

transit-oriented

DEVELOPMENT IN THE GREATER PHILADELPHIA REGION

By Barry Seymour and Karin Morris



Turbo Lofts in Lansdale, PA, is the conversion of a former textile mill into 45 condominiums, within walking distance of the SEPTA Lansdale regional rail station.

Greater Philadelphia has one of the most extensive and varied rail infrastructure systems in the country, dating back to the first railroad that opened here in 1832. Attractive city and suburban neighborhoods developed along these early rail investments in subways, streetcars, and commuter rail, defining the patterns of settlement in the city and surrounding areas. Today many of these neighborhoods and towns with great transit access are the most desirable in the region and provide the template for transit-oriented development (TOD) throughout the country.

Transit-oriented development is compact, mixed-use development within an easy walk of a transit station. Its

pedestrian-oriented design encourages residents and workers to drive their cars less and ride mass transit more. These “transit villages” are usually moderate to high density, matching the existing scale of development, and can be new construction or redevelopment. Land uses include residential, commercial, and office, or some combination.

As the region grew over the past century and the automobile became the dominant mode of travel, some of those original TOD communities turned their backs on their transit stations. But in the past decade, as individuals have both rediscovered these older communities and the advantages of riding transit, much progress has been made in promoting TOD and smart growth, and numerous new projects have been built or proposed. This article will explore how the Greater Philadelphia region has met these challenges, as an example to other older industrial cities and regions with the “great bones” of an extensive transit network and walkable downtowns.

PROGRESS TOWARD TOD: KEY FACTORS FOR SUCCESS

High Quality Transit Service: The Philadelphia region has a far-reaching and diverse transit system, with service and facilities provided by the Southeastern Pennsylvania Transportation Authority (SEPTA), the Port Authority Transit Corporation (PATCO), New Jersey Transit, and Amtrak. SEPTA is the largest system, with 153 regional rail stations, 52 subway stations, 75 light rail/trolley stations, plus 126 bus routes and various paratransit services. New Jersey Transit has three Atlantic City Line rail stations within the bi-state region and 20 River LINE stations, as well as numerous bus

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PROGRESS, CHALLENGES, AND OPPORTUNITIES

Transit-oriented development (TOD) has gained greater attention and interest over the last ten years both nationally and in the Greater Philadelphia region. Successful TOD requires cooperation and commitment from all levels of government, as well as with developers and transit agencies. This article focuses on the progress that the Greater Philadelphia region has made in implementing TOD, including the key factors for success, as demonstrated through eight TOD projects. The article also discusses how regional growth can accommodate the demand for TOD and what challenges and opportunities lay ahead.

routes. PATCO's rail line from southern New Jersey into Philadelphia has 13 stations, and Amtrak operates 10 stations within the region, including the flagship 30th Street Station in Philadelphia, the second-busiest in the nation. This richness in the transit network means there are many redevelopment opportunities near rail stations and many areas well served by transit.

Regional Vision: The region's adopted long-range plan, *Connections - The Regional Plan for a Sustainable Future*, prepared by the Delaware Valley Regional Planning Commission (DVRPC), strongly supports TOD and smart growth as part of its overall vision for how the region should grow and how best to take advantage of the area's extensive existing transit assets. The city and county planning commissions in the region also support TOD and encourage station area planning. National attention on the issues of climate change also supports transit-oriented development and the importance of providing alternatives to the automobile, and rising gas prices have brought transit ridership to record levels.

Supportive Regional Policies: Working with its partner agencies, DVRPC has supported TOD for over a decade, having produced specific TOD plans for over 25 rail stations in-house and funded plans at over 45 stations through its Transportation and Community Development Initiative grant program. In 2003, DVRPC selected the top 45 TOD opportunity locations in the *Regional Inventory of TOD Sites*. In 2007, DVRPC published *On Track: Progress Toward TOD in the Delaware Valley*, which highlights TOD activity at over 100 rail stations. In 2009, DVRPC released *Demographics of Transit Zones*, with data on all transit-served areas in the region. DVRPC has also held TOD marketplaces, bringing developers together with municipalities that have development sites near transit.

