Communicating the Benefits of Transit Oriented Development

The Hudson Bergen Light Rail Transit System and the City of Evanston's Transit-Oriented Redevelopment

Executive Summary, January 2005

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This is a tale of three cities -- Jersey City and neighboring Hoboken in New Jersey, and Evanston, Illinois – that have experienced an enormous amount of development since the late 1980s, reversing three decades of decline brought on by the great suburban exodus of the 1950s. The result is that in 2006 all three cities are prospering, posting significant increases in property values and sales taxes and other revenues due to the building boom and resulting increases in business activity. The amount of high-density development that has occurred could never have occurred this quickly if these cities did not have rich transit networks providing very high-quality connections to the abundant jobs, culture and destinations in their big city neighbors: Manhattan is across the Hudson from Hoboken and Jersey City; Chicago and Evanston share a border.

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Not every project that has been built in these cities is truly transit-oriented, pedestrian-friendly or human-scaled – station areas in Jersey City lack a good mix of retail, and a number of Evanston's commuter and urban rail stations, ironically, are located along a very wide thoroughfare that used to be Auto Row. Nonetheless, new residents are walking, dining, pushing baby strollers and spending money in the downtown neighborhoods around transit stations, and yoga studios and farmers markets and cultural venues are opening up to provide the amenities they want. The new high-density housing is proving popular and real estate markets remain strong.

All the neighborhoods exhibit the performance characteristics that define TOD: the massing of significant density near transit to create "location efficiency" that promotes walking, biking, transit use and low auto ownership; increased transit ridership and non-auto mode share; a rich mix of uses and consumer choices; significant value creation and value capture by both the public and private sectors; and the creation of a sense of place. Moreover, existing historic neighborhoods are being preserved and enhanced by the proximity of more diverse housing, shopping and entertainment choices, and the increases in traffic are minimal.

The transformation of these cities has played out slightly differently – though over a similar time frame and beginning with a concerted planning effort by public sector, the creation of financial incentives for developers, and public investments in public amenities like promenades and parks and expensive TOD components like structured parking. But whereas Evanston's extensive multimodal transit system was already in place, New Jersey built a new 20-mile light rail line through brownfields and abandoned industrial sites to enhance connectivity with existing commuter rail, bus and ferry service, resulting in a land speculation and development boom unprecedented in scope.

All three cities are emerging as vital, resource-rich, more sustainable places because of the presence of so much development so close to transit. Communities throughout the U.S. continue to fear density and development in 2006, mostly because of the traffic that is anticipated. The case studies of New Jersey and Evanston illustrate that there's little to fear: transit-oriented density and development can enhance surrounding neighborhoods.

Hudson Bergen Light Rail Line, Hoboken and Jersey City, NJ

Dr. Jan Wells and
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View of Manhattan from Hoboken, NJ

Both Jersey City and Hoboken were thriving residential and commercial centers located on the waterfront before the great suburban exodus began in the 1960s, with attractive residential neighborhoods and excellent rail access to jobs and amenities in a big city neighbor – New York City lies just across the Hudson River to the east. Before the Pennsylvania Railroad tunnel was built under the Hudson, connecting to Hoboken in 1908 and to Jersey City in 1909, the many railroads serving the area terminated in New Jersey on the Hudson's west bank. This fact, coupled with the presence of the port in Jersey City, resulted in intense industrial and residential development in the late 19th and early 20th centuries.

Jersey City was settled by the Dutch West Indian Company in 1660 and was home to the Colgate-Palmolive Company. Hoboken, too, had a thriving shipping industry and was home to Bethlehem steel. But the construction of more tunnels and bridges into Manhatttan and the growing popularity of the automobile led to the decline of both the railroads and port. By 1980 the landscape was dominated by abandoned rail yards, derelict piers, idled manufacturing plants and empty warehouses, the land contaminated by industrial waste.

