



Where is the

Metropolitan **T**ransit
Transportation On **O**riented
Authority **D**evelopment?

EXECUTIVE SUMMARY

October 2006

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EXECUTIVE SUMMARY

Public transportation ridership has increased significantly in the last several years in the United States, reversing a half century pattern of decline. This resurgence has been attributed to higher fuel costs and the rising cost of commuting by private automobile, but is also due to demographic changes, such as immigration and the aging of the population, as well as a renewed interest in more compact settlement patterns. Ridership has increased substantially in the New York region as well. To support this ridership growth many communities have created a linkage between land use practices and transportation facilities.

An important tool in making transit a primary option for mobility is Transit Oriented Development (TOD). Transit Oriented Development is a pedestrian-friendly, compact, mixed-use development pattern that is within walking distance of a transit station and contains or adjoins a core commercial area. Transit Oriented Development falls under the general category of Smart Growth, which involves the creation of a spatially compact mix of uses and residential styles with a strong sense of place and an emphasis on the conservation of natural, cultural, and land resources.

A well designed TOD program can complement a well run transit system. Research data show that the localities that have implemented TOD land use practices have experienced impressive ridership gains. This coordination allows transit providers to go beyond examining the quality of passengers' experiences while in their systems and lets them examine other factors that can affect customers' satisfaction and willingness to use the transit system.

The MTA region is particularly suited to Transit Oriented Development because of its vast transportation infrastructure. In September 2004, Reconnecting America, a prominent national TOD advocacy organization, noted that the New York metropolitan area is expected to create more demand for additional housing within one half mile of a transit station than any other metropolitan area. Much of New York City functions very successfully as a natural TOD. Subway stations are often hubs of activity, and patterns similar to transit villages have developed in many neighborhoods. The best of these city areas exemplify the dense, mixed use, walkable character that TODs seek to achieve through careful planning.

The MTA and its operating agencies could further their interests by substantially increasing their support for Transit Oriented Development. TOD opportunities can generate revenue from developers that use MTA properties and create a stable base of new ridership for the railroads. Some of this new ridership may be added outside of peak hours or in the reverse peak direction due to the mixture of uses typical in TODs.

FINDINGS

The PCAC examined New York State, the New York Metropolitan Transportation Council's (NYMTC), and MTA policies and actions related to Transit Oriented Development. We found a number of promising initial steps moving toward TOD and several successful initiatives, but also a need to focus and coordinate efforts to link land use patterns and transportation.

NEW YORK STATE

While New York State offers a number of diverse incentives to encourage Smart Growth, it does not have the capacity to measure the performance of their recipients, nor does it coordinate state policies or spending to further Smart Growth objectives. Inter-agency coordination and performance evaluation are lacking in New York State. The State has not directly addressed the issue of Transit Oriented Development and thus has failed to capitalize upon the potential economic gains that could be leveraged from the enormous capital investment made in the MTA network over the past quarter century.

New Jersey, Washington DC, Oregon, and California have all created agencies and policies to foster Smart Growth and TOD through a coordinated multi-departmental approach. As a result, substantially more TOD projects have been successfully developed in these areas than in New York State. Despite legislation instituting a series of planning reforms in the 1990s, more recent efforts to enact several Smart Growth proposals in New York State have not been successful. Efforts to make planning more effective have since been conducted through the executive branch.

This action has been limited in its effectiveness. New York State's Quality Communities Interagency Task Force (QCITF), created in 2000 to study the issues that affect the creation of community visions, has seen only one of its forty-one recommendations implemented. This recommendation involved the establishment of a Quality Communities Clearinghouse website. The New York State Department of Transportation's Long Island Transportation Plan to Manage Congestion (LITP 2000), which has been roundly criticized by transportation advocacy groups, relies on roadway expansions and a sketchy bus rapid transit system but fails to link land use and transportation or to take full advantage of the Long Island Rail Road in addressing Long Island's transportation issues. The Hudson River Greenway Act, which provides incentives for communities in a fourteen county area that seek to implement smart growth solutions to development issues, may be a model upon which the state can build a supporting structure for Transit Oriented Development.

