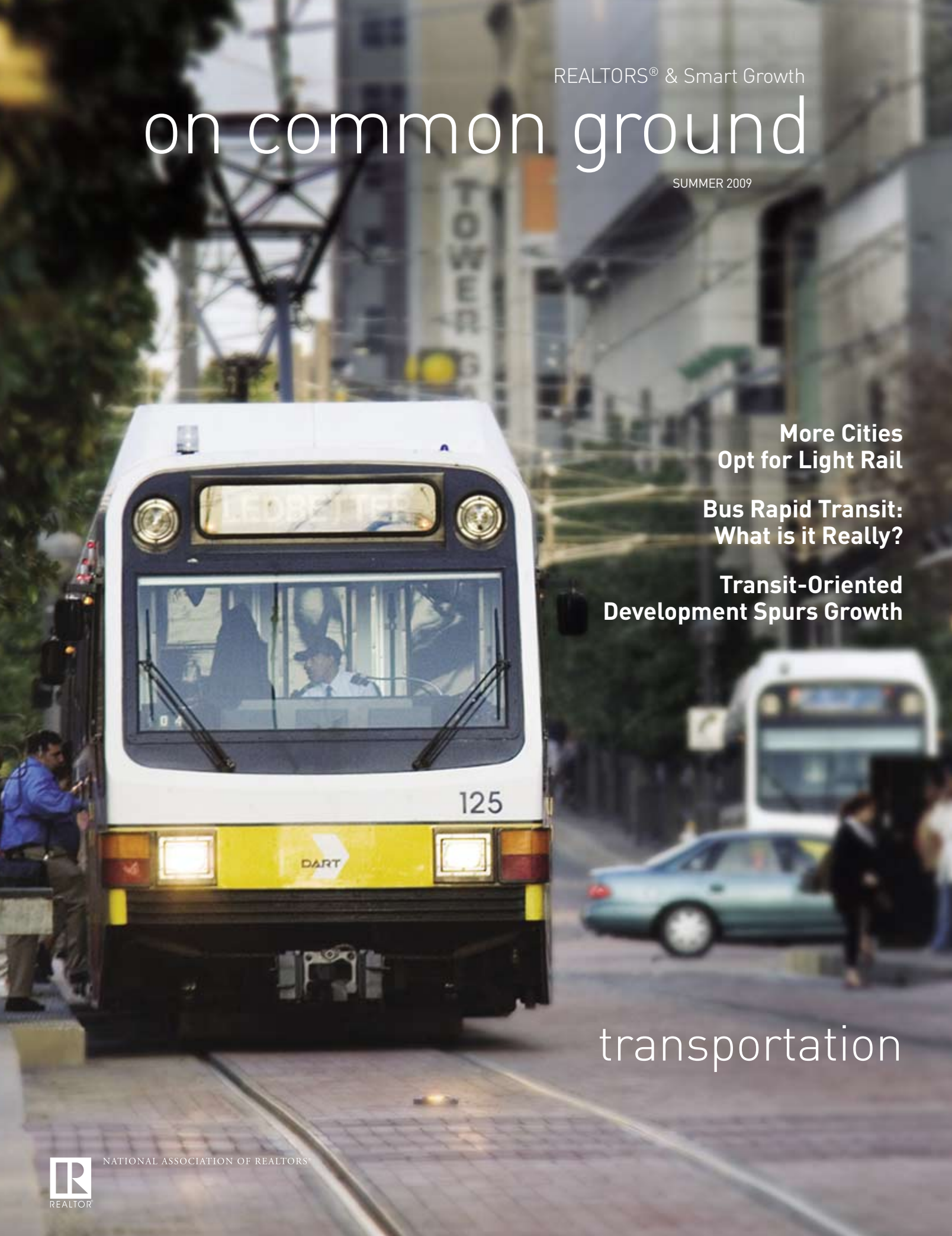

REALTORS® & Smart Growth

on common ground

SUMMER 2009

More Cities Opt for Light Rail

Bus Rapid Transit: What is it Really?

Transit-Oriented Development Spurs Growth

transportation

NATIONAL ASSOCIATION OF REALTORS®

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Turning Points in Transportation

To say that we are at a pivotal time in addressing transportation would be an understatement. A confluence of factors — including economic distress, politics, personal travel trends and changing real estate markets — is posing a rare opportunity to create a new national transportation vision in a way not seen since the Interstate Highway system was created during the Eisenhower years.

Crumbling infrastructure and a need to create jobs to jump-start the economy has brought immediate and generous funding to transportation projects nationwide in the recently adopted economic stimulus legislation. Beyond that, a new Administration and Congress are focused on the environment, climate change, and reducing energy use, and Congress will be writing a new six-year authorization bill for transportation funding later this year, which will create an opportunity to shift funding priorities and create a coherent strategy for our transportation future.

Startling changes in travel behavior — a sustained reduction in driving and increase in transit usage — not only point to changing consumer demand for transportation facilities and services, but also suggest that the political base for supporting public transportation investments is larger than ever.

It seems reasonable to expect that the development of new real estate product will be one of the last economic sectors to recover, after the stabilization of the existing homes market, a shake-out in commercial real estate and the return of jobs. This hiatus in new development will provide an opportunity for lenders, developers and land-use regulators to consider emerging markets and new approaches that will include walkable urbanism and transit-oriented development. In addition, tighter availability of lending will restrict the development of large, new "greenfield" developments and favor smaller infill projects in cities or older suburbs.

After the economic recovery, what will the new "normal" look like? In terms of real estate development and transportation investment, it is unlikely it will look like the boom years of the late 1990s and early 2000s, considering the changes in the economy, politics and consumer desires that have occurred and will occur. The time is ripe for transportation to take a new direction.

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On Common Ground is published twice a year by the Community and Political Affairs division of the NATIONAL ASSOCIATION OF REALTORS® (NAR), and is distributed free of charge. The publication presents a wide range of views on smart growth issues, with the goal of encouraging a dialogue among REALTORS®, elected officials and other interested citizens. The opinions expressed in On Common Ground are those of the authors and do not necessarily reflect the opinions or policy of the NATIONAL ASSOCIATION OF REALTORS®, its members or affiliate organizations.

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On Common Ground

Summer 2009

Courtesy of the California High Speed Rail Authority and NC3D

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Cover photo provided by Dallis Area Rapid Transit.

Light Rail adds to transportation choices

Climb on Board!

Courtesy of Denver RTD

By John Van Gieson

When public transportation analyst Art Guzzetti earned his graduate degree at the University of Pittsburgh in 1979, there were zero light rail systems in the United States.

Thirty years later, 34 light rail systems are serving communities from coast to coast, including Pittsburgh. Many of them are involved in major expansions of their lines, and three dozen more communities are in various stages of planning and developing light rail.

"It started sort of as a way to do the heavy rail in a less expensive way," said Guzzetti, vice president of policy at the American Public Transportation Association (APTA). "It's sort of a hybrid in a way. It's a little bit streetcar, and it's a little bit heavy rail, so it's in the middle."

Of all the cities where light rail is winning public transportation converts and pulling people out of their cars, none has bigger ambitions than Denver. The RTD, the regional transportation agency that serves the Mile High City and all or part of eight adjacent counties, is planning to expand its existing 34-mile light rail system to 122 miles by 2017.

The Cost Factor

There is a major hurdle to overcome, however, and a recession isn't helping. The cost of the expansion is pegged at $6.9 billion — $2.3 billion more than voters were told it would cost in 2004 when they passed, for the second time, a sales tax increase to help pay for light rail. Denver residents and visitors now pay a 1 percent sales tax to support light rail.

Light rail has been a big hit in cities all over the country that have built new systems in recent years.


Courtesy of Denver RTD

A majority of the 15 members of the RTD Board of Directors favor asking the voters to double the portion of the sales tax dedicated to the FasTracks expansion, as the proposed system is called, to eight-tenths of a percent.

"The consensus was, essentially, we will vote to ask the voters for a tax increase, but we don't know whether it will be in '09 or '10," said Matt Cohen, a Denver REALTOR® who serves on the RTD Board. Unlike most other systems, board members in the Denver area are elected.

"The best case scenario is the voters will approve a four-tenths of one percent increase in the FasTracks sales tax, and the feds will approve $1 billion in funding as we explore public-private partnerships," he said. "If the tax is approved and the feds approve $1 billion in funding, we build out the system by 2017."

Without the additional local and federal funding, it will likely take until 2034 to complete FasTracks, Cohen said. The board has not decided when it will vote on taking the tax increase to the voters, he said.

RTD General Manager Cal Marsella said polls show that 62 percent of Denver area voters support the proposed sales tax increase.

Light rail has been a big hit in cities all over the country that have built new systems in recent years. Denver is already exceeding its ridership projections for 2020.

Light rail and streetcars (including trolleys) comprise a small part of the public transportation market across the country but are growing faster than other modes. APTA reported that light rail and streetcar ridership increased by 8.3 percent in 2008, highest among all modes of public transportation. Total ridership for the year was 465.1 million.

APTA reported double-digit increases in light rail ridership last year in Charlotte, Buffalo, Philadelphia, Sacramento, Baltimore, Minneapolis, Salt Lake City, New Jersey, Denver and Dallas.

"I think that why it works is it gives people an excellent alternative to driving and they like rail," Marsella said. "It's very dependable and runs on a regular schedule, rain or shine."

"One of the reasons light rail is so popular is you can drive a couple of miles to a Park and Ride lot, get on a train and sit there and watch all the traffic congestion as you whiz by," he said.


Courtesy of DART

Light rail's success is leading transportation planners and local government officials across the country to propose new systems for their communities.

To put things in perspective, light rail ridership pales beside the major public transportation modes — buses and commuter rail — accounting for less than 1 percent of total transit trips last year. Most Americans, meanwhile, still hop in their cars to commute to work, go shopping, take in a movie or haul the kids to soccer practice.

The transportation environment is changing rapidly, however. Light rail's success in Denver and elsewhere is leading transportation planners and local government officials across the country to propose new systems for their communities.

There's even a proposal by a group called Vision 42 to build a river-to-river light rail system on 42nd Street through the heart of Times Square in New York. That would be New York, the Big Apple, where the city's famous subways haul 2.5 billion riders a year.

Even as light rail is growing in popularity and ridership, however, the global recession is creating funding issues that could put expansion plans on hold, or scaled back, until the economy recovers.

"They're struggling, and they need some help," Guzzetti said. "Many systems are looking at fare increases, service cuts and layoffs."

Light rail construction is financed largely by local tax increases and federal construction grants with other federal, state and local funds added into the mix. Fares comprise a small portion of revenue — just 19 percent of operating expenses for Denver's RTD.

"It's not a money-making proposition," Cohen said. "It's not going to pay for itself in the present model that's currently in place."

"We're always seeking federal grant sources," Marsella said. "We've cut costs here in every way we can. We're always looking at the state budget. So the only place you can look to really is federal grants, if they're there, and raising the sales tax."

But the sales tax increases approved by local voters in referendums are producing less revenue because of the recession.

Charlotte's LYNX light rail system is funded in part with a half-cent sales tax approved by voters in 1998 with 57 percent of the vote. Last year, 70 percent of the voters rejected a ballot issue pushed by light rail opponents to repeal the sales tax.

"We are anticipating this year being down around 10 percent at the end of our fiscal year, which is June," said Olaf Kinard, director of marketing and communications at the Charlotte Area Transit System. He said the

shortfall has been projected at $260 million over 10 years. "It is affecting what we look at as to what we're going to do in the future and when."

The federal government has provided major support for construction of light rail systems, coming up with 50 percent of the cost in many instances. Guzzetti noted, however, that the feds pay 80 percent of the cost of highway construction. He said federal support has been increasing, but the government needs to do a lot more.

"I would look at it another way and say they have been underfunding," Guzzetti said. "There are a lot of good projects out there, and there should be a higher level of investment."

The federal economic stimulus plan will help, providing $1 billion in capital investment grants for light rail, heavy rail, commuter rail and high occupancy vehicle projects. Phoenix, New Jersey and Charlotte have received light rail stimulus grants.

Light Rail and Its Link to Community Vitality

Light rail has proven to be a major stimulus to the economies of communities that have built new systems in recent years. Transit-oriented development (TOD) is built into the planning for some systems, but is not a consistent factor in the growth of light rail.

One that actively promoted TOD was Dallas Area Rapid Transit (DART), which currently operates two lines on 45 miles of track in Dallas and its suburbs and is planning to add a third, 28-mile line by December 2010.

In November 2007, the Center for Economic Development and Research at the University of North Texas issued a report on the potential fiscal impacts of TOD in the DART service area. The report came to this startling conclusion: "The total value of projects that are attributable to the presence of a DART Rail station since 1999 is $4.26 billion."

The study reported that homes near rail stations increased in value by 39 percent more than homes not served by light rail.

In Charlotte, transit officials say that more than $291 million in new development has been built near stations on a 10-mile rail line that opened last year. They say

The federal government has provided major support for construction of light rail systems.

Courtesy of DART

Charlotte, N.C.

Light rail has proven to be a major stimulus to the economies of communities that have built new systems in recent years.

Photos courtesy of DART

an additional $1.6 billion in development has been announced for the rail corridor.

Denver transit officials say 8.4 million square feet of new retail, office and government space has been built along its existing 35-mile rail network. There have been 11,000 residential units built near the rail line.

In Seattle, a U.S. Department of Commerce model estimates that economic activity generated by the University Link, a 3.7-mile connection from downtown to the University of Washington, will be the equivalent of 22,800 direct and indirect jobs.

Light Rail Through the Decades

The light rail movement began in San Diego, which opened the first system in the country in 1981. The San Diego Trolley — a misnomer — operates fire engine red trains on three lines serving 53 stations on 51 miles of track and has the fourth highest light rail ridership in the country. Pittsburgh's Port Authority of Allegheny County started construction of its light rail system in 1981.

The term "light rail" is commonly applied to trains that operate on rights-of-way off the streets or on urban-area streets, have several cars and are lighter and shorter than commuter rail trains or heavy rail systems. There is generally some distance between light rail stations, perhaps as much as a mile, except in urban centers. Streetcars, also known as trolleys, usually share city streets with cars, trucks and buses, have one or two cars and stop

The fact that people who have these systems want to make them bigger and more expansive tells you something right there.

every few blocks. In most cases, light rail and streetcars run on electricity delivered by overhead power lines.

The newest light rail system in the United States is the METRO in Phoenix. Before the METRO opened in December 2008, sprawling, congested Phoenix, the nation's fifth largest city, was the largest American city with no passenger rail service of any kind. Amtrak didn't even stop there. In the first two days of operation, 200,000 rail-starved people rode METRO's 20-mile starter line.

Next on line later this year is Sound Transit's 15.6-mile Central Link in Seattle. Nearly 62 percent of the voters approved an extension of Seattle's system in the 2008 election.

"The fact that people who have these systems want to make them bigger and more expansive tells you something right there," Guzzetti said. "If it wasn't working, you wouldn't want more." ●

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Funding the Light Rail Systems

Like a tasty gumbo, many ingredients can go into the making of a light rail system, but the most important by far are a strong, dedicated local revenue source, usually a sales tax increase, and federal funding.

The starting point, the funding source that turns many light rail dreams into reality, is a local sales tax increase approved by voters. Existing transit sales taxes range from four-tenths to 1 percent. In some cases, voters have approved sales tax increases on two different occasions.

Light rail is popular in the communities that have it — 93 percent of Denver-area riders rated the trains good or excellent in a poll earlier this year — and voters have shown a remarkable willingness to raise their taxes to pay for a form of transportation they may use rarely, if ever.