The two cities, which share a boundary, are very different. Jersey City is home to more than 240,000 residents in 14.9 square miles, the waterfront dominated by office buildings. Hoboken, just north of Jersey City and across the river from Midtown Manhattan, is only 1.3 square miles and much more residential, and often referred to as New York City's sixth borough. The locational advantages of these two cities, both just minutes away from Manhattan and the greatest concentration of jobs in the U.S., proved so great that developers began buying up riverfront property in the 1980s.

The cost of housing in New York City was escalating dramatically, and the historic neighborhoods across the river, their streets lined with old trees and beautiful brownstones, were affordable in comparison. Developers began rehabbing the housing stock, turning brownstones into condominiums and converting industrial buildings to residential. When mortgage rates dropped in the mid-1980s the housing fervor increased. Transit connections were being revived and improved with the reintroduction of ferry service by the NY Waterway.

Eager to exploit the redevelopment opportunities and stimulate commercial and industrial growth, New Jersey officials set up the Jersey City Economic Development Corporation in 1980. Urban enterprise zones and redevelopment zones were created to offer businesses a variety of tax incentives and subsidies. Jersey City was already an attractive place to do business relative to either Philadelphia or New York because the city's only business tax was the real

Rail and bus transit service had been deteriorating for several decades as private railroads went bankrupt and bond issues to support transit were defeated. New Jersey Transit was created as an independent arm of the New Jersey Department of Transportation in 1979 to revive the ailing bus and rail systems, and a bond measure was finally passed to support better service. New Jersey Governor Thomas H. Kean recognized that transit would aid the economic development initiatives along the waterfront and he directed the NJDOT to study which kind of transit system would best serve the waterfront.

Nine transit alternatives were considered; the preferred alternative, released to the public in 1992, ran into opposition from the historic Van Vorst neighborhood along the route, which didn't want the 20-mile light rail line, and from Colgate, which didn't believe its property would be adequately served. Political pressure resulted in a new alignment that ran through brownfields and other underutilized sites. In Hoboken there were problems with the alignment as well, because of environmental issues and because it encroached on potential development sites. As in Jersey City the alignment was changed to follow an existing right of way that traversed fallow and obsolete industrial property.

This turn of events in both cities proved fortuitous as the amount of vacant land and buildings along these new alignments provided dramatic redevelopment opportunities; developers and real estate agents were already calling New Jersey's

waterfront the "Gold Coast." Phase 1 of the new Hudson Bergen Light Rail Line, a 10-mile segment from Hoboken through Jersey City to Bayonne, began operating in 2000. The second phase, a 6-mile segment extending the line north from Hoboken to Weehawken, west to North Bergen and south in Bayonne, is anticipated to be completed in spring of 2006. A planned third phase is in doubt, however, because of the cost, problems with property acquisition, and the difficulty of coordinating with existing freight activity in the right of way.

Though the first stations have been in place for only five years, construction activity is ubiquitous in station areas as abandoned sites are cleaned up and reclaimed. Developments are proposed for every single piece of property around the 9th Street station in Hoboken, for example, a derelict industrial neighborhood once known as the "bad side of town" and the place where towed cars were stored. In Jersey City mixed-use development is ongoing all along the corridor connecting stations at Exchange Place, Essex Street, Marin Boulevard, and Jersey Avenue. There are 20 acres of imposing office buildings and well-maintained public spaces all along the Hudson River waterfront, and retail and restaurants have opened to cater to new residents.

Jersey City has emerged as the gateway to the commercial, cultural and financial center of New York, and ranks among the Top Ten cities nationwide for inner city job growth. Meantime the residential building boom has netted 3,000 new rental and for-sale units within a half-mile radius of the three downtown light rail stations. The 42-story Goldman Sachs tower, built on the 20-acre site that had once housed the Colgate-Palmolive plants and offices, is the tallest building in the state. Adjacent to the Exchange Place station, development here is served by PATH trains, the Hudson Bergen Light Rail Line, ferries, and bus. The Essex station is well integrated into the surrounding neighborhood, and a plethora of new and rehabbed housing and a new medical center is clustered at the Marin Boulevard and Jersey Avenue stations. Between Jersey Avenue and Monroe Avenue an 86-acre New Urbanist village with 6,000 housing units was designed by reknown architect and urbanist Andres Duany.