Strong State Commitment: The Commonwealth of Pennsylvania enacted Act 238, the Transit Revitalization Investment District (TRID) Act in 2004, which created a mechanism to enable local municipalities to work with transit agencies on planning and funding TOD. In three phases and with community involvement, the municipality identifies a new district around a transit station to receive targeted public sector infrastructure improvements. Funded by the tax increment from new development, the recommended improvements are implemented and the value capture revenues are dispersed according to a predefined schedule. Bucks, Delaware, and Montgomery County communities, as well as the city of Philadelphia, are currently investigating this tool to support community development.

The Pennsylvania Department of Transportation (PennDOT) also emphasizes linking transportation and land use planning, which has generated interest in TOD. PennDOT has developed a web-based TOD Planning Toolkit (www.todtoolkitpa.com) that will assist and encourage Pennsylvania municipalities to promote TOD, improve access to transit, and improve the quality of existing and future transit facilities.

New Jersey's Department of Transportation has created policies and incentives for TOD, through the multi-agency Transit Village Initiative, which designates transit villages throughout the state through a competitive application process. Municipalities must meet stringent criteria, including: a demonstrated willingness to grow; an adopted TOD redevelopment plan or TOD zoning ordinance (with appropriate site design, architectural design, and TOD supportive parking); specific TOD projects ready-to-go; identified bicycle and pedestrian improvements; identified place making efforts around the transit station; and an established or planned management organization for the village.

In the first quarter of 2012, Americans took 5 percent more rides than a year earlier. High gas prices, changing demographics and lifestyle shifts, including retiring baby boomers, more singles, and overall smaller household sizes, support transit usage.

Engaged Transit Agencies: New Jersey Transit continues to be a strong supporter of TOD efforts, through its Transit-Friendly Communities program, offering direct technical assistance to municipalities. PATCO has also embraced TOD, not only at their kiss-and-ride stations, but also at the park-and-ride stations. A decade ago, PATCO was reluctant to pursue development at park-and-ride stations, due to their strong interest in retaining their surface parking lots. Today PATCO is discussing TOD, what the market may be, and at what ratios parking would be replaced with new development. SEPTA is also actively partnering with communities on how to improve station areas.

Transit-Supportive Culture: A transit-supportive culture is important to enabling better land use planning around transit stations, and policies that support TOD. According to the American Public Transit Association, public transit usage increased 33 percent from 1995 to 2011, which marked the second-highest annual ridership on public transit since 1957. In the first quarter of 2012, Americans took 5 percent more rides than a year earlier. High gas prices, changing demographics and lifestyle shifts, including retiring baby boomers, more singles, and overall smaller household sizes, support transit usage.

Long-Term Focus: A long-term focus is needed to support TOD, as policy, programs, and real estate development does not happen overnight. This focus has continued even through a downturn in the market, such as we have seen in the last several years. What

seemed like an uphill battle ten years ago is one that has been slowly but steadily climbed, through policy changes and assistance to municipalities.

Community Revitalization: More local organizations, including community development corporations in the city of Philadelphia, have embraced TOD as a community building strategy for low-wealth areas. One of the main assets in many Philadelphia neighborhoods is the excellent access to transit, and building new mixed-income TOD is seen as a win-win, by connecting residents to jobs along the mass transit system. Providing housing for a mix of incomes in walkable, mixed-use neighborhoods near transit reduces household transportation costs, and expands the affordability of housing because families may need just one or even no cars, resulting in large annual savings. In suburban areas, many municipalities are revising their comprehensive or master plans to specifically encourage TOD and updating their zoning ordinances to allow transit-friendly land uses, moderate rather than low densities, smaller lot sizes, higher height limits, parking maximums, and design controls in station areas.

