is built without regard to pedestrian-friendliness, station amenities, or any other aesthetic considerations by users or by the neighborhoods in which these sites are located. To the extent that it is always rebuilding stations, SEPTA has many future opportunities to incorporate good urban design into these projects.

How Automobile Access Integrates with TOD

Cars are ubiquitous in today's society. Good development oriented to transit stops must simultaneously account for that reality. Successful TODs are able to balance the need for cars with the need for density, and are designed in such a way to extract the value of good automobile access without that accessibility rendering the transit service less valuable.

Specifically, a review of effective TOD designs yields the following insights on how to integrate automobile access into a TOD:

 Parking can be located near, but not at the transit facility, thus avoiding congestion and encouraging drivers to patronize local shopping and services. At the very least, parking structures could be designed to enhance the pedestrian experience, by including retail or other visually appealing uses at the street level.

• A shared parking area or structure



9th and Race St. parking garage with no ground floor retail

complements mixed-use development. Ground floor retail, restaurants and entertainment near transit can take advantage of varying peak use times to serve drivers with relatively fewer parking spaces. The parking area is thus destinational for local residents and transit users as well as drivers from outside the TOD.

 Variable access pricing provides an incentive for turnover of parking spaces, while increasing the price of onstreet parking discourages congestion caused by cruising for spaces and longterm occupancy, and further incentivizing the use of transit. • SEPTA has demonstrated an innovative approach to the intersection between transit use and driving by partnering with Philly Car Share, a



Philly Car Share location at Carpenter Lane R8 Regional Rail Station

non-profit car sharing entity, to reimburse drivers who use Regional Rail en route to picking up their rented cars.

Washington, DC is home to two excellent examples in this regard, both located less than 0.1 miles from a Metro station and yet integrating automobile access into other commendable TOD design elements:14



The Ellington, Washington DC

- The Ellington, in the U Street District, was named "Best Mid-Rise Apartment Building of 2005" by the National Association of Home Builders. This development consists of 190 rental units and 17,000 square feet of ground floor retail, as well as 177 parking spaces in a two-level, below grade, parking garage.
- Tivoli Square also makes use of a shared parking lot, located behind the development and off of the main throughway. The lot can be accessed from two different streets and is shared by the residents of the development's 45 condominium units, as well as by employees and patrons of its grocery



Tivoli Square development, Washington DC

store and local-serving retail and the 28,000 square feet of office space located in the development.

¹⁴ "TOD Case Studies: Implementation in Low-Income, Ethnically Diverse Neighborhoods," Reconnecting America: Center For Transit-Oriented Development, January 2007.