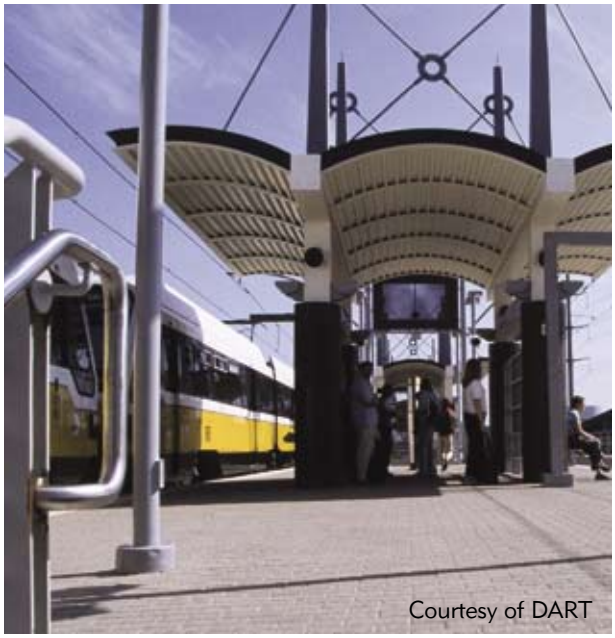
Valley Metro, the light rail system in Phoenix, links the city with three suburbs: Tempe, Mesa and Glendale. Tempe voters approved a half-cent tax for public transportation in 1996. In 2000, Phoenix voters passed a four-tenths cent sales tax for public transportation, and in 2004, Maricopa County voters passed Proposition 400, a four-tenths cent sales tax increase that provides funding for additional transportation improvements, including a 27.7-mile light rail extension.

Other areas where voters have approved sales tax increases to support light rail include Charlotte, Salt Lake City, Dallas, Denver, Seattle and Kansas City. Charlotte voters approved, by 57 to 47 percent, a sales tax increase in 1998. Last year, they emphatically rejected, 70 to 30 percent, an attempt to repeal the tax.

Seattle voters rejected a sales tax increase in 2007, then passed a scaled-down increase last year to provide funding for light rail and other projects.

The U.S. Department of Transportation's New Starts program has been providing roughly half the funding for light rail construction. The agency awarded $8.3 billion in 29 grants to light rail systems from 1992 to 2007. Those grants amount to nearly half of the total cost to build those systems, $16.7 billion.

New Starts grants ranged in size from $53.6 million for the Medical Center Extension of the TRAX system in Salt Lake City to $700 million for the Northwest/Southeast extension of the DART system in the Dallas area. Several light rail systems received more than one grant.



Courtesy of DART

Light rail is popular in the communities that have it and voters have shown a remarkable willingness to raise their taxes to pay for it.

Courtesy of DART

The cost of the Salt Lake City extension is $89.4 million. The Utah Transit Authority (UTA) has built three lines totaling 20 miles using a mix of 80 percent local and 20 percent federal funding, according to spokesperson Carrie Bohnsack-Ware. Voters approved a sales tax hike in 2006 with the rate ranging from eleven-sixteenths of a cent in Salt Lake County to one-fourth cent in outlying cities and counties.

The UTA is planning to complete its Front Line 2015 expansion project, four new light rail lines and a commuter rail line to Provo, Utah, a total of 70 miles of track, by 2015.

Total cost of the DART extension in Dallas is $1.4 billion. Morgan Lyons, DART's director of media relations, said the agency gets 75 percent of its funding from a 1 percent sales tax approved by voters in 1988. Fares account for 12 percent of funding, he said, with the remainder coming from interest and federal grants.

DART has 42 miles of new lines under construction and plans to double the size of its system to 93 miles by 2013.

Art Guzzetti, vice president of policy of the American Public Transportation Association, said the feds have not been providing enough support for light rail, but the new administration has made it clear that more funding is on the way.

"There should be a higher level of investment," Guzzetti said.

Some areas have come up with creative finance schemes to raise the money they needed to build their light rail and streetcar systems from a variety of sources beyond sales taxes and federal grants.

When the Hiawatha light rail line in Minneapolis, a 12-mile route linking downtown Minneapolis with the Mall of America and the Minneapolis/St. Paul International Airport, was built at a cost of $715.3 million, local officials relied on a total of seven different sources of funds:

- Federal grant, $334.3 million
- State of Minnesota, $100 million
- Metropolitan Airports Commission, $87 million
- Hennepin County, $84.2 million


Courtesy of DART

- Federal Congestion Mitigation/Air Quality grant, $49.8 million
- Transit capital grant, $39.9 million
- Minnesota Department of Transportation, $20.1 million

The Portland Streetcar, running a four-mile stretch through the center of the city, drew on nearly 20 different sources of funds. The major ones were city parking bonds, $28.6 million; tax increment funds, $21.5 million; local improvement district, $19.5 million; and regional transportation funds, $10 million. The system cost $103.2 million.

"Local businesses volunteered to be taxed by a special district," said Kay Dannen, community relations director for the Portland Streetcar. "The assessment is levied within three blocks of the tracks and varies by type of use. Residential uses are exempt."

Sound Transit, which operates the South Lake Union Streetcar in Seattle, also created an assessment on property owners near the tracks. It contributed $26 million through the Local Improvement District, nearly half the $52.1 million cost. The rest came from federal, state and local government funds.

A modern transportation system or an American heritage

The streetcar is finding its tracks

For many years, the best way to get around in American cities and small towns was the streetcar, pulled initially by horses and later powered by overhead electric wires. Starting in the 1930s, about 100 years after the first streetcar lines opened in cities like New York and New Orleans, the industry collapsed and all but disappeared by the mid-1950s.

Now, however, a streetcar revival is sweeping the country, featuring sleek modern cars built in Europe and learning lessons from the success of streetcars there and "heritage" trolleys here, which are modern versions of the cars seen on city streets around the turn of the last century.

Public transportation advocates prefer to call them streetcars, but they are still known in some quarters as trolleys or trams.

Portland, Ore., launched its streetcars in 2001, the first modern streetcar system in North America. Projected ridership of 3,000 persons a day was doubled in the first month.

The line, a four-mile tract that connects downtown with Northwest Portland, the gentrified Pearl District, Portland State University and the South Waterfront, has been a smashing success. Portland Streetcar reports that more than 10,000 residential units have been built and $3.5 billion has been invested in property within two blocks of the line.

"My husband is a REALTOR®, and he sells a lot of condos," said Kay Dannen, community relations manager for Portland Streetcars. "For most people the primary question is, 'What kind of transit connections are there?'"

Seattle, which is Portland's rival for Coolest City in the Pacific Northwest, opened its South Union Lake streetcar line, a 2.6-mile loop from downtown south to the high-tech South Lake Union neighborhood. Officials deny that they ever intended to call the line a trolley instead of a streetcar, but local wits dubbed it the South Lake Union Trolley, SLUT for short.

Kapow!, a defunct coffee shop on the trolley, er, streetcar's route, sold "I Ride the S.L.U.T." t-shirts and had a photo of Robin Williams wearing one on its Web site.

Whatever locals call the line, they obviously love it. More than 500,000 riders used the streetcars in the first year, prompting Seattle Mayor Greg Nickels to celebrate by offering free rides for two weeks late last year. The city is planning four additional streetcar lines.

"A half million riders on just the first line reflects the tremendous potential of streetcars," said Nickels. "A Seattle streetcar network will be an important part of our future, offering a climate-friendly transportation choice that helps attract employers and encourages more job creation."

The major booster of a streetcar line in Seattle was Microsoft co-founder Paul Allen, who proposed a line serving a Seattle neighborhood where his venture capital company, Vulcan, Inc., has major investments. The streetcar has helped to trigger a biotech and biomed development boom in the neighborhood, and Amazon.com has announced it will move its headquarters there.

There are about two dozen active streetcar lines in the U.S., mostly "heritage" trolleys, with about 80 others in development or being considered by local officials.

Tennessee Williams fans will be disappointed to learn there is no longer a Streetcar Named Desire, but the St. Charles streetcar in New Orleans has been running since 1834 with some time off to repair Hurricane Katrina damages. Cities as small as Tallahassee, Fla., with a population less than 3,000 at the time, launched streetcar service in the late 1800s. All that remains is a street called Tram Road.

The demise of the streetcar lines that once dominated the public transportation landscape is known by some advocates as the Great American Streetcar Scandal. They accuse General Motors and other companies of setting up a shell company in the 1920s to buy streetcar lines,


Courtesy of DART

A half million riders on just the first line reflects the tremendous potential of streetcars.

most of which were privately owned, and put them out of business. The motive: Sell more GM cars and buses.

Nine corporations and seven individuals were indicted on conspiracy charges in 1947, convicted and fined for their role in the scheme.

"The United States still bears untold scars from the American streetcar swindle," author Al Mankoff wrote in an article for a North Jersey Transportation Planning Authority publication. "The once profitable system of privately held independent electric-powered urban transit was destroyed, giving cities the choice between government-subsidized transit or no service at all. An economical, efficient, and non-polluting transit system has been replaced with one that is more expensive, less-efficient and highly polluting. The American taxpayer has paid the price ever since."

Just as the streetcar lines went out of business, so did a once-thriving American streetcar manufacturing industry. That is about to change. United Streetcar, a subsidiary of Oregon Iron Works in Portland, is building prototype streetcars under license to the Czech company Skoda.

"We saw how kind of beloved the Portland Streetcar was and how well it was doing," said Chandra Brown, president of United Streetcar. "I guess we were kind of surprised there were no modern streetcars being built in the United States."

The company has a prototype American-made streetcar ready for testing and is in discussions with Portland Streetcars about selling it six or seven cars when the line is expanded. It is one of two finalists to sell streetcars to a line being planned in Tucson.

"We've got literally tens of other cities that are coming out here to see the cars being built and ride the Portland system," Brown said. "There are more than 80 cities that are looking at streetcars."

The Federal **Transportation Program:** Time for a New Vision?

With the six-year spending bill up for renewal this year, major changes could be in the offing.

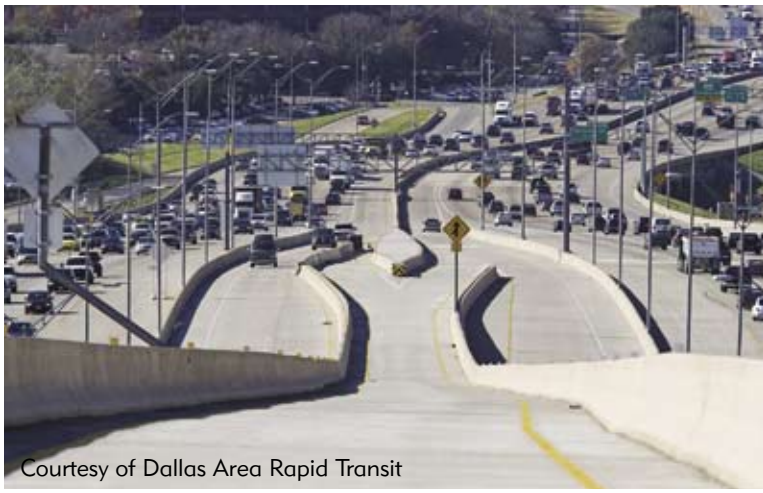
By David Goldberg

Every few generations, innovations in transportation spur a revolution in how people and goods move around, with profound implications for how and where we build our cities and towns, and ultimately, how we live.

In the 1900s, the railroads reshaped our still-young country, allowing a city like Atlanta to arise at the intersection of two major lines, despite the lack of a key waterway or other compelling reason to be. Corresponding federal policies promoted the widespread distribution of the rail lines and the settling of vast swaths of new territory.

In the middle of the 20th century, America was gripped by a new vision for connecting cities, states and regions: the interstate highway system. The automobile was still new, and as we emerged from the second World War, the possibilities seemed endless. The vision had begun to take hold during the 1939 World's Fair, when millions of Americans lined up to see the General Motors Futurama. The exhibit showed depression-weary audiences a brave new world of sleek highways and well-ordered cities.

The federal transportation law is up for reauthorization and the debate surrounding it is growing in intensity.



Courtesy of Dallas Area Rapid Transit

In 1956, when gasoline was just 20 cents a gallon, President Eisenhower picked up on that futuristic inspiration when he signed what came to be called the Interstate Highway Act — an ambitious program to link America's cities and states with a network of long-distance superhighways. It has been called the biggest public works project in history.

Over the next few decades we pursued that program, laying out more than 45,000 miles of highway, and the system was complete by the late 1980s or early 1990s, depending on how one counts it. The federal transportation program created in 1956, with public transit added in over the years, has been renewed every six years or so by act of Congress. This year, the federal transportation law is up for so-called reauthorization again, and the debate surrounding it is growing in intensity.

Indeed, many of those following the issue believe this year could be a turning point akin to that of 50 years ago. The last authorization, passed in 2005 after a two-year delay, is widely viewed as something of a disgrace. With the interstate system built, the $286 billion bill known as SAFETEA-LU was larded with 6,000 earmarks for disparate projects in Congress members' districts, and the statement of purpose was removed from the bill. SAFETEA-LU would come to be most strongly identified with Alaska's so-called "Bridge to Nowhere."

"Almost no one disagrees that we desperately need to articulate a new national vision for transportation," said Robert Puentes of the Brookings Institution, author of "A Bridge to Somewhere: Rethinking American Transportation for the 21st Century." In the last year, two Congressionally appointed commissions, key members of Congress, road builder groups, the U.S. Chamber of Commerce and large advocacy coalitions such as Transportation for America all have declared the current program exhausted and in need of a major rethink.

There is no shortage of reasons cited. As the Minnesota bridge collapse made brutally clear, we have fallen behind on upkeep of our world-leading highway system. At the same time, other developed nations are far ahead on urban transit systems and high-quality intercity rail. Our collision course with oil dependency and climate change requires us to burn less fuel, but our system remains based almost exclusively on car travel. Our increasingly urban population sits mired in congestion,

A leveling off in the growth of miles driven per person, coupled with rising fuel efficiency and the worsening economy has hit the highway trust fund hard.

desperately looking for a way out that seems far too slow in coming. Volatile gas prices are playing havoc with household budgets and roiling the real estate market. Our aging population and low-income communities are increasingly isolated in spread-out metro areas that require a car to reach services and jobs. Freight shipments are impeded as well, and our rail networks and port connections need urgent attention.

And then there's the matter of money. The federal gas tax, which has remained at 18.4 cents a gallon since 1993, does not produce the revenue needed to match rising construction and energy costs. In fact, a leveling off in the growth of miles driven per person, coupled with rising fuel efficiency and the worsening economy has hit the highway trust fund hard. Last fall, Congress felt obliged to appropriate $8 billion from the general fund to cover a shortfall in already-promised funding, and is expecting a similar move later this year. Long term, the prognosis is even worse. If the nation succeeds in its goal of burning less gasoline in order to reduce oil dependency and greenhouse gas emissions, fuel tax receipts are likely to decline further still.

The revenue problem is real, said James Corless, director of Transportation for America, a campaign by a coalition of nearly 300 organizations — including the NATIONAL ASSOCIATION OF REALTORS® (NAR) — to reform the federal program.

"But we're not going to get Americans to pay more, whether in gasoline taxes or other funding sources, until we can show them that the money will be spent to make their lives better, he said."

The American Association of State Highway and Transportation Officials (AASHTO) — an alliance of state Departments of Transportation — echoed that sentiment in announcing their own call for major reform last fall.

"The American public has every right to see what they will get for increased transportation investment," said AASHTO President Allen Biehler, secretary of the Pennsylvania Department of Transportation. "We have to be accountable, and we have to move to a performance-based program focused on national goals."

While few dispute the need for greater accountability, there is not yet consensus on what the national goals might be. Making that determination, Puentes and others said, will require acknowledging the degree to which the country has changed since the current program was adopted in the late 1950s.

In that era, exponential growth in automobile travel was almost a given, and policies were created to accommodate and even promote it, as families moved to suburbs, women streamed into the work force and an entirely new urban form, designed expressly for car use, began to become the norm. Today, there are numerous indications that Americans will be driving less, on the whole, in the future.

Of course there are the realities of energy and climate. As oil becomes less plentiful and more hotly contested in coming decades, reducing per-person consumption will be part of the nation's plan to insulate ourselves from volatile energy markets and potentially hostile oil-producing countries. Higher prices, in any event, will lead Americans to reduce their driving, as they did when

Courtesy of DART


Courtesy of DART

Today there is demand for another product we haven't addressed for decades — walkable urban.

prices spiked dramatically last summer and fall. Likely measures to curb greenhouse gas emissions — whether a carbon tax or cap-and-trade system — also will increase the cost of driving, and thereby suppress the growth in miles of motoring we all do.