REGIONAL GROWTH AND DEMAND FOR TOD

Unlike other regions of the country that are growing rapidly and building their first transit systems, Greater Philadelphia is a mature region with an older existing transit system. This presents a challenge to encouraging TOD, as it is often easier to plan for TOD around new stations or in areas experiencing rapid growth, where the link between density and the feasibility of transit service can be made more easily. However, *Hidden in Plain Sight: Capturing the Demand for Housing Near Transit* (2004, with demand estimates updated in 2007), by Reconnecting America's Center for Transit-Oriented Development for the Federal Transit Administration, shows that demographics and other trends will cause the potential national demand for compact housing near transit to more than double by 2030.

Currently, six million U.S. households live within a half-mile of a transit stop. At least a quarter of all households that will be looking for housing in the next 20 years, or 15.2 million households, will be looking to

rent or buy housing within a half-mile of a fixed-guide-way transit stop. Meeting this demand would require building 2,000 residential units near every transit station in the U.S. today.

The study also lists the top metropolitan regions in the United States that show the potential to generate the most significant demand for housing in transit zones. In 2004, the study found that the Philadelphia region contains 496,141 households in transit zones (households within a half-mile radius around both existing and planned future stations), representing 20 percent of all households in the region.

In 2025, the potential demand for a house in a transit zone in the Philadelphia region is expected to be 820,908, representing 29 percent of all households in the region. The region's households are expected to grow by 15 percent by 2025, but demand for households in transit zones is expected to grow by 65 percent. The Philadelphia region ranks fifth in the top 10 metropolitan areas by potential demand for TOD housing in 2025, ahead of Boston (6th place), Washington, Portland, Miami, and Dallas, and after only New York (1st place), Los Angeles, Chicago, and San Francisco, respectively.

Station Areas with Development Potential: Over the past several years, many stations with development potential have been identified, both through the DVRPC *Regional Inventory* report published in 2003 (profiling 45 stations), and through other means. Stations with TOD potential include those that have the following characteristics: vacant or underutilized land or buildings near the station; development or growth pressure; presence of a TOD or redevelopment plan; half hour service frequency or better; good road access; and sewer and water infrastructure in place. Municipal support of TOD is also very important.

COMPLETED PROJECTS

Over 20 TODs have been built throughout the Greater Philadelphia region in the last ten years, with a dozen more moving through the development process, and over 25 more proposed. It is fitting that three of the built projects include "Station" in their name, marketing their primary appeal: walkable access to high quality transit service.

Station Square (SEPTA Pennbrook regional rail station, Upper Gwynedd Township and Lansdale Borough, Montgomery County, PA) represents the successful redevelopment of a vacant industrial parcel once home to a Ford Electronics plant. This EPA Superfund site required extensive remediation prior to redevelopment. The 30-acre property now contains 346 apartment units and 48,800 square feet of commercial space.

The commercial portion of the development consists of three buildings that combine ground floor retail shops, such as a dry cleaner and hair salon, and restaurants, such as a Japanese restaurant and a sandwich shop, with second floor office uses. The retail uses are located near the train station and a newly reconfigured



Station Square in Upper Gwynedd Township and Lansdale Borough, PA, is a mixed-use TOD built on a former EPA Superfund site next to the SEPTA Pennbrook regional rail station.

160-car commuter parking lot. The commercial buildings architecturally blend with the nearby apartment homes and are located to serve residents, local workers, and commuters.

The redevelopment of Station Square also involved the creation of a TOD zoning overlay district. Lansdale and Upper Gwynedd worked with the developer, Dewey Commercial Investors, L.P., to create new zoning standards that were supportive of public transit. The district encourages mixed-use development, promotes pedestrian-friendly design, and includes design standards for building placement, roadway and parking design, and open space.



Station Square at Ambler, in Ambler, PA, is a townhouse community built on former industrial land within walking distance of the SEPTA Ambler regional rail station.

Station Square at Ambler (SEPTA Ambler regional rail station, Ambler, Montgomery County, PA) was completed in 2009 and is within walking distance to the train station and downtown Ambler. It consists of 58 three-story townhomes arranged in groups of seven or eight along a series of new streets that connect to South Main Street. W.B. Homes developed Station Square on formerly industrial land. Major selling points for the property include the convenience of public transit and revitalized main street amenities located along Butler Avenue.