NEW YORK METROPOLITAN TRANSPORTATION COUNCIL (NYMTC)

The New York Metropolitan Transportation Council (NYMTC) is the federally authorized Metropolitan Planning Organization (MPO) for New York City, Long Island and the lower Hudson River Valley area. It is a regional council of governments whose voting

members include the Counties of Nassau, Putnam, Rockland, Suffolk, and Westchester, together with the MTA, New York City Department of Planning (NYCDP), New York City Department of Transportation (NYCDOT) and the New York State Department of Transportation (NYSDOT).

NYMTC provides a forum for interagency cooperation and public input into transportation planning and is mandated by the federal government to determine how federal transportation funds will be spent in the New York MPO region. NYMTC also sponsors and conducts studies, assists county planning agencies, and monitors compliance with national air quality standards. It is required to produce a Regional Transportation Plan (RTP), which articulates the region's transportation needs and desires over a minimum of a twenty-year period. Unfortunately, the RTP is not firmly grounded in a linkage of transportation and land use, nor does NYMTC's listing of planned projects, contained in the document *Transportation Improvement Projects for 2005-2010*, link land use with transportation. Further, the Plan relies upon the LITP 2000 in establishing priorities for transportation improvements on Long Island. NYMTC's pilot Sustainable Development Studies, however, do address the relationship between transportation and land use.

Fortunately, NYMTC has embarked upon new efforts to develop a regional vision for the New York metropolitan region to form the basis for future transportation planning. Initially, the Council has developed a set of shared goals for the region; drawing upon these goals the Council will identify a set of growth areas within the region. Most importantly, these goals and growth areas can provide a firm foundation for targeting new transportation investment through the NYMTC area. These new developments are a good beginning.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA)

The Metropolitan Transportation Authority Headquarters (MTAHQ) provides support to its affiliated agencies and subsidiaries. Outside of MTAHQ, the MTA affiliated agencies and subsidiaries are generally organized functionally, with individual operating agencies responsible for providing a specific set of services. For example, the Long Island Rail Road operates commuter rail service between Long Island and New York City and MTA Bridges and Tunnels operates the Authority's bridge and tunnel facilities.

Within MTA Headquarters the most relevant areas of MTAHQ support for TOD lie in the Real Estate and Planning Departments, and the Grant Management office of the Capital Program Management Department. These departments respond to requests for support from the agencies. The MTA Planning Department works with the operating agencies on planning processes leading to the development of the Authority's five year Capital Programs and is thus a natural point for the coordination of activities between MTA Headquarters and operating agencies. The degree to which MTA Planning works with the operating agencies varies, and there is potential for the Planning Department to have a greater involvement in TOD issues within the MTA family

The MTA Real Estate Department recognizes the importance of TOD, and many of its staff members support and have a detailed understanding of TOD concepts. The Department's staffing limitations, however, restrict its ability to pursue TOD goals. Despite increasing demands on the Department as a result of a number of large system improvement and expansion projects and the need to manage a diverse portfolio of MTA assets, the Real Estate Department's staffing has remained steady for the past twenty years. The Department explores a number of TOD opportunities in properties for which it is responsible and works to acquire land adjacent to MTA owned properties when the opportunity arises despite staff limitations. The Real Estate Department is currently conducting a survey to better identify the full extent of MTA's ownership of real property, which will improve its ability to pursue TOD goals.

MTA Grants Management could further assist the effort to promote TOD by vigorously pursuing available Transit Oriented Development funding. The FHWA's Transportation, Community and System Preservation Program (TCSP) funding has been available since 1999. While the MTA has not applied for the funding in the past, they have said they would be interested in future funding opportunities

THE OPERATING AGENCIES

Metro-North Railroad

We found Metro-North Railroad (MNR) to be proactive in its approach to MTAHQ on development issues. The Railroad maintains regular contact with relevant MTAHQ departments with regard to project development ideas, problem solving, and funding resources. The results of this collaborative relationship can be seen in the successful MNR Smart Growth Strategic Intermodal Facilities and TOD projects.

Metro-North believes that bringing MTA Headquarters into a project at its inception insures that levels of expertise available at the MTA inform the process from the beginning. As the Railroad identifies locations that have favorable indicators for a TOD project, station development options, and beneficial income strategies, the Real Estate Department is able to further clarify property issues pertaining to their locations. This collaborative relationship between Metro-North and the MTA has resulted in advancing the most TOD projects and Smart Growth Strategic Intermodal Facility initiatives within the MTA family.