But perhaps even more powerful are the demographic changes that are well under way. First is the aging of the population. It is estimated that by 2030 one in four Americans will be 65 or older. As they leave the work force, stop commuting and begin to restrict the hours and distances they travel from home, older Americans generally drive less than the population as a whole. In the baby-boom era of the early days of interstates and car-oriented suburbs, half of all households had a mom, dad and kids. Today that share has shrunk to less than a third, while the proportion of single-person households edged past it. Fewer soccer moms and dads shuttling the kids around also will mean fewer miles driven over all.

The other big change since the 1950s is that 75 percent of Americans now live in metropolitan areas, said Puentes. The largest 100 metropolitan areas alone account for 65 percent of the population and 78 percent of economic activity. And the population is projected to become even more heavily concentrated in urban areas in coming years. Getting between cities, or from farm to market, is not the challenge so much today as getting around and delivering goods within increasingly crowded metro areas.

These changes in travel patterns, demography and cultural preferences are being reflected in an evolving real estate market, said Christopher Leinberger, a real estate consultant and developer, and the author of "The Option of Urbanism: Investing in a New American Dream."

"The market has begun to shift," Leinberger said. "For 50 years there was pent-up demand for drivable suburban product, and it was a new product. We had a very good run of that, but now the pendulum has swung. Today there is pent-up demand for another product we haven't addressed for decades — walkable urban."

Places designed to be "walkable" allow residents to meet many, or even all, daily needs within walking distance or by transit, according to Leinberger. Recently, the real

The big challenge for coming decades will be developing and funding a program to build intercity trains, light rail and bus lines, and walking and biking infrastructure.

estate Web site Zillow.com began posting walkability ratings for its listings, created by WalkScore.com, which bases the score on how many activities and services are located within walking distance.

"It's not that everyone wants walkable neighborhoods, but we clearly are not meeting the demand, and it's only going to grow." Meeting that demand will require "a balanced transportation system: rail transit, walking, biking as well as car," Leinberger said.

He noted that in the current, down market, properties on the exurban fringe with long commutes to job centers are languishing even at drastically reduced prices, while those closer to transit stations and employment concentrations are holding value. The recent experience with high gas prices has exacerbated a trend away from places with long, expensive commutes, said Bob McNamara, senior policy representative with the NATIONAL ASSOCIATION OF REALTORS®.


Courtesy of DART

"That 'drive til you qualify' idea was based on a calculus, and that calculus is broken, as many people are finding to their dismay," McNamara added. "Although gas prices have dropped recently, people are much more conscious of the cost of transportation."

Transportation issues have begun to loom so large in the real estate and housing equation that, for the first time, NAR has adopted a detailed policy position on the reauthorization of the federal bill, McNamara said.

"The reauthorization legislation doesn't touch directly on real estate transactions, so there is not a direct stake. The REALTORS'® interest in this stems from the interest in community livability, in smart growth, and — in looking at the polling we've done — the fact that housing consumers would like more options and different options. If we're successful in providing those options, communities will be more prosperous and more livable and that's got to be good for real estate."

In another first, the NAR also has joined a diverse coalition of nearly 300 other national, state and local organizations with a stake in the federal transportation bill. The Transportation for America coalition (online at T4America.org) aims to represent the broad range of users of the transportation system, as distinct from the industry groups who usually follow the debate closely. T4America includes well-known organizations such as AARP, the American Public Health Association and the National Trust for Historic Preservation as well as key groups on issues including rural and small town concerns, affordable housing, the environment, social equity, public transportation, bicycling and walking, in addition to a number of elected officials and state and local entities.

Corless, the director of T4America, said the big challenge for coming decades will be developing and funding a program to build "the second half" of the transportation system — the intercity trains, light rail and bus lines, and walking and biking infrastructure that have lagged over the years — while maintaining and maximizing the efficiency of existing highways, bridges and transit lines. Other major policy questions include:

• How to meet the pent-up demand for public transit, particularly rail, rapid bus and streetcar projects, many of which have local funding but must wait years for their federal match;

• How to give metropolitan areas the latitude to solve their congestion and mobility issues, while holding them accountable for being fair and inclusive, while making timely progress on national goals;

"This is the first time we've gone into an authorization debate with the highway trust fund insolvent," notes John Horsley, executive director of AASHTO, the association of state DOTs. "Usually there have been reserves deep enough that Congress could take its time and keep extending the existing law till they reached agreement." But even as the insolvency question adds to the urgency, "There is a desire by the White House and the Congressional leadership to make a transformational bill."

Horsley said he thought Congress should go ahead and debate a vision and establish funding authorizations at a level sufficient to fulfill it — about a half-trillion dollars, he reckoned, nearly double the current level — then work through the politics of actually raising the money in the next couple of years. The bill itself should encourage experimentation with new funding sources: charg-

• How to better serve rural areas and small towns, who were especially hard hit when gas prices soared, and whose chronically under-funded bus and shuttle services leave many stranded;

• How finally to start to coordinate development and growth patterns with transportation investment, to ensure that people can find homes near jobs, that highways don't become overburdened by bad planning and that we make the most of transit investments; and

• How to streamline the programs and delivery systems — the transport agencies at all levels who must implement the new vision — so that projects get built quickly, yet still according to smart planning.

And the biggie, of course: How to pay for it all.

ing a "vehicle-miles traveled" tax based on how much you drive, rather than how much fuel you buy; funding some rail transit projects by recapturing increased land values; charging "congestion tolls" for driving at peak times; and plowing that money into providing alternatives modes of travel in the same corridor.

Whatever the mechanism, Corless said, Americans are likely to pay if it results in giving them cleaner, smarter, cheaper and more convenient options.

"In the end, you should still be able to choose to drive, but it shouldn't be your only option." ●

David A. Goldberg is the communications director for Smart Growth America, a nationwide coalition based in Washington, D.C. that advocates for land-use policy reform. In 2002, Mr. Goldberg was awarded a Loeb Fellowship at Harvard University, where he studied urban policy.

Spurring Growth with Transit-Oriented Development

Developers are helping transform the way cities grow with projects huddled near transit hubs.

By G.M. Filisko

From Los Angeles to Philadelphia and at a growing number of points in between, developers are jumping aboard the movement to cluster real estate projects near transit hubs.

"There's a growing number of developers who really get transit-oriented development," says Jud Pankey, chief executive officer of Dallas-based Prescott Realty Group. Prescott is currently developing the Lake Highlands Town Center, a nearly 2-million-square-foot, mixed-use project that will include a Dallas Area Rapid Transit (DART) light rail station. "It's a shift because it's a whole new way of doing business, and it's a challenging form of development."

Development clustered near light rail stations, at subway stations and near streetcars — called transit-oriented development, or TOD — is indeed changing the way developers operate. And those who've mastered TOD say the phenomenon will only expand. "In five years, properties along transit routes will have increased in value because people will pay a premium to live where they can walk to a transit station, even if they're not using it every day," says Carl Dranoff, president of Dranoff Properties in Philadelphia and

Planned TOD in Park City, Utah

Properties along transit routes will have increased in value because people will pay a premium to live where they can walk to a transit station.

developer of a $180-million project to revitalize the train station and business district in Ardmore, Pa. "Those will be the most sought-after locations, and developers will want to develop where customers will be — it's that simple."

The Forces behind TOD

Mass transit has had a stop-and-go history in the United States. In cities like New York and Chicago, systems are long entrenched. However, Americans' attachment to their cars has made the penetration of new transit throughout the country a harder sell.

But attitudes may be changing. There's been a shift toward a "green" lifestyle, caused in part by increasingly volatile gas prices. Add to that today's weakened economy, which is forcing Americans to scrutinize every penny they spend on housing and commuting. Ever-worsening traffic gridlock may also be converting nonbelievers into transit evangelists. When asked the best approach to solving traffic problems, 47 percent of respondents to a 2009 NATIONAL ASSOCIATION OF REALTORS® and Transportation for America poll favored improving public transportation, 25 percent preferred building communities that make it possible for people not to drive, and only 20 percent advocated building new roads.

That strong support has been driving TOD. "Transit has definitely grown," says Allison Brooks, managing director of Reconnecting America, an Oakland, Calif., nonprofit transit advocacy organization. "There's a demand for more easy living where you don't have to rely on your car. That's caused a real boom in cities and regions investing in new transit systems."

Brooks rattles off just a few cities building new or expanding existing transit systems. "In Denver, voters agreed to tax themselves to pay for a regional light rail system," she says. "Minneapolis-St. Paul is investing in a new light rail system. In Los Angeles, voters approved a tax to pay for the expansion of the current system." Charlotte, N.C., and Phoenix are also investing in transit.

"Transit has been gradually growing since the early 1990s," says G.B. Arrington, vice president and principal practice leader for PB PlaceMaking, a Portland, Ore., design and planning firm specializing in TOD. "I've been doing TOD since the late 1990s, and I continue to ask myself whether it's going to go away. But the interest and demand in both the public and private sectors continues to grow because developers who follow the principles of TOD will create places that are more resilient in the face of gas prices and climate change."

There's a demand for more easy living where you don't have to rely on your car.

Federal policy-makers seem to agree. In March, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Transportation (DOT) announced a joint "livable communities" initiative to help Americans better access affordable housing, more transportation options and lower transportation costs. According to the two agencies, the average working American family spends nearly 60 percent of its budget on housing and transportation. They've united to cut those costs by creating affordable, sustainable communities that rely heavily on transit. DOT also announced in March $100 million in federal funding for transit projects that reduce energy consumption or greenhouse gases.

"In the last six months, we've seen national interest at the policy level that we haven't seen before," says Abby Thorne-Lyman, a principal at Strategic Economics, an economic and real estate consulting firm, and a staff member for the Center for Transit-Oriented Development, a nonprofit research and advocacy group in Berkeley, Calif. "It's become a national movement, not just of developers but also of policy-makers realizing they have a role to play and that transit has large benefits in terms of greenhouse gas reduction and economic development."

Increased government commitment to transit should be music to the ears of the NAR-TFA poll respondents. Fifty-six percent said the federal government isn't paying enough attention to trains and light rail systems, and 75 percent said the government should improve intercity rail and transit.

Challenges and Opportunities

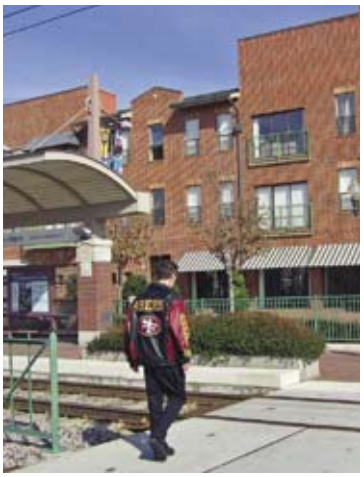
To give consumers what they want, developers must change the way they operate. "TODs are definitely a total pain in the neck," jokes Dranoff. "They're complex projects that require great skills to execute."

Why so complicated? Land assemblage can be difficult. Zoning and permitting restrictions can make the approval process a maze. Lenders often don't understand the large and intricate projects. And local residents often lay down early opposition to the density-rich developments. Handling all those challenges simultaneously requires formidable development and political acumen.

"You've got multiple public entities and public constituencies you really have to work with," says Pankey. "You have not only the transit authority, but other public improvements may also have to be done, and that could mean working with the city, county and a tax increment financing (TIF) district. Those members represent various constituencies, and you have to be able to navigate that process and articulate the benefit of transit living."

Take financing, which typically requires developers to work with both public and private funding. "It's been suggested that TODs need patient money," says Rich von Luhrte, president of RNL, an architecture and urban design firm in Denver, who's worked on TOD since the 1970s. "The funders take a developer who's willing to make a long-term investment in property and go through tremendous effort to do a redevelopment project. The patient money often requires acquiring the property and holding it until the transit service matures and the demand is such that it can support the development."

Not-in-my-backyard (NIMBY) concerns are nothing new to developers, but TOD offers added complications. "Often, neighborhoods impacted by transit stations aren't ready to accept the increased density," explains von Luhrte. "Developers need to generate a tremendous amount of community and city support for TOD to be successful. Too many projects get stalled because NIMBYism stops them or makes them extremely difficult."



Richardson, Texas

Walkability has become a very significant driver for consumers.

Future transit-oriented development in Ardmore, Pa.

Dan Johnson, deputy city manager and chief operating officer for Richardson, Texas, which is adding four stations to the DART rail line that runs through the city, says early planning helped his city avert major NIMBY sentiments. "Several years before the rail was developed, we were active with our city council and speaking in public sessions," he says. "We were also selected by the Urban Land Institute for a panel study in which a task force of professionals conducted planning and visioning sessions. That was very effective in allowing us to get an overall vision and commentary from across the country and to frame our TOD. A lot of problems were circumvented by having that session early on."

Phil Kushlan has had a slightly different experience. The executive director for Capital City Development Corp., a quasi-public urban renewal agency for Boise, Idaho, has had to address public pushback on a $60-million downtown streetcar redevelopment to be completed in 2011. The project will be financed through a TIF and tax-exempt bonds, but the numbers have raised concern. "The primary issue we've had to deal with is the cost," he says. "People say, 'It's going to cost a fortune!' But we've been able to demonstrate that $60 million is less than the cost of a new freeway interchange and the community benefits over time are much greater than with each new freeway interchange. This isn't a project that withstands a 10-year test; it's a 100-year, transformative community design project. We think it's a much better investment."

Dranoff also believes the value of TOD is worth the extra work. Though the Ardmore project is still in the planning stages, the bulk of Dranoff's developments have been near transit, and that proximity has paid off. Take Symphony House, a 163-unit condo development in Philadelphia's cultural hub. "You can walk out the front door and be within steps of the Kimmel Center, our major performing arts center," explains Dranoff. "You can walk 60 or 70 steps and be at the subway entrance."

Today, Symphony House is 90 percent sold. "We were able to hold our prices, and our fall-out ratio of people who cancelled contracts while waiting for their unit to be finished was only 7 percent," says Dranoff. "We were able to go against the grain because sales on projects near transit are better than those further away."

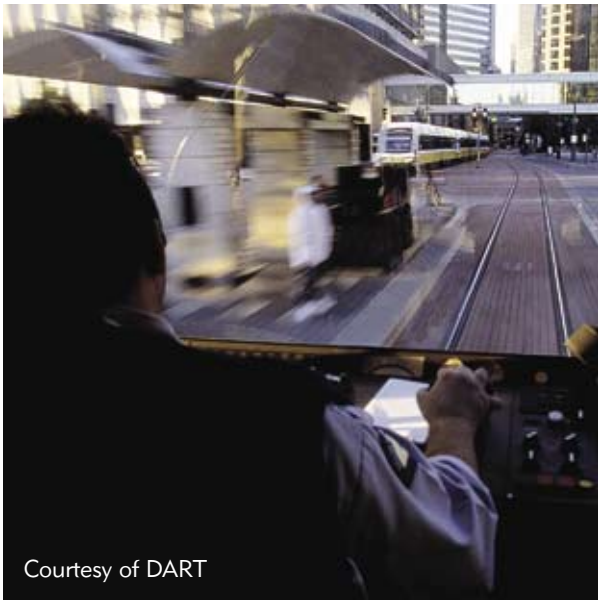
With those results, Dranoff feels confident taking on the Ardmore TOD. "We're putting our money on it," he says. "Walkability has become a very significant driver for consumers. People don't want to be tethered to their cars." ●

G.M. Filisko is an attorney and freelance writer who writes frequently on real estate, business and legal issues. Ms. Filisko served as an editor at NAR's REALTOR® Magazine for 10 years.

And the survey says...

The Public Wants **SMART** Transportation Spending

Many across the country would agree that traffic and transportation are a problem. The 2009 Growth and Transportation Survey, sponsored by the NATIONAL ASSOCIATION OF REALTORS® and Transportation America, outlines what Americans think about how their communities are handling development, how development affects their immediate community and how the transportation needs of communities can best be met.