The property is part of Ambler's Redevelopment Overlay District, designed to encourage infill and reuse of vacant industrial sites in the station area. Additionally, Ambler was one of the first Pennsylvania communities to receive a grant to study the creation of a Transit Revitalization Investment District (TRID) to enhance the possibilities for redevelopment around the train station.

The Station at Bucks County (SEPTA Warminster regional rail station, Warminster Township, Bucks County, PA) is a new multifamily residential development immediately adjacent to Warminster station. Residents can directly access the train platform via a newly constructed ramp and stairway. Opened in April 2012, The Station at Bucks County includes 233 one- and two-bedroom rental units spread over 19 low-rise buildings. The 16-acre property formerly housed a medical sup-

ply company and included a vacant 130,000-square-foot building. Developer J.G. Petrucci Co. acquired the property and worked closely with state and municipal agencies to create a TOD zoning designation for the site.

Described as Warminster's first walking community, the development incorporates traditional architecture and includes internal sidewalks and pedestrian connections from the property to nearby retail shops. Garage spaces are located on the ground floor of some buildings and can be leased separately. The site includes approximately 5,000 square feet of space reserved for future retail use, such as convenience or neighborhood retail uses.

The LumberYard (PATCO Collingswood station, Collingswood, Camden County, NJ) is a mixed-use redevelopment project approximately a half mile from the train station. The LumberYard was built on a prominent vacant downtown site previously occupied by the Peter Lumber Company.

The development broke ground in 2006 and includes 65 one-to-three-bedroom residential units, 10 retail spaces, and a parking garage built over two phases. Residential units are divided between a mixed-use building with an interior courtyard and a row of stacked town homes. The development incorporates wide sidewalks, pedestrian bump-outs at street corners, and architectural features that complement the main street context.

The LumberYard was the culmination of many years of planning. The Borough of Collingswood undertook various large-scale planning efforts, including a state-funded smart growth study that identified several redevelopment opportunities in and around the downtown. After being designated a Transit Village by NJDOT in 2003, the Borough itself decided to act as the developer of the Peter Lumber site. Initial plans for the project, which called for 120 condominiums and 21 retail spaces, were scaled back due to economic conditions. The Borough also offered graduated reductions in property taxes to spur sales of units in the second phase. Buyers would pay discounted rates that rise every year until the fifth year when they pay 100 percent of the normal tax bill.



Station at Bucks County in Warminster, PA, opened in 2012 and features rental apartments with direct access to the adjacent SEPTA Warminster regional rail station.



The Borough of Collingswood, NJ, acted as developer of the LumberYard, which includes condos, ground floor retail, and a parking garage, within walking distance of the PATCO Collingswood rail station.

A third phase is planned for the LumberYard. However, instead of building an additional residential building as originally conceived, Collingswood is exploring opportunities for a commercial building that would combine office, retail, and professional space. New Jersey Future awarded The LumberYard a Smart Growth Award for Mixed-Use Downtown Design in 2007.

Silk Factory Lofts (SEPTA Lansdale station, Lansdale Borough, Montgomery County, PA) is a 116-rental unit development in the former Santerian Silk Factory, developed by Lansdale Realty Group in 2008. It is located in a historic rehabilitation overlay district.

Turbo Lofts at the same rail station is an adaptive reuse of a building that was formerly part of the Dexdale Hosiery Mill and later occupied by the Turbo Machine Company. Developer Moulton Builders worked closely with the Borough to remediate the site and modify its Village Overlay District to permit mixed-use. The site contains 45 condominiums within the mill building, along with an additional 26,000 square feet of retail space, and 8,000 square feet of second story office space, in new buildings fronting on to the Borough's main street. First floor retail tenants include national retailers such as Walgreens, Starbucks, Cold Stone Creamery, Blimpie, and Pizza Hut, and second floor office tenants include Edward Jones Investments, a martial arts studio, and a homecare staffing agency.

400 High Street (New Jersey Transit River LINE Burlington Town Centre station, Burlington City, Burlington County, NJ) is the adaptive reuse of the former Metropolitan Inn and includes 16 subsidized low-income senior units at the key intersection of Broad and High Streets. The same developer, Pennrose Properties, has also invested in **235 Penn Street** in downtown Burlington City, by converting the former Budd Shoe Factory into 36 subsidized low-income senior apartments.