This process has resulted in several noteworthy projects, including the Beacon Station Area Master Plan and its associated development and the Poughkeepsie Station and Structured parking project. Metro-North has sought to build upon these successes by working with local governments and developers on potential projects at Harrison, Ossining, and Sleepy Hollow, as well as at Harlem Valley-Wingdale and Greystone. Metro-North also works to create an environment for TOD through its Station Net Leasing program and through station area improvements that improve access and convenience for the surrounding community.

Long Island Rail Road

The Long Island Rail Road is not as proactive in its dealings with MTAHQ and appears to take a more narrow approach to their relationship. MTA Planning is not as closely involved with developing a strategy for LIRR capital projects until the environmental impact study stage of a project. The LIRR prefers to develop plans with the assistance of the MTA's Legal Department to ensure that any legal requirements are fulfilled. Once plan development is well underway using in-house resources and consultants, the LIRR then begins to work more actively with MTA Planning. LIRR engages the MTA Real Estate Department in the course of the Draft Environmental Impact Statement (DEIS) process to address issues related to the acquisition of real property.

A notable project in which the LIRR has played a leadership role is the Mineola Intermodal Center. The Center includes a parking garage accommodating 955 cars and 7 Bays for MTA Long Island Bus buses, as well as separate offices for Garage Management, Long Island Bus, and the Metropolitan Transportation Authority Police. The garage is designed to complement the proposed Mineola Downtown Revitalization Plan and its immediate surroundings and is connected to station platforms and the ground level by an enclosed pedestrian overpass. The ADA compliant project provides for improved transfers between cars, trains, buses, and nearby taxis.

While the Mineola Intermodal Center is a valuable project, perhaps more important for the future of Transit Oriented Development is the process by which it was integrated into the community's plans. The LIRR received a \$25 million grant from the Federal Transit Administration to further Transit Oriented Development projects on Long Island. After discussing this funding with communities on Long Island, the Rail Road chose to use the grant for planning activities in Mineola. These funds assisted in the development of the *Mineola Area Revitalization Study*, which addressed the downtown area. As this study forms the basis of the downtown element of the Village's master plan, Mineola officials credit the Rail Road as the main force behind the transportation element of the master plan. This is a valuable precedent for future LIRR activities.

The LIRR has undertaken a number of station and access improvements that may foster TOD in the surrounding communities. There continues to be a need for improved coordination between the LIRR and state and local governments; as an example, wayfinding signage identifying routes to stations, which falls under the jurisdiction of state and local authorities, has not yet been installed in most of the LIRR service area. Also, an excellent opportunity for the LIRR to participate in a full TOD development at Yaphank, where Suffolk County is now seeking to develop 250 acres of County owned land adjacent to LIRR tracks, appears to be drifting toward development that is not oriented toward rail transportation. The risk of losing this opportunity calls for a substantial effort to foster coordination between the LIRR, Suffolk County, and interested developers.

New York City Transit

NYC Transit's operating environment and limited ownership of property impacts its relationship with the supporting MTAHQ departments. Transit typically works with the MTA Real Estate Department to purchase needed property rights and to market leaseholds of commercial space on NYC Transit properties. As a result of its history, Transit has very little outright ownership of real property. Transit has worked extensively with the MTA Planning Department in the course of developing major system expansions and collaborates with MTA Capital Construction in bringing these projects to fruition. Transit has also worked closely with MTA Planning as well as the NYC Department of City Planning, to encourage private developers to improve or provide access to subway facilities in concert with projects in proximity to the subways. Outside of these situations, however, interaction between MTA Planning and NYC Transit is somewhat limited.

NYC Transit's involvement with TOD is thus likely to be largely in the role of partner with New York City. NYC Transit can effectively promote TOD through this relationship in several ways. First, Transit can participate in City TOD efforts, such as the Flushing Commons mixed use development that is planned on the site of a City parking facility in downtown Flushing. Second, NYC Transit can work with the City to ensure that private developers provide access and other improvements to adjacent transit facilities through City zoning regulations. Third, NYC Transit can be a collaborator in the City's neighborhood planning process through working with City Planning to analyze the City's neighborhood growth forecasts and their transportation implications to coordinate transit improvements and large scale redevelopment as on the far west side of midtown Manhattan. Transit can support smaller scale redevelopment through transit improvements, as has been the case on the Lower East Side of Manhattan, near the Delancey Street station.