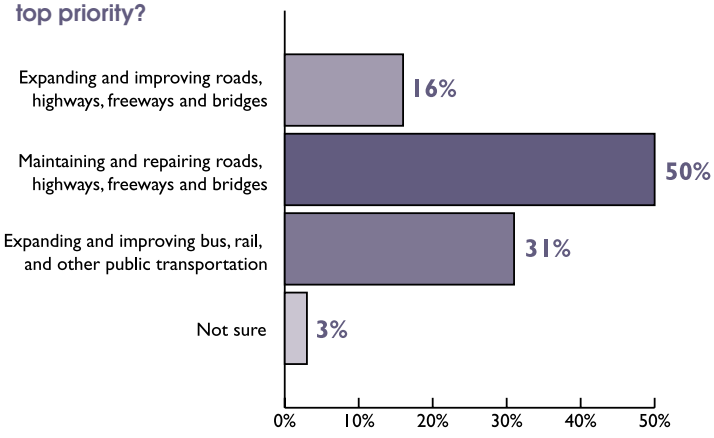
Courtesy of DART

Growth and Transportation Nationwide

To accommodate future U.S. population growth, which is expected to increase 100 million by 2050, Americans favor restoring existing roads and bridges and expanding transportation options; improving intercity rail and transit; and walking and biking over building new highways. When asked about transportation approaches to accommodate the future growth, three out of four favor improving rail systems rather than building new highways and freeways.

When asked about the federal government and its priorities for the budget, half of U.S. citizens believe that maintaining and repairing roads, highways, freeways and bridges should be the top priority as the federal government makes its plans for transportation funding in 2009. Just under a third (31%) believe the top priority should be expanding and improving bus, rail and other public transportation, and only 16 percent believe it should be expanding roads, highways, freeways and bridges.

As the federal government makes its plans for transportation funding in 2009, which one of the following should be the top priority?



What citizens want or need and what they get are two different stories. When asked which one or two types of transportation are not getting enough attention from the federal government, more than half (56%) responded trains or light rail systems and nearly half (48%) responded roads and buses.

Growth and Transportation in Local Communities

When asked about more local issues, almost two-thirds of the respondents believe their communities do a good or excellent job providing parks and protecting open space (65%), and more than half believe their communities do a good or excellent job providing good public schools (58%). However, when it comes to transportation, a majority of those surveyed think their communities do a poor or fair job in various aspects of transportation and new development.

For instance, 56 percent think their community is doing a fair or poor job managing growth and new development. And, only 7 percent believe their community is doing an excellent job providing practical and convenient public transportation.

In addition, the survey showed that when it comes to traffic congestion in their local communities, more than two-thirds (67%) want public transportation improved, including trains and buses, and want it to be easier to walk and bike in order to help reduce traffic congestion, while only just over a quarter (27%) want more roads built and existing roads expanded to help reduce congestion.

When asked about approaches to the best long-term solution for reducing traffic in their areas, almost half (47%) preferred improving public transportation, a

Half of U.S. citizens believe that maintaining and repairing roads, highways, freeways and bridges should be the top priority.

Courtesy of DART

quarter chose building communities that encourage people not to drive as much, and 20 percent preferred building new roads.

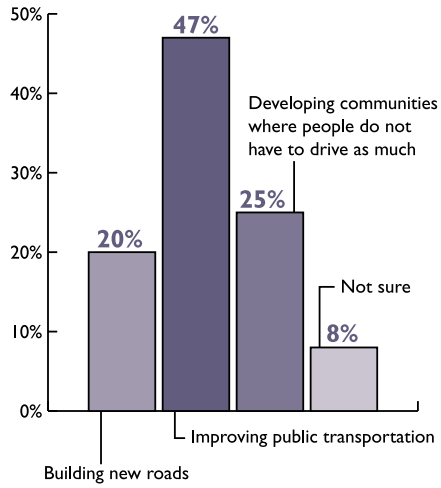
According to the survey, more people agree than disagree that new home construction should be limited in outlying areas and encouraged in already developed areas, and that businesses and homes should be built closer together so that stores and restaurants are within walking distance and do not require the use of an automobile.

Courtesy of DART

The Economic Stimulus Package and Long-Term Economic Growth Priorities

When those surveyed were asked about the economic stimulus plan, there was an overwhelming response for transportation- and infrastructure-related projects to be included through job creation initiatives. For example, most agreed that highway and bridge repair projects (93%), alternative energies such as wind and solar power (86%), the development and improvement of public transportation (83%), and developing and expanding parks that preserve green space and recreation areas in communities (71%) should be included in the plan.

Which of the following proposals is the best long-term solution to reducing traffic in your area?

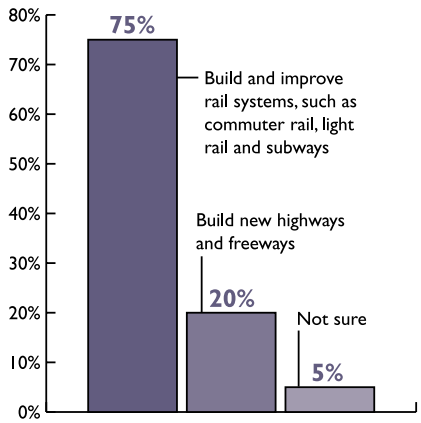


The survey also indicates that respondents agree that economic stimulus activities need to be less focused on immediate needs and more about long-term economic growth and projects that achieve multiple goals.

Specifically, 80 percent of Americans want transportation and other infrastructure spending included in the economic stimulus bill to target projects that achieve multiple goals including creating new jobs, improving the environment, increasing transportation choices and reducing dependence on foreign oil, even if it means jobs are created over a longer period of time. And, the top transportation-related goal in respondents' eyes is promoting long-term economic growth (41%).

In addition, Americans are very interested in energy conservation as it relates to stimulus money. Eighty-nine percent agree that transportation investments should support the goals of reducing energy use, with 58 percent agreeing strongly. Three in four of those polled also want the stimulus plan to support the reduction of carbon emissions that lead to global warming and climate change.

Given that the U.S. population will increase by one hundred million people by 2050, which of the following transportation approaches do you prefer to accommodate this growth?



Another issue of importance is the future population growth and how transportation approaches will accommodate the growth. Respondents across the country want a change of pace from building and expanding roads, as 75 percent prefer building and improving rail systems to meet future growth needs.

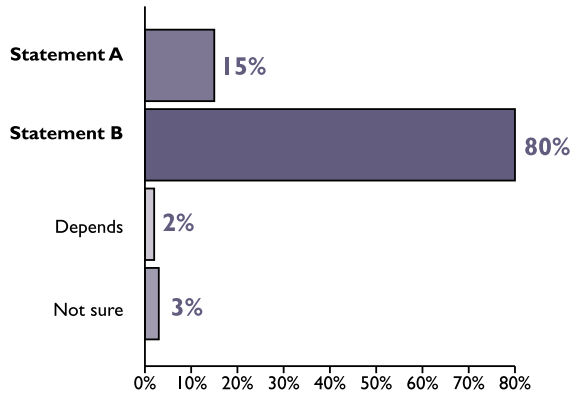
As the statistics highlight, American citizens know that when it comes to the economic stimulus plan, short-term solutions are not the answer. They have specific preferences and agree the plan should be based on the overall benefit to the community and not just to create jobs (80%). ●

The 2009 Growth and Transportation Survey was conducted by Hart Research Associates, January 5–7. Hart Research Associates telephoned 1,005 adults living in the United States. The study has a margin of error of plus or minus 3.1 percentage points. The entire survey can be viewed at www.realtor.org/smartgrowth.

I'm going to read you two statements, and I'd like you to tell me which one comes closer to your point of view.

A: Transportation and other infrastructure spending should only include projects that can be started right away, such as traditional highway and bridge construction, to create new jobs and provide an immediate boost to the economy.

B: Transportation and other infrastructure spending should be targeted specifically to projects that achieve multiple goals, including creating new jobs, reducing dependence on foreign oil, improving the environment, and increasing transportation choices, even if the jobs are created over a longer period of time.



Take the Bus

It's Rapid Transit

By Judy Newman

In more and more of the nation's urban areas, riding the bus no longer requires meandering from one end of a city to the other, stopping to pick up passengers every couple of blocks and fighting heavy rush hour traffic.

From Puyallup, Wash. to Chicago to Bergen County, N.J., communities around the country are floating plans to include Bus Rapid Transit in their transportation systems.

Supporters say it's a quick, efficient way to get people where they're going and costs less than any sort of rail line.

"My guess would be that every medium- to large-size city in the United States is considering Bus Rapid Transit," said Dennis Hinebaugh, director of the National Bus Rapid Transit Institute in Tampa, Fla.

Opponents say Bus Rapid Transit doesn't measure up to light rail when it comes to long-term labor costs, fuel use or economic development. "You can't make a bus into a train and that's what's been promoted," said Dave Dobbs, publisher of LightRailNow.org, based in Austin, Texas.

Communities around the country are floating plans to include Bus Rapid Transit in their transportation systems.

Strictly defined, Bus Rapid Transit, or BRT, has seven characteristics, said Hinebaugh, also of the University of South Florida's Center for Urban Transportation Research:

- Dedicated lanes on streets or highways
- Stations that go beyond bus shelters, with benches, lighting, ticket vending machines and information on arrival time for the next buses
- Specialized, articulated buses that carry more passengers than regular buses
- Improved fare collection systems
- Advanced technology that allows a BRT vehicle to change upcoming traffic signals and to provide real-time travel information to passengers

- Improved service such as faster trips and better reliability
- Branding and marketing, including special signs, distinctive logos and colors for the buses and stations

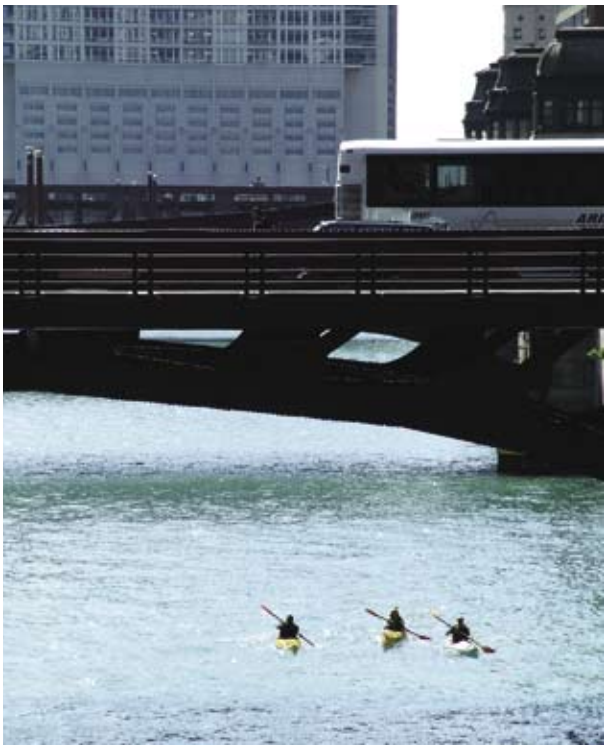
Most of the 25 metropolitan areas across the United States with Bus Rapid Transit don't incorporate all seven features. Cities as varied in size as Los Angeles; Hartford, Conn.; Charlotte, N.C.; and Eugene, Ore., operate BRT programs and each conforms to the needs of the area.

Some systems are doing little more than calling a bus route BRT, while others meet several qualifications, such as running on a dedicated lane during peak traffic times and being able to affect traffic signals.

An elaborate BRT system can cost $300 million to $400 million. But even small changes that might cost as little as $1 to $2 million, such as upgrading bus shelters and running a bus that stops at every other stop, can make a difference, Hinebaugh said. "Take the best route on your system and make it more rapid," he said.

Dobbs, though, said that's one of the problems he has with Bus Rapid Transit. "Nobody knows what it is. It's mostly a public relations term," he said.

Cities varied in size operate BRT programs and each conforms to the needs of the area.



Courtesy of DART

In the past five to 10 years, communities around the United States have engaged in earnest discussions to adopt BRT systems.

Defining a BRT

Early versions of Bus Rapid Transit date back several decades, but only in the past five to 10 years have communities around the United States engaged in earnest discussions to adopt that type of system, Hinebaugh said, and most have been implemented just in the past three years.

One model of a BRT system is the TransMilenio in Bogotá, Colombia, launched in late 2000. According to a World Bank report, by early 2004, TransMilenio was running as many as 280 buses an hour in each direction and providing up to 900,000 passenger trips on an average weekday, or about 16 percent of the public transportation trips. At the same time, by 2002, air pollution on TransMilenio corridors decreased 40 percent in the system's first year of operation, according to TransMilenio.

In the United States, Cleveland's Euclid Corridor Transportation Project is the newest full-scale BRT. Launched in fall 2008, the BRT, called the HealthLine System, uses 63-foot, hybrid diesel-electric, articulated buses that can hold as many as 111 passengers (seated and standing) and have two interior bicycle racks. The seven-mile route, through one of Cleveland's oldest areas, uses special median bus lanes and is being adorned with $1.2 million worth of public art.

Cleveland's Euclid Corridor Transportation project.

Photos by Lorie A. Beabes

The Emerald Express in Eugene, Ore.

It's so new (that) I think people will have to grow into it and learn that it (BRT) is there, it's easy and it's accessible.

"It's so new [that] I think people will have to grow into it and learn that it's there, it's easy and it's accessible," said Dianna Hosta-Stickney, chairwoman of the Cleveland Area Board of REALTORS®.

The corridor links downtown Cleveland to major hospitals and Case Western Reserve University, all of which are big area employment centers, as well as to cultural attractions. "I think it's going to be remarkable," Hosta-Stickney said.

Since the HealthLine System began running last October, ridership is up nearly 40 percent, said project officer Danielle Willis.

A Burgeoning Success

It didn't take long for people in the Eugene and Springfield, Ore., areas to take to their Bus Rapid Transit system. The Emerald Express, or EmX, debuted in January 2007 — after 12 years of community discussion and planning — replacing what had been a regular bus line.

Before the EmX, the route drew 2,700 boardings per day; now, it averages 6,000 boardings a day, said Andy Vobora, director of service planning, accessibility and marketing for the Lane Transit District, which runs the service.

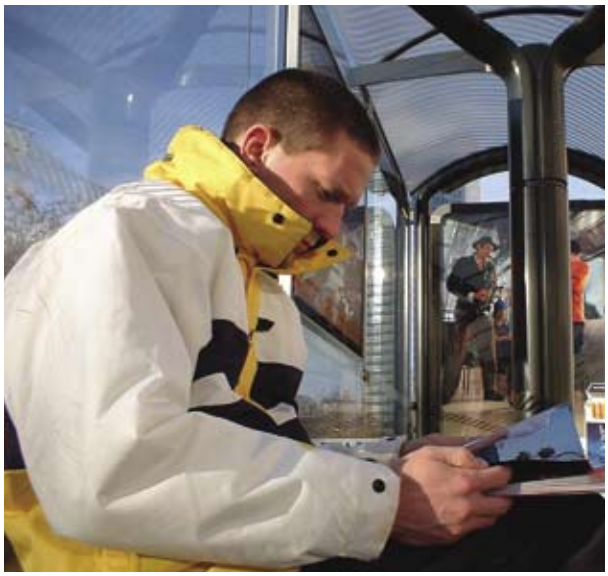
"Our projection was a 40 percent increase in ridership over a 20-year period. So we're pleased with that," he said. So far, the service has been free, but fares will begin this summer.

The EmX's four-mile route connects downtown Eugene with downtown Springfield and uses the same type of elongated buses that Cleveland's system has adopted. It also has median bus lanes separated from traffic, median transit stations and signal priority.

"We tried to create, probably, the most extensive BRT system around, in terms of amenities. We were trying to emulate light rail," Vobora said.

EmX stations are one-third to one-half a mile apart, which means there are fewer stops than with a regular bus. "People have to walk a little farther," he said, which may be more difficult for older or disabled passengers, but few have voiced any concerns, Vobora added.

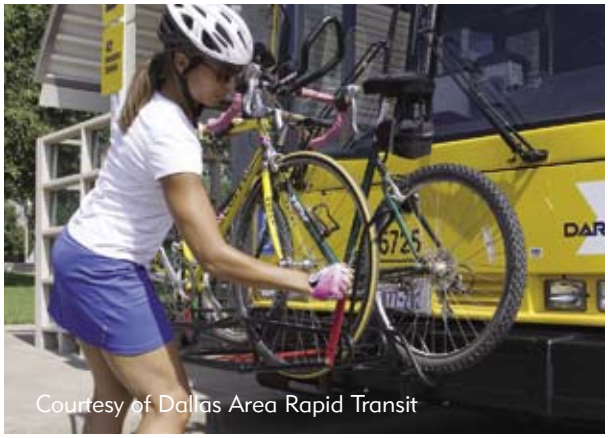
One benefit is faster travel time. The regular bus traversed the route in 22 minutes while the EmX takes 16 minutes or less. Skeptics may ask if it was worth spending $24 million to create the four-mile EmX stretch just to save six minutes, Vobora said. His reply: "Even that is pretty significant in terms of operational cost savings." Fewer buses are needed to provide the same service, he said. And the real impact will be felt when a 7.5-mile, $41 million extension opens in 2010.