Whereas commercial and corporate development dominates in Jersey City, Hoboken, is seeing more residential development. Hoboken's compact, mixed-use, walkable and transit-accessible neighborhoods are proving especially attractive to young professionals – 38 percent

Hudson Bergen Light Rail

of the population is aged 20-34 -- who like the relative affordability, easy access to New York City, and the vibrant nightlife that has developed.[1] The city's population grew by 4.1 percent from 2000 to 2005, the highest rate in Hudson County and a higher rate than the state. The projects being built in Hoboken are both innovative and thoughtful and include, for example, the "culturally anchored" Monroe Center. A former Levelor Blinds factory on the site serves as a studio space for 130 artists and small businesses. The project, to be built on the surrounding parking lots, will be a mixed-use complex with 435 residential units, featuring two large plazas with fountains, shops, restaurants and a new independent film theater, performance center and gallery. The project will include affordable housing and guarantees that rents will remain low for artists.

While the high cost of living and doing business in Manhattan had provoked the development of the Gold Coast across the Hudson River, the decision to build the Hudson Bergen Light Rail line through abandoned and derelict neighborhoods made possible an unprecedented amount of speculation and development. Most of the information about land and property values is anecdotal: Jersey City hasn't revalued property in 20 years, so assessed values don't reflect any increases. The Jersey City planning department, however, estimates that property taxes along the Essex street corridor have increased from a total of $200,000 to $300,000 before the light rail line to somewhere between $4 million and $6 million a year.

In Hoboken, longtime developer George Vallone of the Hoboken Brownstone Company said property values in Hoboken have jumped dramatically, and that single lots once offered for $100,000 commanded

$800,000 in 2005. He added that properties near the 9th Street station had doubled in price in just one year, and that properties near the BergenLine Avenue Station, which hadn't opened at the time of the interview but which opened in December 2005, had attracted the attention of speculators and developers.

Meantime, office space along the Jersey City waterfront is doing well and has become known as "Wall Street West" because of the concentration of brokerage firms and other "FIRE" (financial, insurance, real estate) industry companies choosing to locate in the buildings facing Manhattan. For the first quarter of 2005 Hudson County had a Class A "direct vacancy" rate (not including subleased space) of 9 percent, the lowest in the northern and central New Jersey market. Rents for prime waterfront office space range from $25-$40 per square foot.[2]

Ridership on the light rail system is up 30.2 percent since 2003, even though September 11 had dramatically altered travel patterns with the closing of the World Trade Center and Exchange Place PATH stations; after 9/11 114,000 jobs left Manhattan and 12,000 moved to Jersey City. Data from the 2000 census showed that more than 60 percent of residents living near the three downtown Jersey City stations took public transit to work even before the light rail line opened, compared to 34 percent in the region as a whole. The light rail trains run from 5 a.m. until 1 a.m. with 15-20 minute headways, with some offering limited-stop rush-hour service between Bayonne and Pavonia-Newport and Hoboken Terminal. The light rail trains are proving so popular that capacity was to be doubled in 2006.

The biggest advantage provided by the HBLR system is that it serves to connect many more neighborhoods in both Jersey City and Hoboken with the major transportation terminals in Hoboken, Pavonia-Newport and ExchangePlace. From these terminals transit riders can journey to New York City's job market – the largest concentration of jobs in the U.S. There are alsocommuter rail lines to western and northern New Jersey suburbs, while PATH offers connections at Newark to the Northeast Corridor commuter and inter-city rail services, which provide access to Newark Liberty International Airport, Metro Park, New Brunswick and Trenton, as well as Philadelphia, Washington D.C. and Boston. Bus service is also available at most of the light rail stations.