RECOMMENDATIONS

Based on our examination of conditions within the MTA service area and TOD in areas throughout the United States, the PCAC has developed general recommendations for actions to be undertaken by the State of New York, the New York Metropolitan Transportation Council (NYMTC), and the MTA and its operating agencies. These recommendations are designed to further the growth of Transit Oriented Development throughout New York State and the MTA region and to allow local communities and the MTA and its operating agencies to share in the benefits of TOD. Our recommendations are general in nature and do not specify the organizational structure to be created to address TOD issues or recommend specific sites, because formal TOD programs in the MTA region are only in their early stages or yet to be initiated.

NEW YORK STATE

New York State must be the initial catalyst for successful Transit Oriented Development projects. The actions taken by the State, at both the executive and legislative levels,

can set the stage for TOD by encouraging local agencies to more closely link land use and transportation in ways that promote a transit-friendly environment, to provide information and funding for planning and implementation, and to foster cooperation among state departments and agencies that impact local government planning and private sector development. TOD proponents often face significant delays and difficulties in securing local land use approvals for projects, even in areas where regional and local policies support such development. In addition, the State has an important role in developing and disseminating data and information about the effects and benefits of TOD in the areas of transportation, economics, and quality of life. This information is necessary in order to improve local government analysis of proposed TOD projects and could help expedite the local land use approval processes.

New York State must directly address the issue of Smart Growth and Transit Oriented Development and capitalize on the economic gains that can be leveraged from the \$50 billion capital investment that has been made in the MTA network over the past quarter century. We recommend that the State encourage TOD by:

- Developing a state Smart Growth policy through reexamining the work and recommendations developed by the Quality Communities Interagency Task Force in its report, *State and Local Governments: Partnering for a Better New York*.
- Evaluating the Hudson River Greenway program to determine if this Smart Growth program model can be extended to other parts of the State.
- Coordinating land use and transportation planning at all levels of government and with state government agencies responsible for transportation, housing, environment, agriculture, finance, economic development, health, recreation, and aging.
- Providing technical assistance through state departments to municipalities interested in implementing TOD projects.
- Implementing rules that require NYMTC to include elements in its transportation plans to reduce reliance on private automobiles.
- Examining state environmental review requirements to determine whether they raise unnecessary barriers to TOD.
- Evaluating the feasibility of using state-owned land near major transit stations as sites for TOD.
- Using state-owned land to link highways to transit stations to encourage TODs or make stations and TODs more accessible.

- Developing a program to purchase strategic real estate holdings surrounding existing transportation infrastructure.
- Conducting an inventory and maintaining a record of properties suitable for TOD near rail lines and stations.
- Considering laws and regulations that encourage TOD, such as state legislation that allows for partial property tax exemptions to be provided for TOD.
- Developing and making available private mortgage instruments, such as the “Smart Commute” program, that offers incentives to homebuyers in TODs.
- Providing funding for local jurisdictions to prepare plans and develop laws, ordinances, and regulations to facilitate transit-oriented development.
- Providing funding for TOD demonstration projects.
- Providing liability protection for brownfield development.
- Establishing a relationship with academic institutions to provide ongoing data collection and analysis of travel patterns and the economic impacts of TODs and for the incorporation of these data into improved analysis and decision-making tools.

NEW YORK METROPOLITAN TRANSPORTATION COUNCIL

NYMTC, because of its vital role in approving federal funding for transportation projects, is in a unique position to motivate local governments to consider the linkages between land use and transportation and to encourage more efficient and sustainable land use patterns. NYMTC can exercise leadership in moving the region to more sustainable development patterns through its transportation planning programs. It can also provide background data and information to assist local planning efforts that further TOD. The PCAC recommends that NYMTC facilitate TOD by:

- Establishing a linkage between transportation planning and land use as a priority in the Regional Transportation Plan.
- Providing ongoing data collection and analysis of travel patterns and the economic impacts of TODs and incorporating these data into improved analysis and decision-making tools.
- Expanding the Sustainable Development Studies program, an inclusive, community based planning process aimed at developing complementary land use patterns and transportation systems.