We tried to create the most extensive BRT system around, in terms of amenities. We were trying to emulate light rail.

Eugene's EmX quickly drew recognition from around the United States. The BRT system received an Honorable Mention from the 2008 Sustainable Transport Awards, sponsored by the Institute for Transportation and Development Policy in New York. Eugene was the

Courtesy of Dallas Area Rapid Transit


Courtesy of Dallas Area Rapid Transit

Fewer buses are needed to provide the same service.

only United States city nominated for the awards, whose top honors went to London and Paris.

Boston's Silver Line also has been popular with passengers. Skirting Boston's waterfront and extending to Logan Airport, the Silver Line opened in 2005 and has become the busiest of the 185 bus routes operated by the Massachusetts Bay Transportation Authority (MBTA), said Joe Pesaturo, director of communications. On a typical weekday, the Silver Line has 14,200 boardings compared to 800 to 13,000 a day on the other bus routes.

The Silver Line is just one part of a massive transit system in the Boston area that also includes light rail and subways. When planning was underway, some people thought the Silver Line should be a light rail, or trolley, system but the cost would have been substantially higher, Pesaturo said.

"And trolleys still compete with traffic," he said. "All it takes is one car, one accident and trolleys have to come to a stop." A bus can veer around a crash scene and keep going, he added.

Photo by Joe D. Pesaturo

Traffic congestion is definitely an issue in the Boston area where the streets are former cow paths and were never laid out in a grid formation like most other big cities, said Gregory Vasil, chief executive officer of the Greater Boston Real Estate Board.

"Our members were seeing … a number of people that were looking for homes very close to public transportation nodes — commuter rail, subway or bus routes. Traffic is a nightmare, and people would rather take public transportation than drive," Vasil said.

Even in the car-loving Los Angeles area, more people are starting to turn to mass transit, whether it's BRT or rail, said Alan A. "Scotty" Herd, president of the Beverly Hills/Greater Los Angeles Association of REALTORS®.

Photo by Joe D. Pesaturo

Courtesy of DART

"As traffic slows down, people take the alternative and find that they can work on a train or a bus," Herd said.

"I don't see crowds running to catch the bus, but I know a number of people who have switched and enjoy it," he said. "I've talked to, probably in the last year, five to 10 friends who enjoy riding public transportation because they can spread out their papers on the seat next to them, put a laptop in their lap and get 40 minutes of work out of a one-hour ride."

BRT Vs. Light Rail

A study by the California Center for Innovative Transportation showed the Orange Line has reduced traffic congestion on United States Highway 101, which runs parallel to the BRT, by 14 percent, according to a report by the National Bus Rapid Transit Institute in the MassTransitMag.com online magazine.

Dobbs, of LightRailNow.org, said he thinks the Orange Line probably could have been converted to light rail for a relatively small cost "and would carry even more people than it does today."

Dobbs said about 50 United States cities either have light rail lines or are considering building them. He said France is building an electric-powered light rail system in every city of 100,000 or more.

Courtesy of Dallas Area Rapid Transit

More people are starting to turn to mass transit.

"Operational costs of light rail, over time, are much lower than a bus," Dobbs said. He said a study by LightRailNow.org shows energy consumption on a per-passenger-mile basis is lower with light rail than with cars or buses.

Dobbs also contends that Bus Rapid Transit does little to encourage economic development along its routes because bus routes are less permanent than rail lines and can be changed.

"A bus tends to be an afterthought. Buses are followers whereas trains and rails are leaders," he said. "A bus stop can go anywhere it wants to go tomorrow."

Bus Rapid Transit is not only affordable, you can also provide the same level of service and demand as rail.

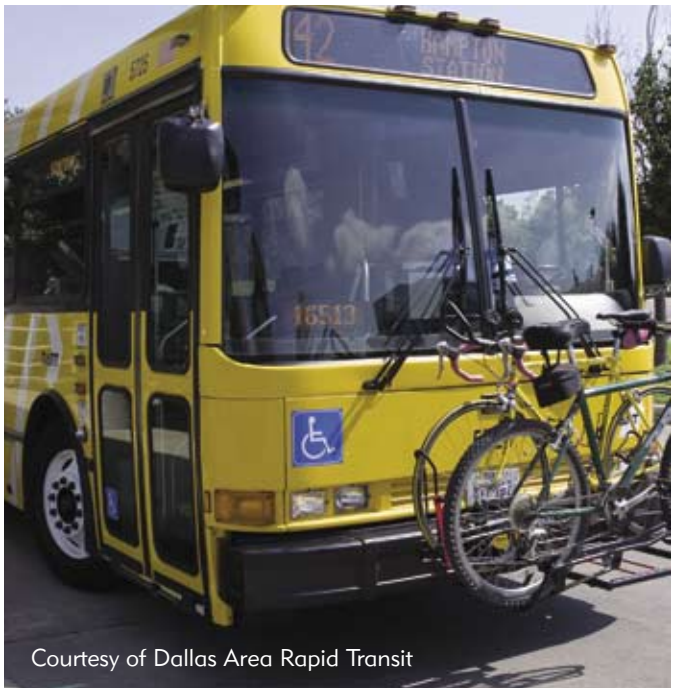
Space constraints can also pose problems for BRT, where downtown streets in big cities may be narrow, said Aimee Gauthier, communications director for the Institute for Transportation Development Policy.

"What we want is for [communities] to implement a good quality, customer-oriented mass transit system. Most cities can't afford to pay for light rail or heavy rail. But Bus Rapid Transit is not only affordable, you can also provide the same level of service and demand as rail," Gauthier said. ●

Judy Newman is a business reporter for the Wisconsin State Journal newspaper in Madison, Wis.


Courtesy of Dallas Area Rapid Transit

Photo by Joe D. Pesaturo


Courtesy of Dallas Area Rapid Transit


Courtesy of Dallas Area Rapid Transit

The Transportation Quotient of the Affordability Equation

Transportation costs are a determining factor when buying a home

By Brad Broberg

In the housing market, distance matters. As the odometer turns, house payments fall. That makes homes farther from city centers less expensive, but does it make them more affordable?

Maybe. But maybe not.

To truly assess affordability, homebuyers must look beyond their mortgages. They must also think about how much money — and time — they're spending to travel between home and work and other daily destinations.

"Something's Gotta Give," a 2006 study by the Center for Housing Policy (CHP), found that for every dollar a working family saved on housing in less expensive suburbs, they had to spend an additional 77 cents on transportation.

To truly assess affordability, homebuyers must look beyond their mortgages.

If you want to talk about affordability, you have to talk about the cost of housing and transportation together.

"You can't just talk about housing affordability anymore," said Gloria Ohlman, communications director at Reconnecting America. "If you want to talk about affordability, you have to talk about the cost of housing and transportation together."

Reconnecting America, home of the Center for Transit-Oriented Development (CTOD), is one of several organizations beating the drum to look at housing and transportation costs in combination when addressing the issue of affordability.

That drum is starting to be heard. This spring, the secretaries of the U.S. Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD) announced they will collaborate to expand affordable housing and transportation choices. High on their agenda: helping metro areas develop indexes that roll housing and transportation costs into a single measure of affordability — aka the cost of place.

"This idea had no traction for a long time, and suddenly the Obama administration seems to be seeing the importance," Ohlman said. "I think this is the first time DOT and HUD have partnered on a project in something like 40 years."

Understanding the interplay between housing costs and transportation costs is important on many levels. By considering both factors together, families can make smarter choices about where they can afford to live, and policy-makers can make smarter choices about how to promote affordability.

That's also a goal of smart growth. By stressing density, walkability, mixed-use and transit, smart growth is a blueprint for coordinating the development of housing and transportation to increase the overall affordability of neighborhoods.

For example, a 2007 study by CTOD titled "Realizing the Potential," describes how developing housing near transit does more than just get people out of their cars. In terms of the cost of place, it can make neighborhoods more affordable.

Homebuyers are making the connection between housing and transportation.

Living in dense, walkable, mixed-use neighborhoods with access to quality transit is cost-effective when it comes to transportation.

The study, funded by HUD and the Federal Transit Administration, showed that the average American family spent 32 percent of its household budget on housing and 19 percent on transportation. However, those living in dense, walkable, mixed-use neighborhoods with access to quality transit spent only 9 percent on transportation compared to 25 percent for those living in auto-dependent neighborhoods.

"That is huge, especially for a low-income household," Ohlman said. "It can make the difference between staying afloat and sinking."

The case for treating housing and transportation costs as a single indicator of affordability is supported by a growing list of studies that crunch the numbers in convincing fashion. The latest is "Beltway Burden," which examines the combined cost of housing and transportation in metropolitan Washington, D.C.

Published earlier this year, the study documents the challenges faced by working families who are forced to "drive 'til they qualify" for housing. In general, the study finds that increases in transportation costs begin offsetting savings in housing costs when families move roughly 15 to 17 miles away from employment centers.

"I think we struck a chord with people when that study came out," said Jeffrey Lubell, executive director of CHP, which joined the Center for Neighborhood Technology (CNT) and the Urban Land Institute Terwilliger Center for Workforce Housing to produce the study.

No doubt the not-so-distant memory of $4-a-gallon gas raised the study's profile, but Lubell believes "it's not all about gas prices. It's about a combination of things." Long commutes play a role in climate change, traffic congestion and quality-of-life issues, he said.

Still, gas prices remain a huge threat to overall affordability for households with heavy transportation burdens. "They could change next week and that scares us in a couple of ways," Lubell said. "How are people going to get to work? And if they can't get to work, how are they going to pay their mortgage?"

The numbers for Clarke County, Va., illustrate the main point of "Beltway Burden" — that driving 'til you qualify doesn't always pay off.

Located in the suburban fringe far from employment centers, Clarke County offers lower-than-average annual housing costs — $19,939 compared to the metro average of $22,960. However, higher transportation costs — $17,090 compared to $13,234 — make the combined cost of living in Clarke County higher than the metro average — $37,029 compared to $36,194.

Long commutes play a role in climate change, traffic congestion and quality-of-life issues.

That doesn't seem like such a big difference — until incomes are factored in. According to the study, the average metro area household earns $78,221 a year and spends nearly 30 percent on housing and 17 percent on transportation. The average Clarke County household earns $64,288 a year, spending about the same share of its budget on housing — 31 percent — but far more on transportation — 26 percent.

Do the math. Despite Clarke County's relatively affordable housing costs, the combined cost of housing and transportation in Clarke County consumes a greater share of the average household's budget — 57 percent — than the metro area average — 47 percent. Suddenly, Clarke County doesn't sound so affordable after all.

That relationship between housing costs, transportation costs and overall affordability echoes a 2006 study by CHP, CNT and the Institute of Transportation at the University of California, Berkeley.

"A Heavy Load" examined the combined housing and transportation costs of working families earning between $20,000 and $50,000 a year in 28 metropolitan areas. The study found that those families spent the same share of their budget — 27.7 percent — on housing as families of all incomes, but spent much more on transportation — 29.6 percent compared to 20.2 percent.

gas prices — came back to haunt homebuyers fixated on the lower housing costs in distant suburbs.

According to census data cited by "A Heavy Load," 15 of the 20 fastest-growing counties in the United States are located 30 miles or more from the closest central business district.

"We are seeing a lot of foreclosures in the areas where people drove 'til they qualified," Lubell said. "Were they fully aware of how much their transportation costs could go up?"

Ohlman doubts it. Families pay for housing in monthly lump sums — either rent or mortgage — but they pay their transportation costs in bits and pieces. "Who knows how much they spend on gas, repairs, insurance?" Ohlman said. "It's all these disaggregated costs. I don't think people are very cognizant of how much they spend on transportation."

That's one of the reasons DOT and HUD are eager to help metropolitan areas measure the true cost of place by creating affordability indexes. At least one such tool already exists.

The Housing and Affordability Index — developed by CTOD and CNT on behalf of The Brookings Institute — prices the tradeoffs that households make between housing and transportation costs in 42 cities across the country.

In their search for lower cost housing, working families often locate far from their place of work, dramatically increasing their transportation costs and commute times.

The study's conclusion: "In their search for lower cost housing, working families often locate far from their place of work, dramatically increasing their transportation costs and commute times. Indeed, for many such families their transportation costs exceed their housing costs."

Lubell wonders whether the failure to consider higher transportation costs — aggravated by last year's spike in

The index adds average housing costs and average transportation costs and divides it by average income, calculating transportation costs based on a model that takes into account density, walkability and transit availability of individual neighborhoods.

Although people evaluate more than housing prices and transportation costs when deciding where to live,

A family should spend no more than 47 percent of its income on housing and transportation.


Courtesy of DART

data on other variables such as property size, quality of schools and crime rates are readily available. Facts about the relative transportation costs of different neighborhoods are scarce.

The Housing Affordability Index concludes a family should spend no more than 47 percent of its income on housing and transportation. That figure is based on the national average expenditure of 19 percent for transportation plus the mortgage underwriting standard of 28 percent for housing. Using 47 percent as a benchmark, the index can tell families — and/or their REALTOR® — which neighborhoods are affordable based on a family's particular income.

In the short run, soaring gas prices may have negated the need for an index. The pain at the pump told many people that their transportation costs were out of whack.

"The lure of the shiny new construction home [in distant suburbs] kind of offset the cost of transportation, but when gas prices went up, we saw people who lived out there selling those homes and moving closer to the city," said Jennifer Kuhlman, a REALTOR® with Windermere Real Estate/Mill Creek in suburban Seattle.

Tracy Pless, a REALTOR® with Long and Foster Real Estate in suburban Reston, Va., agrees. "They'll have to trade a new 3,000-square-foot home for an older 2,000-square-foot home with a smaller lot, but people are doing that, not just because of gas prices, but because of the time it takes to commute," she said.

That's why Bob and Regina Thomas chose to remain in Reston, an inner suburb of Washington, D.C., rather than move to an outer suburb when they swapped their town home for a single-family home two years ago.

By staying in Reston, Bob can bike to his job as an engineer at General Dynamics, and Regina faces just a short drive to her job as an attorney at AOL, giving them more time to spend at home with twin baby boys.

"I know a lot of people who live in Loudoun County [an outer suburb] because they can get more home for their money, but we thought Reston was a nice compromise," Regina said.


Courtesy of DART


Courtesy of the Maryland Office of Tourism


Courtesy of Glenwood Park

Ultimately, it's about creating more walkable and transit-oriented communities where more of the things people need to do are closer together.

That may sound like a simple decision, but it's not. "It's a more complicated issue than just how much you're paying [for housing and transportation]," Lubell said. "People also move because they want a bigger house, a safer neighborhood, better schools."

Like the Thomas family, Sam and Sheri Meadema live in Reston, but they're planning to leave because of concerns about the schools. The question is whether to go west to Loudoun County, where they can get more bang for their buck, or head east where they would be closer to their government jobs in downtown D.C. (Sam) and on the edge of downtown (Sheri).

The commute from Loudoun County would take an hour or more each way and require $11 a day in tolls. However, the couple could afford a much newer and bigger home there.

"We'd be lucky if we got a 2,500-square-foot home built in the '70s or '80s for $700,000 closer [to D.C.], but in Loudoun County, we could get a 4,000-square-foot, brand-new home for $600,000," Sam said. "We're very much on the fence."

The villain in most discussions about the relationship between housing costs, transportation costs and affordability is the extra transportation burden many people swallow in exchange for lower housing costs. However, as more people move where transportation costs are lower, the opposite can also occur.

What's the answer?

"Ultimately," Lubell said, "it's about creating more walkable and transit-oriented communities where more of the things people need to do are closer together." ●

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

THE TIME IS RIGHT

By Gary Fineout

The promise of federal cash prompted high speed rail advocates to once again dream of making rail a possibility.

For more than three years, a bid to bring high speed rail to Florida had been completely derailed.