CONTINUING CHALLENGES AND OPPORTUNITIES

Funding for Transit: SEPTA, the Southeastern Pennsylvania Transportation Authority, continues to face fiscal constraints, which hinder the agency's long-range planning efforts and ability to dedicate funding for expansion of its system. PATCO, funded through Delaware River Port Authority (DRPA) bridge tolls, and New Jersey Transit, funded through the state transportation trust fund, have somewhat more stable funding, although still limited, and can therefore more effectively offer high quality transit service and plan ahead for system improvements and expansion.

Density to Support Transit: Many suburban communities still resist the medium to high densities that make transit and TOD successful. Recently built TODs in the region have gross densities of 12-16 dwelling units per acre, a modest yet significant increase near stations with development patterns with half of that density. Even modest gains in density are a significant improvement in centering development around rail, creating walkable environments, increasing transit service frequencies, and making retail within walking distance viable.



Silk Factory Lofts in Lansdale, PA, offers 116 loft rental apartments in a historic former silk stocking mill, within walking distance of the SEPTA Lansdale regional rail station.

Parking: Most TODs in the Philadelphia region, particularly in suburban locations, are still built with a significant amount of minimum parking and/or no reduction in typical parking requirements. Some zoning districts have been updated to reduce parking requirements for TODs, but the results of such ordinances largely have yet to be seen. Some developers and municipalities appear to still want to supply residential units near transit with more parking than perhaps is needed and have been hesitant to allow shared parking or provide credits for existing on-street parking.

Another opportunity is the unbundling of parking spaces from housing units, such that the cost of owning or renting a parking space is unbundled from the cost of owning or renting a housing unit. This strategy allows a developer to lease parking spaces at market

rate to other residents or nearby businesses and allows a potential owner or renter of a housing unit to have the option to not purchase a parking space if one is not wanted.

Working with Communities: Local opposition to TOD in some communities can still be a challenge and often stems from a misunderstanding of the project, its benefits, and its advantages over more conventional residential or commercial development. Neighbors may fear increased road congestion, and while any development will cause more vehicle trips, TOD is designed to create less vehicle trips and to move some of these trips to transit. Neighbors may also fear the arrival of more school age children placing a burden on the local school district, though research has shown that TOD generates fewer schoolchildren than a conventional subdivision, given the smaller size of most of the housing units.

Developers have responded to these concerns by producing traffic studies, fiscal impact studies, and zoning build-out studies to analyze the impacts. These studies often show that under conventional zoning, the typical highway commercial development or residential subdivision will actually produce more traffic and/or more schoolchildren than a TOD. Developers may also offer annual payments to the school system beyond the tax revenues generated by the new TOD, or improvements to the rail station, local roadways and streetscapes, or improving or providing another community asset, such as a park or plaza.

Retail and Mixed-Uses Near Stations: Mixed-use can be harder to develop, since there are more partners and often different financing involved, raising the level of complexity. In addition, the old adage that one needs “rooftops before retail” is still true even with TOD. Retail and office often develop after the residential phase is complete. Some developers will reserve an area for a modest amount of retail/office space in the site plan for future build-out, if the current market does not support such uses.

Selling TOD: A few of the new TODs in the region used access to transit as a marketing strategy, such as Pennbrook's Station Square, where the apartments are a “commuter's dream,” “right on the commuter line,” and “allowing direct access to Center City Philadelphia.” Two other recent examples have “Station” in their title, making that direct link to the location's prime advantage: transit. More developers, marketers, and real estate agents should embrace transit access and TOD as a selling point in their marketing materials.

In conclusion, the Philadelphia region continues to move forward but also in some ways “back to the future,” toward more transit-oriented development. Significant progress has been made over the last decade in building projects and reducing the barriers to realizing TOD. The region is well poised to capture the market for TOD, to accommodate a significant portion of regional growth through TOD, and to turn TOD plans into TOD projects. 

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