- Removing the LITP 2000 from NYMTC's 2005-2030 Regional Transportation Plan and developing a new plan for Long Island that is based on the linkages between transportation and land use and recognizes the LIRR as a vital component of any plan.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA)

As the largest provider of public transportation service within its twelve-county region, the MTA is in a unique position to facilitate TOD and to provide improved linkages between transportation infrastructure and land use. Moreover, the continued health of the MTA and its operating agencies is impacted by the nature of the communities which they serve. The MTA can help to guide that form and provide for a stable future ridership by acting to make the MTA system and the region's communities complement each other. We recommend that the MTA and its operating agencies exercise a leadership role and take advantage of existing opportunities to encourage Transit Oriented Development throughout the region by:

MTA Headquarters

MTA Headquarters has a particular opportunity to deal with TOD issues that transcend operating agency boundaries and set the tone for encouraging TOD in the MTA region. While the operating agencies face different environments relative to TOD and should be given the flexibility to design their own TOD programs, MTA Headquarters can establish minimum expectations for TOD within the operating agencies. The PCAC recommends that MTA Headquarters exercise a leadership role and take advantage of existing opportunities to encourage Transit Oriented Development throughout the region by:

- Obtaining FHWA funding to create a TOD program that will allow the MTA to increase its staffing that specializes in TOD at all levels of MTAHQ and the operating agencies.
- Increasing its system-wide planning for TOD, assessing opportunities at each station site, and considering at the regional level the relationship between land uses around each station and their effect on ridership systemwide.
- Establishing a set of transportation and station area circulation guidelines and creating a best practices design manual to provide municipalities with tools to develop plans and assist them in considering rezonings or redevelopment plans.
- Incorporating Transit Oriented Development in each of the operating agencies' Strategic Business Plans.
- Conducting an inventory and maintaining a record of properties suitable for TOD near rail lines and stations.

- Developing a program to purchase strategic real estate holdings surrounding existing stations.
- Requiring that operating agencies consult regularly with the MTA Real Estate, Planning, and Capital Program Management departments regarding the details of large potential projects that are under development or that they would like to develop.
- Working more actively with all operating agencies to develop integrated marketing, planning, and real estate strategies for major projects from their inception.

Metro-North Railroad

Metro-North has made important strides in the area of Transit Oriented Development in its involvement with the successful planning effort at Beacon. In addition, MNR has undertaken a number of initiatives, such as the Station Net Leasing program and parking and access improvements at Poughkeepsie that have the potential to support TODs associated with these stations. Because of this experience, the PCAC's recommendations chiefly address ways for Metro-North to build upon its successes and expand opportunities for TOD throughout its system.

There is an existing institutional framework to support Smart Growth activities within Metro-North and its service area and a number of locations with potential for Transit Oriented Development. The PCAC recommends that Metro-North continue to leverage its considerable investments in the rail system, its institutional capacity, and its past successes to expand the Railroad's involvement in TOD by:

- Expanding the resources tied to the Strategic Intermodal Facilities and TOD programs. The successes in Beacon and Poughkeepsie have produced momentum and strengthened Metro-North's relationships with state and local agencies, creating the prospect of new levels of state and local coordination in the Railroad's service area. Increased capabilities would enable Metro-North to expand opportunities for coordinated planning with municipalities that are receptive to TOD.
- Capitalizing on the potential for increased station area activity created by the Station Net Leasing program by publicizing improved station services and hours of operation. For example, Metro-North could emphasize information regarding net lease tenants and the increased hours of operation on its *Stations* web page.
- Planning for both MNR property and the wider station area with the aim of fostering long-term rather than short-term value. Because MNR has a long term investment in its rail infrastructure, its time horizon in evaluating the use of its resources should be considerably longer than that of an investor who

seeks to receive a return and move on within a relatively short time following the completion of a project.

- Emphasizing in the creation of station access plans the relationships between the station and adjacent land uses, as well as the benefits that can be derived through fully integrating the station into the life of the surrounding area.