Complaining about the potential cost to the state, former Gov. Jeb Bush led a charge to repeal a constitutional amendment which had mandated that Florida create a high speed rail system that would tie its major cities together.

After voters repealed the bullet train mandate in 2004, the future of high speed rail in the Sunshine State appeared dim. The state's high speed rail authority held its last meeting in 2005.

But that changed earlier this year when President Obama pushed through the stimulus package in Congress, which included $9.3 billion for passenger trains. The president followed that up with an additional budget request of $1 billion a year for the next five years. The

The following photos provide a conceptual view of proposed high speed rail traveling through cities, intersecting the countryside and stopping at various stations along a planned route in California. California's proposed high speed rail is considered a "ready-to-go" project, as planning is completed. The state is already moving forward with its first phase of the project. The images are courtesy of the California High Speed Rail Authority and NC3D.

2009 Omnibus Appropriations Act includes $90 million in matching grants for intercity passenger rail travel.

The promise of federal cash prompted high speed rail advocates in states such as Florida to once again dream of making intercity rail a possibility. The Florida High Speed Rail Authority, on hiatus but still authorized to act on behalf of the state, got back together this past spring.

"I think it's a great opportunity for people in Florida to get a huge slice of the stimulus package," said C.C. "Doc" Dockery, a Lakeland, Fla., businessman who spent $3 million of his own money back in 2000 to convince voters to endorse a plan for a bullet train. "It would also give us something that we have desperately needed for 20 years and that would be an alternative to the congestion we have on our highways."

Others agree that the federal support could finally provide the catalyst needed to help move the United States away from an automobile dependent society. Unlike other modern industrial countries like Japan or those in Europe, the country lacks a true high speed rail train. The Acela Express train used by Amtrak between the cities of Washington, D.C., and Boston does travel at high speeds, but far lower than bullet trains in other countries.

The $787 billion stimulus package included $1.3 billion for Amtrak and $8 billion for passenger train capital grants, including money for high speed rail corridor development grants for 11 corridors across the country. The grant money could also be used for intercity passenger rail city grants and congestion grants. But the legislation also makes it clear that priority is to be given to "projects that support the development of intercity high speed rail service."

The money for Amtrak will be used to improve its service and to repair bridges as well as $100 million on facility repairs, $10 million to build a new Auto Train station in Sanford, Fla., and $82 million to restore and return into service passenger cars. Amtrak also plans to make significant changes to stations to make them more accessible for people who use wheelchairs.

In remarks he made to the National League of Cities this past spring, U.S. Transportation Secretary Ray LaHood stressed that the goal behind all the transportation money included in the stimulus bill was not to just create jobs but to help make communities more sustainable.

"This effort not only puts people to work … it gets people to work in a way that moves us toward our long-term goals of energy security and more livable communities," said LaHood.

Indeed economic studies done for a high speed rail project underway in California suggest that it would facilitate denser development near the train stations. A study of economic benefits in Los Angeles concludes that demand to be near rail stations will lead to more

commercial/residential infill developments, resulting in higher land value. Another study points out that the cities of Ontario and Riverside in Southern California are already looking to create transit-oriented business and housing developments in order to put customers, jobs and retail outlets in close proximity to one another.

Advocates for passenger rail service stress that the stimulus package money won't suddenly create a network of bullet trains across the country. Instead the money can be used by any train that achieves speeds of 110 mph, which is considerably less than the ones already operating abroad.

"It's unprecedented but it will not do what people say it will do, which is run bullet trains," said Ross Capon, president of the National Association of Railroad Passengers.

The Federal Railroad Administration states that the idea is to provide service that is "time competitive" with both air and auto travel within a 100 to 500 mile distance. But the administration also states that it wants to hand out money to "ready-to-go" projects for which planning, environmental impact and preliminary engineering activities have been completed in order to allow final design and construction to begin. None of the stimulus money can be used for planning.

> It gets people to work in a way that moves us toward our long-term goals of energy security and more livable communities.

The one state that is already far down that track is California. Voters in that state approved a $9-billion bond referendum in November 2008 to help pay for the 800-mile high speed rail system that would traverse the state from Sacramento to San Diego. The referendum also included an additional $950 million to pay for urban, intercity and commuter rail lines to link up with the electric-powered high speed trains.

There is a real opportunity for Wisconsin and the Midwest to become a leader in high speed passenger rail.

The state is already moving ahead with the first phase of the project, which is expected to link the Los Angeles-Anaheim area to San Francisco. Travel between San Francisco and downtown Los Angeles would take roughly two and a half hours once the train starts running.

Judge Quentin Kopp, chairman of the California High Speed Rail Authority, said he is "confident" that his state can get a large share of the federal money because it is pressing ahead with a train capable of 200 mph.

"I think it's wonderful and I'm reasonably confident of getting a substantial amount of allocated grants from that," Kopp said. "California is unique."

Kopp said that there is a possibility that the state could finish sections of the first 520-mile phase by 2013, with an estimated completion date of 2018-2020. The entire $45-billion system is expected to be finished by 2025.

Capon agrees that these aggressive efforts place California far ahead of other states.

"Clearly they have done more for laying the foundation for true high speed rail," he said. "It could provide a significant boost to the California high speed project. The fact is that most of the other states are working on what we call incremental upgrades in conventional services."

But that doesn't mean California will be alone in trying to land billions in federal assistance for passenger train travel.

States such as North Carolina, Texas and Wisconsin are among those that have expressed interest in obtaining some of the stimulus money set aside for passenger rail.

Texas wants to look at expanding the rail corridor between Fort Worth, Houston and San Antonio. The states of Virginia and North Carolina have already done a lot of the groundwork on a route that would link Charlotte

and Raleigh, N.C., to Washington D.C. The state of Wisconsin wants to move ahead with trains that would link the cities of Milwaukee and Madison and improve the existing route from Chicago to Milwaukee.

"With money coming in from the federal stimulus package and renewed interest from the new administration, there is a real opportunity for Wisconsin and the Midwest to become a leader in high speed passenger rail," announced Wisconsin Gov. Jim Doyle before he departed on a trip to Spain to review that country's passenger rail system.

Ohio wants federal money to restart passenger rail service along the so-called "3C" corridor that would link the cities of Cleveland, Columbus and Cincinnati. In 2008, the state paid to have Amtrak do a study on the prospect of reviving passenger train travel along that route. While Amtrak trains run east to west through the state, none of them link the state's major cities together. Private passenger rail travel along this corridor ended in 1971.

Jolene Molitoris, director of the Ohio Department of Transportation, testified before Congress that with federal stimulus help, Ohio could be in "operation quickly" on existing tracks at conventional speeds and that it would set the foundation for high speed rail in the future.

Yet the other main contender for high speed rail money might still be Florida. Before the state's bullet train was axed by voters, the state had spent $30 million and pursued critical environmental studies for a route connecting Tampa to Orlando, the home to Disney World and Universal Studios theme parks.

The Florida High Speed Rail Authority now anticipates that it could begin construction within the next two years. And the Florida Department of Transportation says it already has federal grants in hand that could be used to finish the work needed to draw down stimulus money.

"If the feds are looking for shovel ready projects, it would make sense to do it in Florida," said Dockery, who spent several years on the authority and his own money, advocating for intercity rail. ●

Gary Fineout is an award-winning journalist who covered politics and government for nearly 20 years. He previously worked in the Tallahassee bureau of The *Miami Herald* and his work has also appeared in *The New York Times* and several other Florida newspapers. He is now an independent journalist.

Complete Streets 2009

Pedestrian- and Bike-friendly street successes

Sacramento, Calif.

By Barbara McCann

When tiny University Place outside of Tacoma, Wash., incorporated in the mid 1990s, one of the first priorities was adding sidewalks to the former county roads. From there, the town made an early commitment to what is now called 'complete streets' — the idea that all future road projects would integrate the needs of everyone using the road — not just motorists, but also people walking, riding bicycles or catching the bus. The town started by cajoling the gas company to split costs for transforming gravel shoulders into sidewalks during gas line replacements. They looked for opportunities to install bike lanes during repaving projects and to put in pads to provide space for county bus shelters. Then they started making more radical changes.

"People from outside University Place comment about how much they love driving down Bridgeport Way," says Steve Sugg, deputy city manager, of one of the first streets to get a full Complete Streets treatment. "There is a sense of calm."

The redesigned road features a landscaped median, new pedestrian crossings, bicycle lanes, a multi-use path and improved sidewalks. Sugg notes that when Trader Joe's was looking for a place to locate a store in the Tacoma region, they picked a site on Bridgeport Way, perhaps because of the extensive street improvements. University Place has added 23 miles of sidewalks to their streets since incorporation and has installed several modern roundabouts, the first in Washington State. Now the town is working with citizens on planning a Town Center to realize broader smart growth principles.

Sacramento, Calif.

A growing number of communities are using the deceptively simple tool of complete streets policies to change the way they approach transportation.

University Place is not alone. Across the country, a growing number of communities are using the deceptively simple tool of complete streets policies to change the way they approach transportation. Adopted as a state law, local ordinance or even as a city council resolution, these policies set a new vision for transportation investments. More than 85 states, regions and cities have adopted such policies, including new state laws passed in California and Illinois and policy resolutions or ordinances in major cities including St. Paul, Miami, Chicago, Seattle, Sacramento and Charlotte. And the pace is accelerating.

In Jefferson City, Mo., in March, disability advocates, trail-building organizations, bicycle advocates, health groups and even a REALTOR® spoke at a state House hearing or wrote letters in support of a complete streets bill. In Hawaii, bicycle advocates and the state AARP chapter made common cause this spring to push for a similar bill with a particularly Hawaiian twist — they've linked it to a Hawaiian tradition known as 'the splintered paddle' — a native myth that asserts everyone's right to travel safely. State legislators in Connecticut, Texas, West Virginia and Maine have also introduced complete streets bills.

Complete streets policies are also getting federal attention. Sen. Tom Harkin and Rep. Doris Matsui have introduced the Complete Streets Act of 2009 into the U.S. House and Senate (S.584, H.R.1443).

"We need to ensure streets, intersections and trails are designed to make them easier to use and maximize their safety," said Sen. Harkin upon introduction of the bill. "This legislation will encourage Americans to be more active, while also providing more travel options and cutting down on traffic congestion."

The bill would require states and metropolitan planning organizations to adopt complete streets policies to be applied to federally funded road projects, and it is expected to become part of the upcoming authorization of the federal transportation bill.

The success of a complete streets approach is starting to show up in research that shows fewer crashes on redesigned roads, as well as increased physical activity. A recently released study of a new pedestrian pathway along a major bridge in Charleston, S.C., found that two-thirds of the users of the bridge said the new facility had led them to get more exercise.

Promoting physical activity as a part of daily life has been at the center of a strong move in Minnesota toward complete streets, with three jurisdictions adopting policies in the first months of 2009: Hennepin County (Minneapolis), Saint Paul and Rochester. Rochester's city council passed the policy unanimously after hearing a variety of supportive testimony.

We need to ensure streets, intersections and trails are designed to make them easier to use and maximize their safety.

"Really it was the result of a lot of different people speaking and testifying at the public hearing and sending e-mails and letters in advance," says Mitzi Baker, senior transportation planner for the city of Rochester. "It was the power of civic engagement."

The insurer Blue Cross/Blue Shield (BCBS) of Minnesota has been supporting 'active living' initiatives across the state, based on research that shows that people who live in walkable environments, or who regularly take public transportation, are more likely to be active enough to ward off chronic disease. BCBS sponsored three Complete Streets Workshops in December to help planners and engineers understand how to broaden their scope when planning road projects to take into account the needs of pedestrians, bicyclists and public transportation users.

"It is probably a good deal, as it will make a residential development a little more attractive to people who are going to move in," says Ward Opitz of Bigelow Homes in Rochester, who met with city planners to see if the proposed policy would affect an upcoming subdivision. "I'm a little leery of what fees they may conjure up next time."

In University Place, REALTORS® and appraisers are unsure if the improvements have made much difference to property values. But for some supporters, the economic impact is a primary reason to support a complete streets approach. Chris Leinberger, author of "The Option of Urbanism: Investing in a New American Dream," has been watching the downward trajectory of home prices and notes that most of the dive has been in places built for "drivable suburbanism," places where the road network features high speed arterials designed only for cars.

"Places that are walkable urban neighborhoods have held their value over the last two years," says Leinberger.

An indicator of the potential importance of a multimodal transportation network to property values is the new real estate tool, Walk Score. Walk Score uses the magic of Google Maps to give every address in the nation a score from 0 to 100, based on the number and variety of destinations within walking distance. The Walk Score Web site is enormously popular, but it isn't just a parlor game. Front Seat, the firm behind Walk Score, has commissioned research to determine if a higher Walk Score correlates to a higher home value. Economist Joe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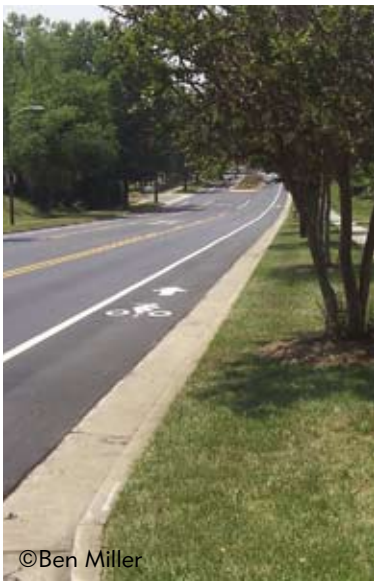
Charlotte, N.C.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Cortright says the preliminary results show that each additional point on the Walk Score scale correlates with increased housing values on the order of $1,000 or more, depending on the regional market. Two major real estate Web sites, Zip Realty and Zillo, now feature Walk Score on property listings.

Walk Score is based on the crow-fly distance to nearby destinations, so it doesn't take into account the disconnected street network common in many newer developments, or the lack of sidewalks and crosswalks that can make walking unpleasant, impractical or plain dangerous. But connected, complete streets are a prerequisite to true walkable urbanism, according to Leinberger.

"If you have an eight-lane arterial without complete streets infrastructure, you will never see high-density walkable urbanism take place along that corridor. Complete streets will be a precondition before you can get walkable urban development that will help meet the pent-up demand for this type of neighborhood."

He notes that the beauty of complete streets is being able to begin changing the street infrastructure right away, as transportation projects come up.

Health, economic development and sustainability are behind many complete streets efforts — the bill in Maine's legislature is part of a broader strategy to fight climate change. But complete streets policies are gaining ground for more fundamental reasons of simple demographics and safety. By 2025, nearly one in five Americans will be over the age of 65, and they will make up one-quarter of the driving population. As they age, many will face disabilities that will force them to give up driving during the last decade of their lives. Yet they may be reluctant to give up the keys when they face neighborhoods with infrequent and inadequate crosswalks, no sidewalks, poorly designed bus stops and inadequate speed control.

A recent AARP poll found that 47 percent of older adults said they did not feel safe crossing a major street near their home. In another large survey, AARP found that nearly two-thirds of the more than 1,000 planners and engineers surveyed have not yet begun considering the needs of older users in their multimodal planning. AARP recently issued a report based on this research, "Complete Streets for an Aging America," that makes three broad recommendations for transforming road design to better cope with an aging population, summarized as "Slow Down, Make it Easy, and Enjoy the View." It recommends re-engineering streets for slower travel speeds, making intersections less complex while providing lower-speed routes and reducing visual clutter.

Health, economic development and sustainability are behind many complete streets efforts

It is no coincidence that the recent push for complete streets comes against a backdrop of a steady decline in the amount of driving and a rise in the use of public transportation — even as more people take part in Bike to Work Day activities every year. Communities are responding by making a commitment to complete their streets. ●

Barbara McCann serves as coordinator of the National Complete Streets Coalition. She also writes on transportation and land-use issues and is co-author of the book *Sprawl Costs* from Island Press.

HOT Lanes

PROVIDING RELIEF FOR CONGESTION WHILE GENERATING FUNDS

Orange County, Calif.

By Christine Jordon Sexton

Supply and demand is perhaps the most basic economic principle. Cell phone companies charge their customers more in peak times, restaurants offer early bird specials and theaters give discounts for matinee shows.