Hoboken, NJ

Demographics

	Hoboken	Jersey City			Region
	9th Street	Jersey Avenue	Marin Boulevard	Essex Street	Jersey City,PMSA
Population	29,557	11,601	11,268	6,107	608,975
Households	12,500	5,403	5,602	3,273	230,698
Occupied Housing Units	12,973	5,756	6,006	3,517	3,680,360
% Owner	22%	18%	18%	17%	33%
% Renter	75%	76%	75%	76%	62%
Total Workers	14,212	6,197	6,042	3,132	264,544
% Drove to Work	43%	26%	23%	23%	55%

Source: Census, 2000

HBLR Weekday Ridership 2003-2006

Station	Date Opened	2003	2005	Change in Total Ridership	
9th Street/ Congress	9/7/2004		619		
Exchange Place	4/15/200	2,805	2,852	107	3.7%
Essex Street	4/15/200	914	763	146	-15%
Marin Boulevard	4/15/200	266	337	77	26.8%
Jersey Avenue	4/15/200	146	390	271	161.5%

New Jersy Transit

The City of Evanston's Transit-Oriented Redevelopment

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Evanston, like other close-in Chicago suburbs, grew up transit-oriented, its walkable, leafy green neighborhoods built up around an extensive rail network that provided excellent connections to its big city neighbor immediately to the south. Blessed with advantages that included a lakefront location, the vast Northwestern University campus and close proximity to Chicago's jobs, culture and abundant amenities, Evanston became a hub of activity for other suburban North Shore communities and was home to major department stores and corporate headquarters. The city was a stable and attractive place for both residents and businesses to locate, and its population was both economically and racially diverse.

But Evanston was not exempt from the population and job losses and economic decline suffered by older cities and their inner-ring suburbs all across the U.S., and the suburban diaspora threatened the city's tax base and financial security. Evanston was further burdened with a relatively high percentage of tax-exempt land – 42 percent – in part because its three largest employers, including Northwestern, were all non-profit organizations not required to pay taxes. In order to make ends meet the city began raising taxes, from $5.49 per $100 assessed value in 1965 to $12.02 in 1985. Real estate was already more expensive in Evanston than in greenfields further out, and the tax increases compounded the financial and locational disincentives that were already driving job and population losses.

By 1980 the city had lost 6,000 of its 80,000 residents and both the City Council and Chamber of Commerce recognized they needed to strategize about the future. The city couldn't expand its boundaries, had no direct access to an interstate, and there were few contiguous parcels of vacant land ready for redevelopment. But civic leaders recognized the city's compact urban form, excellent public transit, access to Northwestern students and faculty, and location on the shores of Lake Michigan were all qualities that could be leveraged as a draw for those desiring a more urban style of living. A comprehensive plan drawn up in 1986 called for the creation of a "24/7" downtown with higher density residential development around four of its rail stations, spaced a walkable half a mile apart and serviced by some 290 commuter rail (Metra) and heavy rail (the Chicago Transit Authority's "El") trains daily.

The city wrote a more specific downtown plan in 1989 to help carry out these goals, and then rewrote its zoning code, permitting higher-density mixed use development near stations and lowering parking requirements. Recognizing that public investments were needed to help spark private interest, the city decided to build a transportation center and public library downtown, to upgrade the city's sewer and water systems, and to build a research and technology center in cooperation with Northwestern University on a 22-acre partially vacant site at the north end of downtown near the rail station.

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Dining in Evanston, IL

The library and the Transportation Center -- the only transfer point outside Chicago to offer commuter and heavy rail service, as well as both urban and suburban bus service – were built first. It took three more years to get a developer interested in any of the key downtown parcels designated for redevelopment. The city created a tax increment financing district to demolish the existing building on one of the sites and prepare it for development, in 1997 the John Buck Company began building a Whole Foods market with a publicly funded parking garage on the second level and a 24-floor luxury apartment tower above. It was the first high-rise development in Evanston in 20 years.

The research and technology park, meantime, failed to attract the interestof more than a few high-tech companies; most were unwilling to pay the premium to locate in Evanston and were instead choosing to locate further out or in Chicago's west loop. So shortly after inking the deal with the John Buck Company the city decided to turn the south end of the 22-acre site into an entertainment complex, and by 2000 Arthur Hill and Company had built a 175-room Hilton and an 18-screen theater on the site, along with a Wolfgang Puck restaurant and an Urban Outfitters. The city used TIF funds to subsidize a 1400-space parking garage and other public amenities.