Long Island Rail Road

With over 170 years of history on Long Island and daily ridership of nearly 282,000, the LIRR is an important part of Long Island's transportation system. The Rail Road has profoundly influenced the settlement patterns of Long Island, and although the expansion of the Island's highway system in the last 60 years has eroded that influence somewhat, severe congestion on these roads presents an opportunity for the Rail Road to capture greater numbers of riders and once again shape the development of Long Island. To guide the development of Long Island to a pattern that is better targeted to the interests of the LIRR and the community as a whole, however, a multifaceted approach that coordinates land use with transit and other public infrastructure is needed. The LIRR has begun such an approach with the Village of Mineola.

The PCAC found that improving this coordination is one of the major challenges facing the LIRR. This is no small task, as it will require an inclusive planning process bringing state, county, and municipal governments, regional planning bodies, major non profit and private sector stakeholders, and the public at large together with the LIRR. Improved coordination would not only allow the LIRR to draw upon additional resources and to ensure that its viewpoint is included in the planning process, but also allow the LIRR to assist and empower municipalities to improve their local communities. The PCAC recommends that the LIRR support transit oriented development and strengthen its role in the planning process by:

- Strengthening the relationship between the LIRR and MTAHQ. The LIRR should make more effective use of the resources of the MTA Real Estate, Planning and Capital Program Management departments beginning with the initial phases of a project. Current issues where MTAHQ resources could be valuable to the LIRR are the process of siting a mid-Suffolk yard, planning for the development of Suffolk County owned property at Yaphank, and clarifying potential interrelationships between these two efforts.
- Establishing a TOD program that can both respond to opportunities and local planning efforts and take a leadership role in initiating projects. The program should actively promote and support the efforts of municipalities, developers, and community organizations to establish TODs.
- Planning for both LIRR property and the wider station area with the aim of fostering long-term rather than short-term value. Because the LIRR has a long term investment in its rail infrastructure, its time horizon in evaluating the

use of its resources should be considerably longer than that of an investor who seeks to receive a return and move on within a relatively short time following the completion of a project.

- Implementing a net leasing program for station facilities. By leasing stations to private operators, the LIRR can retain space for its essential services and customer waiting areas, but be freed of the responsibility of maintaining the station facility. Leasing to an operator, such as a restaurant or café, also has the advantages of expanding the hours that station facilities are open and increasing the activity level in the station area.
- Adopting a comprehensive approach to improving station access, including expanding connecting services, undertaking parking and pedestrian improvements, and improving vehicular and pedestrian routes and signage near stations. A basic initiative that could be valuable in supporting station area development is the installation of wayfinding signage directing motorists, bicyclists, and pedestrians from major transportation routes to LIRR stations.

New York City Transit

Although NYC Transit is likely to have a limited role in the initiation of TOD projects, Transit's involvement with the development process is crucial in maintaining the efficient movement of residents, workers, and visitors throughout the City and in creating and maintaining walkable neighborhoods. While there may be some individual projects where NYC Transit can be an active partner in the redevelopment of areas near subway stations, its more typical role will be as a collaborator in the City's neighborhood planning process.

This collaboration can take several forms, from coordinating major transit improvements with the redevelopment of large areas, to supporting more limited redevelopment taking place in the neighborhoods through improving transit infrastructure, to directing development to areas where capacity exists to serve new residents and workers. By becoming a partner in the planning process, NYC Transit can encourage development patterns that will not only improve the City environment, but also solidify its ridership base and make the most efficient use of its resources. We recommend that NYC Transit work to further TOD in the City by:

- Creating a Smart Growth group within NYC Transit that is responsible for coordinating transit needs and land use issues.
- Fostering a working relationship with the Department of City Planning to ensure that serious consideration of public transportation plans, resources, and capacities is included in reviewing any large scale development project undertaken within the five boroughs.

- Working with New York City officials to ensure that adequate access to public transit is available and related transit amenities are included in plans for development or redevelopment projects throughout the City.
- Focusing on directing development to areas where capacity exists to serve new residents and workers. In working with the City, NYC Transit can emphasize areas where system capacity is available or make adjustments to system operations to free capacity to serve growing neighborhoods. By becoming a partner in the planning process, NYC Transit can try to encourage development patterns that will not only improve the City environment, but also solidify its ridership base and make the most efficient use of its resources.