This principle — the backbone of a market economy — is being used to help manage gridlock on our nation's roads. High-occupancy toll lanes, better known as HOT lanes, are increasingly being considered to better control the flow of traffic and reduce the amount of time people spend idling in their cars waiting for a break in the gridlock.

Instead of focusing on the supply side by creating new roads, transportation engineers, city planners and governments are switching gears and focusing on demand.

"It's basic economics," said Stephen Reich with the University of South Florida Center for Urban Transportation Research.

HOT lanes combine two of the more effective highway management tools, value pricing and lane management or restricted access to designated highway lanes based on occupancy or vehicle type.

The idea is simple: Drive for free in a HOT lane if you have enough people in your car or van, or pay a premium to use the lane if you don't meet the minimum passenger requirements. Buses ride in the HOT lanes for free as do emergency transportation vehicles and motorcycles. Traditional lanes always remain available for folks who don't want to pay for the privilege.

The revenue collected from HOT lanes provides government a source of revenue for road improvements and, said Reich, has the added benefit of making people understand the value of moving in congestion-free traffic.

Money and space constraints and environmental concerns are some of the reasons the move to build more and more roads is being pushed aside in favor of more innovative ideas like congestion pricing and HOT lanes, said Reich, a director at the Tampa-based transportation think tank.

HOT lanes also provide incentives for people to use buses. Indeed, the hope is that HOT lanes will boost mass transit services.

"When you're sitting there in your car with your coffee stuck in a traffic jam watching the buses whip by … well, that's a great marketing tool," Reich said.

HOT lanes are popping up in America's most congested areas from coast to coast and everywhere in between.

Virginia is in the midst of a $1.4 billion, 14-mile makeover of the Capital Beltway, which is the transit corridor that circles Washington, D.C. The Texas Transportation Institute rated the area second worst among the 14 largest regions in the country in annual hours of delay per rush hour traveler.

When the Virginia HOT lanes are complete, capacity will be expanded from the current eight lanes to 12. There will be two additional lanes in each direction between the Springfield Interchange and just north of the Dulles Toll Road in Fairfax County.

It's one of several megaprojects underway and is scheduled to be completed by 2013, said Steve Titunik, communications director for the Virginia Department of Transportation.

HOT lanes provide incentives for people to use buses.

In Virginia, mass transit, motorcycles, carpools, vanpools and emergency vehicles will be authorized to travel in the lanes free of additional charges. Tolls for others who want to use the lanes will vary throughout the day depending on demand. Congestion pricing, where tolls increase in peak hours and decrease in off hours, will help keep the lanes smooth-running and free of traffic jams.

There will be an open road toll operating system made possible by electronic devices that will be mounted in cars and pricing will be in real time. Once a driver locks into a price, it cannot be altered, Titunik said.

The HOT lanes construction is a venture between the VDOT, the Federal Highway Administration, the Virginia Department of Rail and Public Transportation, and Fairfax County. Fluor Virginia, of Arlington, and the Melbourne, Australia-based company, Transurban, will build and operate the roads.

While transportation wonks and government types embrace them as an innovative approach to handling traffic congestion, these innovations are not without their critics. The Washington Post noted that constructing the

Since the SR 91 HOT lane opened nearly 15 years ago, more than 64 million vehicle trips have been made.

HOT lanes in Virginia will be one of the most expensive such projects in the country. The VDOT has told commuters that they can expect the average costs of a HOT lane trip to cost between $5 and $6. The Post noted that the costs of a round trip for a paying commuter in the HOT lane could reach as high as $20 per trip during peak hours, or about $40 for a round trip.

Many HOT lanes are converted from highway medians or high occupancy vehicle (HOV) lanes. However, HOT lanes are not "one size fits all." Details, like how many people must be in a car and whether financial breaks should be given to owners of more fuel-efficient hybrids, are made at the local level.

The first HOT lane was SR 91 in Orange County, Calif. A four-lane, 10-mile stretch of toll road was built in the median of California's Riverside Freeway between the Orange/Riverside County line and the Costa Mesa Freeway (State Route 55). Since it opened nearly 15 years ago, more than 64 million vehicle trips have been made, saving customers more than 32 million hours of commuting time.

Unlike Virginia's HOT lanes, the SR 91 lanes do not have variable dynamic pricing, described Orange County Transit Authority Interim Executive Chief Officer James Kenan.

The Orange County Transit Authority turned away from a federal grant that would have allowed the roads to convert to dynamic pricing, where drivers don't know the costs of the lanes until they are in their cars driving. "They want to know the toll before they enter that toll lane," Kenan said, noting that when OCTA asked its customers about dynamic pricing they rejected the idea.

To ensure that the roads are appropriately priced, charges are reviewed quarterly. They are adjusted to ensure the smooth flow of traffic, he said.

The highest cost for the 10-mile stretch of roads is Thursday afternoons between 4 and 5 p.m. when commuters are leaving their jobs and traveling eastbound, headed home to the bedroom communities. On average, 2,900 cars travel the lanes between those hours. In the first quarter of 2009, workers eager to return home paid $9.55 for that stretch of congestion free lanes.

Orange County, Calif.

There are success stories for HOT lanes in Minneapolis, San Diego and Houston.

Conversely, the least expensive time to travel on the road is between 2 a.m. and 3 a.m. The HOT lanes for westbound traffic cost $1.25 in the first quarter of 2009 and have averaged about 10 cars during that hour, according to Kenan.

There are similar success stories for HOT lanes in Minneapolis (I-394), San Diego (I-15) and Houston (I-10). A Texas Transportation Institute Report released in 2007 shows that drivers in Miami annually wasted 50 hours and 35 gallons of gas sitting in traffic in 2005. Therefore, perhaps it's no surprise that South Florida, with its notoriously congested arteries, has turned to the use of HOT lanes to help solve its traffic woes.

Interstate 95 Express in Miami-Dade County is being constructed in two phases and, when complete, will offer HOT lanes for northbound and southbound traffic on I-95 from SR 112 to the Golden Glades areas. Eventually 95 Express HOT lanes will also connect Miami to Ft. Lauderdale.

Transit buses, as well as school buses, also can travel toll-free in the HOT lanes.

In Miami-Dade, the approach is to offer toll-free options for carpool drivers as well as hybrid car drivers who are willing to register with South Florida Commuter Services. Jennifer Ryan, marketing director for South Florida Commuter Services, says since summer 2008, 2,712 hybrid car owners have registered with the agency to use the lanes, as have 1,206 carpools and 212 vanpools.

In addition to those vehicles, Miami-Dade and Broward transit buses, as well as school buses, also can travel toll-free in the 95 Express HOT lanes.

In Ft. Lauderdale, the Florida Department of Transportation has inked an agreement for HOT lanes with a consortium of businesses anchored by ACS Infrastructure Development. ACS will be responsible for financing, building, operating and maintaining the $1.2 billion construction project.

The Ft. Lauderdale project will boast three reversible HOT lanes in the median along 10.5 miles of I-595 running east-west across populous Broward County. Congestion pricing will be used, but the amount of the tolls hasn't yet been decided by Florida transportation officials.

In all, the Broward project will cost about $1.8 billion. Construction is expected to begin this summer and be completed by 2014, according to Barbara Kelleher, public information officer for the DOT's offices in Ft. Lauderdale.

Early buzz on the HOT lanes in Ft. Lauderdale has been positive. "There hasn't been a pushback," said Kelleher, adding that the construction project actually has gotten local businesses excited that the project will bring new jobs. "The focus really has been jobs, jobs, jobs," she said.

While congestion pricing is the hot solution for some cities, it's not the silver bullet for traffic flow problems everywhere and, politically, it can still prove a tough sell.

When New York City Mayor Michael Bloomberg tried a congestion pricing corridor for most trucks and cars entering the city, he was soundly beaten back. There are 2 million workers from around the region on any given workday in Manhattan, not to mention the hundreds of thousands of residents and tourists. Bloomberg wanted to test congestion pricing in New York for three years, but needed approval by the General Assembly in Albany.

The initiative was modeled after one in London, which adopted a congestion pricing scheme in 2003 as a way to reduce traffic congestion and raise revenues to fund transport improvements.

Bloomberg maintained that congestion pricing would reduce traffic congestion in the city by 6.3 percent and raise $491 million for mass transit there. But the plan — which Bloomberg sought to fund in part with a $354.5 million grant from the federal government — was never approved by the General Assembly.

New York State Assemblyman David McDonough is a member of the Committee on Transportation and opposed Bloomberg's proposal.

McDonough said that while he understands the congestion problems facing New York City, he felt the proposal would have been too big a financial burden on area residents.

"I don't like the approach," McDonough said. "It's too much trouble and needs to be modified."

However, as successful congestion pricing initiatives are designed, built and implemented, the future may hold more options for overly congested commutes across the country. ●

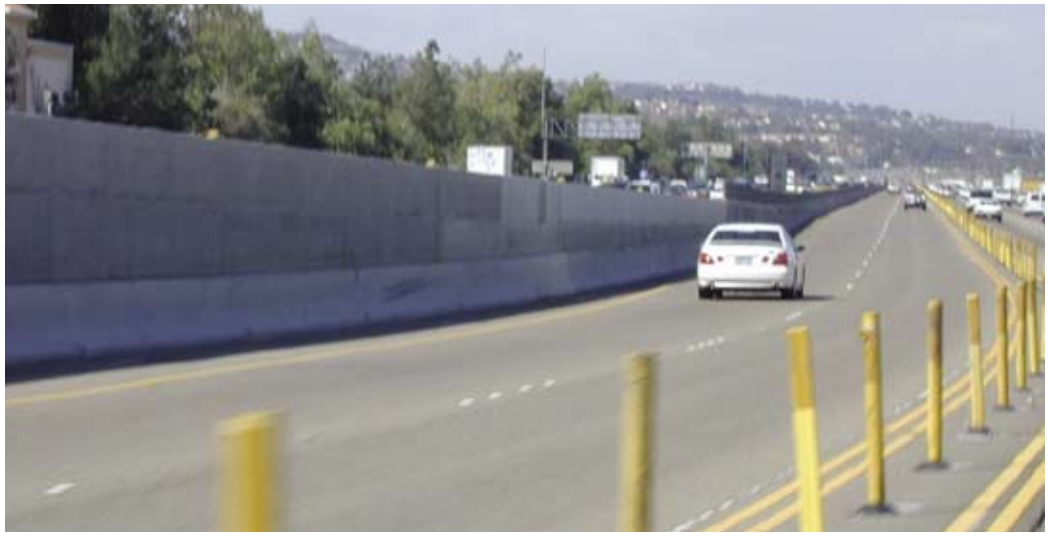
Christine Jordan Sexton is a Tallahassee-based freelance reporter who has done correspondent work for the Associated Press, the New York Times, Florida Medical Business and a variety of trade magazines, including Florida Lawyer and National Underwriter.

The future may hold more options for overly congested commutes across the country.


Courtesy of VDOT


Courtesy of VDOT


Courtesy of VDOT



In Washington, suddenly, **Infrastructure is Hot, Hot, Hot!**

A New Administration, Economic Exigencies
and Debate over the Future Bring
Transportation Infrastructure to the Fore

Transportation infrastructure is drawing significant attention from the new administration.

By David Goldberg

Not that long ago, one of the quickest ways to run off an unwanted guest at a Washington, D.C., party was to launch into a long (or even a short) soliloquy on "infrastructure." Though we ride on it, drink from it and depend on it at just about every turn, infrastructure simply is not sexy — at least, in ordinary times. But these are no ordinary times.

Today, infrastructure is hot. Consider, for example, that California Gov. Arnold Schwarzenegger, New York Mayor Michael Bloomberg and Pennsylvania Gov. Ed Rendell are lending their substantial star power to a national campaign to push for greater federal investment in transportation, water and other infrastructure. Recall, too, the role that Alaska's "Bridge to Nowhere" played in the presidential campaign, and the extensive coverage of collapsing bridges, levees and water mains in states from Minnesota to Louisiana to New York.

Transportation infrastructure, in particular, is drawing significant attention from the new administration. Although President Obama did not make transportation a high-profile campaign theme, many of his early moves could have a significant impact on how the nation makes such investments. His first major legislative effort, the American Recovery and Reinvestment Act — the economic stimulus bill — allocated nearly $50 billion to transportation projects, generating considerable debate over how best to spend it. His first budget, for fiscal year 2010, included plans for a national infrastructure bank that would be the first significant new funding source for such projects in many years.

Stimulus investments should be helping to put the country on a path to energy independence, curb climate-damaging emissions and provide the underpinnings of an emerging new economy.

Courtesy of Dallas Area Rapid Transit

Almost immediately after being confirmed, the new secretaries of transportation, Ray LaHood, and housing and urban development, Shaun Donovan, announced a plan to work together to build housing and "livable" neighborhoods in conjunction with mass transit. And, on April 16, Obama announced a plan to connect the country's major economic centers with high speed and upgraded conventional rail, the first such transnational project since the interstate highway system was launched in 1956.

A "Stimulating" Debate over Transportation

Shortly after his election, President Obama began pushing for a massive economic stimulus package, which Congress ultimately passed on Feb. 13. In speeches during the transition, he called for an investment in transportation infrastructure not seen since "the creation of the federal highway system in the 1950s." At the same time, he said the stimulus investments should be "transformational," helping to put the country on a path to energy independence, curb climate-damaging emissions and provide the underpinnings of an emerging new economy that would be dynamic, mobile and less dependent on fossil fuels. Many envisioned a "new New Deal," a federal building program on the scale of the Depression-era construction of highways, parks, dams, civic buildings and more, much of which we still use today.

However, those aspirations ran head-on into the screen applied by President Obama's economic advisers, led by Lawrence Summers. In order to provide the hoped-for, near-term stimulus, Summers' team urged spending on "shovel-ready" projects that could put people to work almost immediately. There was no time to do the planning and big-picture thinking necessary for "transformational" investments. This meant that much of the money would have to be pushed out through existing programs, for projects — highways, primarily — already in the pipeline. It was a major disappointment for those hoping the stimulus would mean a major infusion for oil-saving, low-carbon transportation systems, such as rail and other public transit, that could become the spines of more walkable, bike-friendly neighborhoods.

"We had all been talking about this potential new vision, but when we did the recovery package it was, 'Shovel the money out the door and forget about the consequences,'" lamented Robert Puentes, who tracks transportation issues for the Brookings Institution. "In the end we fell back on the same processes, the same projects and the same interests."

In leaning on yesterday's priorities for expediency's sake, the nation postponed the debate on priorities for the future until the renewal of the federal transportation program later this year, Puentes said.

Still, the final stimulus bill, dubbed the American Recovery and Reinvestment Act, did break some new ground with unprecedented flexibility in how the money can be spent. With nearly 40 percent dedicated to intercity rail and public transit construction and rehab, the bill broke the iron rule that highways must always receive at least 80 percent of transportation funds. After White House Chief of Staff Rahm Emanuel intervened on the president's behalf, $8 billion was added for high speed rail and "higher speed" conventional rail, as well as nearly $1.5 billion for Amtrak. The bill also designates $8.4 billion for public transit capital projects. It was a bittersweet moment for transit supporters: Overjoyed at receiving the capital dollars at a moment when transit ridership was at a 50-year high, they were disappointed that there were no funds to preserve existing service at a time when economic devastation is requiring major cuts in operations.

Even the $27.5 billion ostensibly designated for highways was put largely into a funding category, the Surface Transportation Program, which can be "flexed" to transit, ports and other modes. About 30 percent of the money was assigned to metropolitan area planning agencies for allocation as they see fit. Congress resisted entreaties to require state Departments of Transportation fix their worst highways and bridges before building big, new projects. Despite that, the requirement that the funds be spent quickly has meant that most DOTs are fast-tracking maintenance and rehab, resurfacings and bridge painting as projects that can move without a lot of engineering and approval processes.

Priorities in the 2010 Budget

If the stimulus debate sent mixed messages about the nation's direction on transportation infrastructure, President Obama's first full-year budget, for fiscal 2010, seemed to give clearer indications of future priorities. The narrative in the budget overview emphasized making investments that advance environmental sustainability, livable communities and productive growth. It charted new territory by proposing to require more rigorous economic analysis and performance measures for transportation projects. The president's budget document also made the link between providing cleaner transportation options, such as public transit, as central to addressing climate and air-quality issues.

President Obama's first full-year budget emphasized making investments that advance environmental sustainability, livable communities and productive growth.


Courtesy of DART

President Obama also called for $25.2 billion to be set aside for creating and operating a national infrastructure bank through 2019. Like the Federal Reserve Bank, the infrastructure bank would operate under an independent board, evaluating and funding infrastructure of national significance, including water and sewer plants, public transit systems, roads and bridges, and affordable housing. The bank essentially would be a revolving loan fund, allowing transportation projects to be debt-financed, whereas most federal projects are funded on a pay-as-you-go basis from gas tax receipts.

In a February interview on Air Force One, President Obama said, "The idea [is] that we get engineers, and not just elected officials, involved in thinking about and planning how we're spending these dollars … The needs are massive and we can't do everything. It would be nice if we said here are the 10 most important projects and let's do those first, instead of maybe doing the 10 least important projects, but the ones that have the most political pull."

Not everyone in Congress loves the idea, including Sen. Max Baucus, the Montana Democrat who chairs the finance committee, which would have a say on creating the legislation.

"I think that bank idea will rob the future growth of the highway program and that will destroy the national scope of our highway program," he said during an April hearing on transportation spending held by the Senate Environment and Public Works Committee. Baucus indicated that he believes that wealthier states would be better suited to compete for the funds, which would have to be paid back.

The idea is that we get engineers, and not just elected officials, involved in thinking about and planning how we're spending these dollars.

Courtesy of Dallas Area Rapid Transit

The era of one-size-fits-all transportation projects must give way to ones where preserving and enhancing unique community characteristics is a primary goal.

Livability and a New Direction at DOT

At the Department of Transportation, meanwhile, Secretary Ray LaHood — the former Illinois congressman who was the second Republican in the administration — came into office promising to promote "livability" as the watchword of his tenure.

"The era of one-size-fits-all transportation projects must give way to ones where preserving and enhancing unique community characteristics, be they rural or urban, is a primary goal rather than an afterthought," LaHood said at his Senate confirmation hearing.

"We are absolutely committed," the new secretary wrote on his blog, "to more livable, sustainable communities by reducing congestion, by building housing near transit, by supporting all modes of transportation."

He followed that with a joint announcement with HUD Secretary Shaun Donovan that the two departments would begin to coordinate on transit planning and housing development, and that they would look at federal rules that either promote or thwart the creation of walkable neighborhoods. Smart growth principles would animate this initiative, the two said. They talked about building affordable housing near public transportation, creating shorter neighborhood street blocks to promote walking, and bus routes expanded to reach more areas.

President Obama in a sense had foreshadowed this move in that same Air Force One interview, when he also said that regional approaches to linking transportation and development needed to be encouraged in the upcoming transportation bill.

"I think right now we don't do a lot of effective planning at the regional level when it comes to transportation," he said. "That's hugely inefficient. Not only does it probably consume more money in terms of getting projects done, but it also ends up creating traffic patterns, for example, that are really hugely wasteful when it comes to energy use. If we can start building in more incentives for more effective planning at the local level, that's not just good transportation policy, it's good energy policy."

Courtesy of the California High Speed Rail Authority and NC3D

Courtesy of Dallas Area Rapid Transit

What we need is a smart transportation system equal to the needs of the 21st century.

Resurrect Rail? Yes We Can, Says the President

On April 16, with LaHood and Vice President Joseph Biden by his side, President Obama pulled back the curtain further on his vision for a revived rail network for America, including development of high speed passenger rail lines in at least 10 regions. To jump-start the project, he said that he would add $1 billion a year for five years to the $8 billion to be spent in two years under the stimulus bill.

In announcing the plan, he noted that clogged highways, struggling airlines and overburdened airways, along with uncertain energy costs and the need to reduce oil consumption, threatened the long-term viability of intercity travel in the United States.

"What we need, then, is a smart transportation system equal to the needs of the 21st century," the president said, "a system that reduces travel times and increases mobility, a system that reduces congestion and boosts productivity, a system that reduces destructive emissions and creates jobs."

The administration plan outlined 10 corridors that have passed muster in various studies: a northern New England line; an Empire line running east to west in New York State; a Keystone corridor in Pennsylvania connecting Philadelphia and Pittsburgh; a Chicago hub network; a southeast network connecting Washington, D.C., to Florida and the Gulf Coast; a Gulf Coast line extending from eastern Texas to western Alabama; a corridor in central and southern Florida; a Texas-to-Oklahoma line; a Portland-Seattle-Vancouver corridor in the Northwest; and a California corridor from San Francisco to Los Angeles that was part of the voter-approved financing initiative last fall.

"Imagine whisking through towns at speeds more than 100 miles per hour, walking only a few steps to public transportation, and ending up just blocks from your destination," President Obama said. "It is happening right now; it's been happening for decades. The problem is, it's been happening elsewhere, not here." He noted that Japan, France and Spain all were ahead of us. But, he added:

"There's no reason why we can't do this." ●

David A. Goldberg is the communications director for Smart Growth America, a nationwide coalition based in Washington, D.C. that advocates for land-use policy reform. In 2002, Mr. Goldberg was awarded a Loeb Fellowship at Harvard University, where he studied urban policy.

REALTORS® Take Action

Making Smart Growth Happen

Encouraging Affordable Housing

Proactive — that's the philosophy of the Spokane Association of REALTORS® (SAR) which in the last three years has stepped up its efforts to promote innovative housing in the area to ensure that homeownership remains an affordable option for individuals and working families.

Although homes in Puget Sound and Western Washington are not always affordable for working families, homes in Spokane, which is located in the eastern section of the state, remain within reach, said SAR Executive Vice President Rob Higgins.

The goal is to keep it that way by planning how the area should provide for its future growth, which is expected to increase by a moderate 125,000 new residents in the next 20 years.

"We want to address this issue before it gets beyond our reach," Higgins said of affordable infill housing options. "Let's do it now to best ensure that we can promote affordable housing in our community."

In 2005, the increase in the median price of homes was 16.3 percent. The following year, the median price jumped 16.7 percent, Higgins said. The price surge led the SAR to join with the area homebuilder's association to develop an affordable homeownership taskforce in late 2006.

With the help of a $3,000 Smart Growth Action Grant from the NATIONAL ASSOCIATION OF REALTORS®, the SAR hired consultant Michael Luis & Associates to produce a briefing on the challenges the area was facing in keeping home ownership affordable.

Among other things, Luis found that Spokane would sustain steady but unremarkable growth and that the overall wage growth for the area — which has been flat for some time — likely won't change in the near future. He also opined that pressures on prices in the Seattle-Redmond axis are reverberating throughout neighboring and nearby counties, especially as high-earning telecommuters move into the area.

The findings were distributed to about 200 REALTORS®, developers and government officials. The REALTORS®, Higgins said, held several meetings with city planners and one with the mayor to discuss their concerns. Later, the city developed an Infill Development Task Force that is made up of Spokane area REALTORS®, builders, nonprofit housing providers and neighborhood representatives. The task force is examining the city's current cottage housing ordinance.

Although Spokane has had a cottage housing ordinance since 2006, there have been just two applications for projects, said Nikole Coleman, a planner with the city's planning department. One development was never built and the other, she said, is in the approval process.

Cottage housing — also known as "innovative single-family housing" — provides compact, new homes within existing single-family neighborhoods. Cottage housing offers access to detached, smaller and less expensive houses. Cottages are often built in clusters and have shared common spaces. In a state like Washington, where growth management laws require compact urban development, cottages are seen as an attractive alternative to the traditional choices of larger single-family homes or condominiums.

The Infill Development Task Force has been meeting through the spring months and discussing the ordinance and what changes could be made to make cottage housing more flexible and attractive for developers in hopes of encouraging them to build the smaller homes. REALTORS® have been front and center in these discussions, Higgins said.

The proposed changes are aimed at providing more flexibility for developers to build cottage communities. They would increase the allowable square footage for the cottages from 1,000 square feet to 1,300 square feet and would decrease the maximum and minimum number of cottage homes required to be built in a cluster.

Another proposed change would delete the requirement that no more than 50 percent of the homes in a cluster have a main floor that is 650 feet or less.

After being reviewed by the Spokane planning department staff, the proposed changes will go to the City of Spokane Plan Commission for review, said Coleman. If approved by the Plan Commission, the proposed changes still will need the approval of the Spokane City Council, which is expected to review the changes this summer.

After tackling the cottage housing ordinances, the Infill Development Task Force will focus its efforts on townhouse development, said Coleman.

The Spokane Association of REALTORS® — which represents about 1,800 REALTORS® — expects to be part of that debate, too. Higgins attributes the association's increased involvement in growth management dialogue in Spokane to the research it helped produce with the NAR Smart Growth Action Grant.

"It really moved us forward. Without it, we would have been talking among ourselves," Higgins said. "We became a major player in the whole effort as a result of the grant." ●

REALTORS® Take Action

Making Smart Growth Happen

A REALTOR® Partnership: Smartly Planning for the Sustainable Future of a Community

Dick McCleery believes in hope.

McCleery, coordinator of the Central Sierra Resource Conservation and Development Council in California, is hopeful that the mostly rural area dotted with small communities that date back from the Gold Rush era, will develop — and in some instances, redevelop — into a smartly planned, sustainable community.

"We have problems, but there are ways to solve them," said McCleery, whose group partnered with the Tuolumne County Association of REALTORS®, the USDA – Natural Resources Conservation Service and the Sierra Nevada Conservancy to host a two-day conference, the first of its kind for the historic community near Sonora.

"I think there was a message of hope," he said of the two-day smart growth conference.

With keynote speakers like California Lt. Gov. John Garamendi and Patrick Lucey — who gave a presentation on state-of-the-art science for water reuse and conservation technology — the conference drew 200 people from the surrounding areas, including REALTORS®, builders, city planners and elected officials from neighboring areas.

The agenda was varied and touched on all the smart growth and new urbanism principles, from the need for integrated transportation, land use and housing planning, to "green" buildings, to the need for a thriving class of creative and artistic residents.

And the local REALTORS® helped make it all happen through the use of a NATIONAL ASSOCIATION OF REALTORS® Smart Growth Action Grant.

"We were seen as a forward-thinking association that was instrumental in bringing together groups with various agendas to actually start talking about what smart growth means to them," said Karen Burghardt, governmental affairs director for the county REALTOR® association.

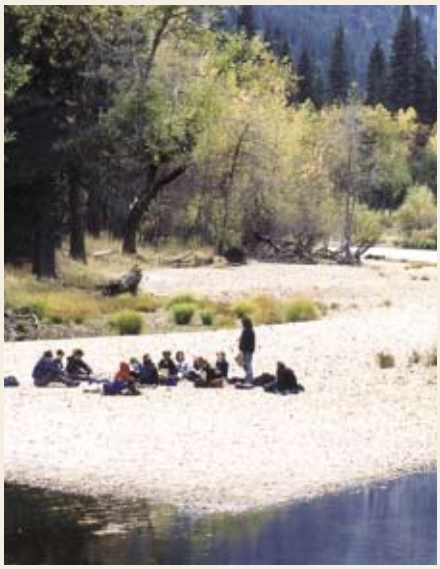
For Burghardt, a major accomplishment was that the conference helped bring everyone in the area on board with "smart growth principles."

"There is now a more common language where we can all talk to each other," she said.

Paolo Maffei — a board member of the Central Sierra Resource Conservation and Development Council as well as a supervisor from the 2nd District in Tuolumne County California — agrees.

Maffei, whose passion, he says, is smart growth, said many of the conference participants hadn't been up to speed with the concept before the conference.

Some participants were hardcore environmentalists who maintained the only kind of smart growth for the area was no growth. Others, he said, were developers who didn't adhere to any smart growth principles, but simply wanted to build what he describes as rural sprawl.



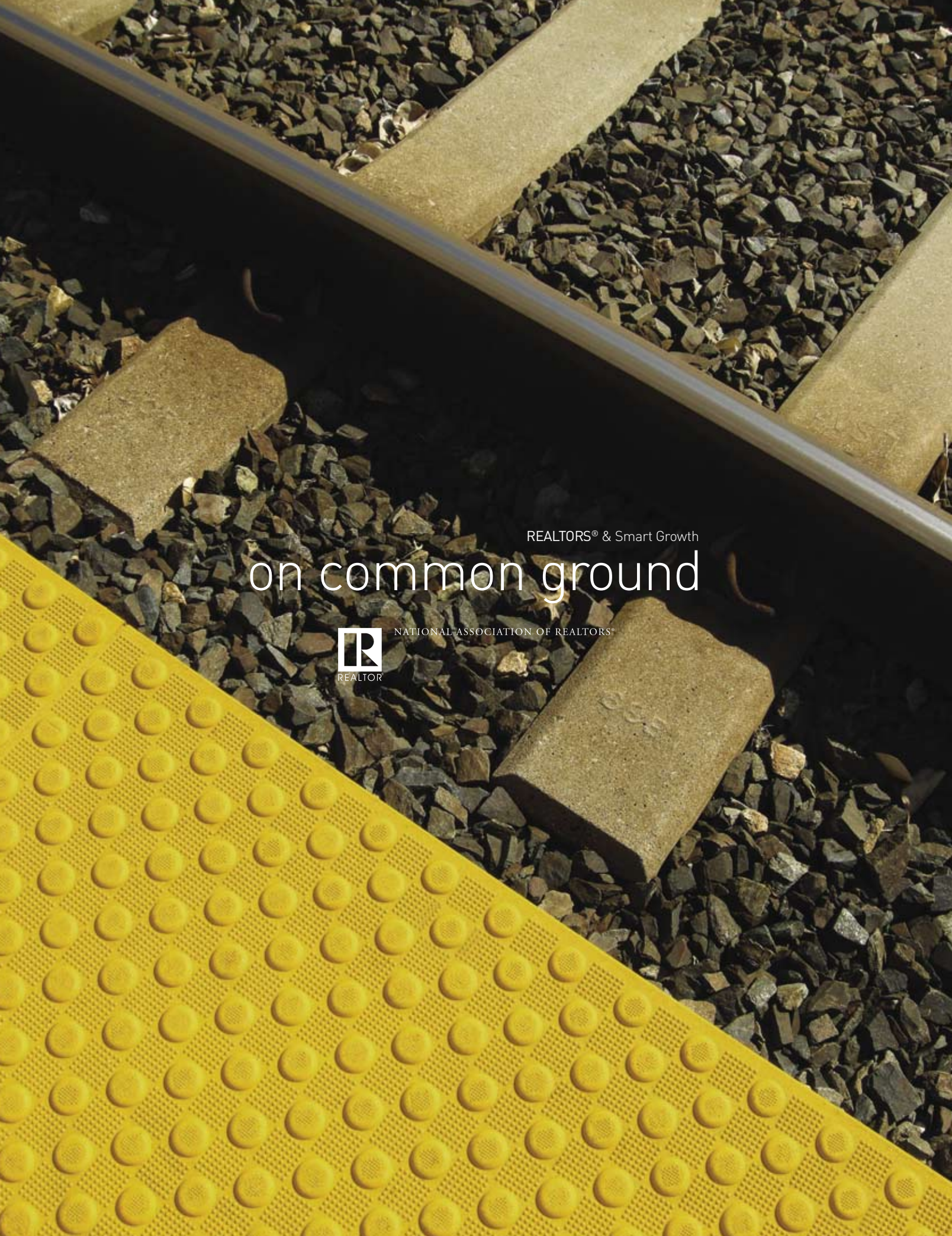
Maffei maintains that the conference "marginalized the extremes on both sides."

An indirect outcome of the conference is an upcoming charrette bringing together a citizen's group in the city of Tuolumne and the city's planning department. Burghardt expects that to happen around October and, if successful, she said it could work well to foster smart growth principles as the city tries to redevelop itself.

Charrettes are used by the architectural and planning community to bring together design experts, community planning professionals and community members to design projects. If the redevelopment is designed by the community, Burghardt said, the opposition going forward with the actual planned growth becomes less fierce.

While the conference lasted just two days, the message delivered there will have long-lasting reverberations, Burghardt said.

"I think the experience has changed the quality of dialogue in our community when we talk about planning and development. The challenge is to keep moving forward to more intelligent and thoughtful community planning," she said. ●



REALTORS® & Smart Growth

on common ground

NATIONAL ASSOCIATION OF REALTORS®