The Whole Foods-apartment project and entertainment complex together paved the way for the kind

of mixed-use projects the city wanted to encourage and pushed the height and density envelopes, helping to spark what soon became a condo building boom. By 2005 – nearly 20 years after the city created its downtown revitalization strategy – the plan has succeeded by several measures. About 2,500 new residential units have been constructed and population has increased, though still falling short of the 1970 peak of 80,000 residents. The city has surpassed its goal for office space downtown – 2.3 million square feet -- and business activity is up: the number of businesses has increased 27 percent in 8 years, the vacancy rate for commercial space has fallen to 6.8 percent, and retail sales have grown by 11.2 percent between 2000 and 2003.

Perhaps most significantly, the city's total equalized assessed value increased by 191 percent from 1985 to 2004. The resulting increase in property tax revenues has enabled the city to lower its tax rate to $8.96 per $100 of assessed value, which still compares unfavorably to rates as low as $7 in outlying cities but is the lowest tax rate in Evanston since 1971. The city estimates that when the four TIF districts that were created to help fund redevelopment and pay for expensive amenities like structured parking expire in 2017, there will be an additional $16.5 million in property tax revenues, as well as revenue from sales and other taxes.

Prevented from expanding its borders on the east by Lake Michigan and by other cities to

Map of CTA and METRA Lines in Evanston

the north, west and south, built-out Evanston never could have accommodated this much development unless it was higher density and mixed use and built downtown near the city's rich transit network – thereby limiting increases in traffic and boosting transit ridership. Today the downtown is dotted with a dozen high-rise developments served by the largest transportation center in the northern Chicago region. There are more than 74,000 residents and 40,000 jobs in a 7.8-square-mile area – an arrangement that allows 40 percent of Evanston's residents to live where they worked – twice the rate of other suburbs in the region.

The diversity of for-sale and rental housing types – single- and multi-family, condos, townhomes – provides housing for a range of incomes and lifestyles and consumer choices. And there is entertainment and dining and shopping within walking distance of all four stations, including three full-service high-quality grocery stores. Despite all the development – 15 large residential projects in just the last five years – the condo market remains strong, with most units selling before they are built.

The fact that so much development occurred without significant increases in traffic is due largely to the high-quality transit service, but also to the fact that residents are walking and biking. A 2002 survey by Metra Rail indicates 74 percent of riders walk or bike to the Main

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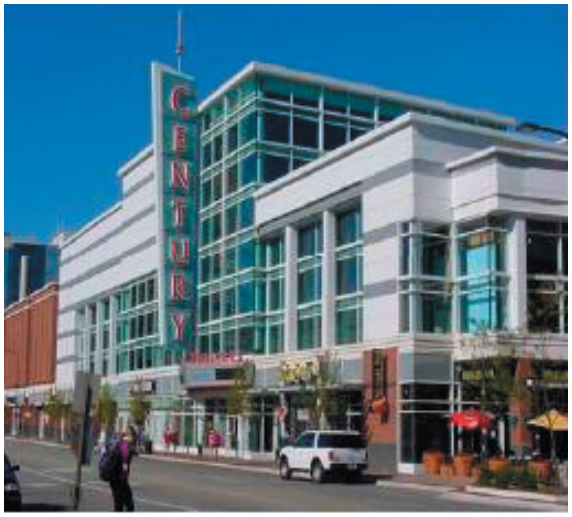

Evanston, IL

and Davis Street stations in downtown Evanston – compared to an average of 34 percent for other suburban stations along the line. The walkability of station areas is enhanced by the fact that while there are, for example, 523 long-term commuter parking spaces available for the three Metra stations in Evanston, they aren't concentrated in large lots but are spread out along the streets and shared with other uses – this compared to as many as 1500 spaces in single surface parking lots at some suburban suburban Metra stations.

The percent of workers (who work outside their home) commuting by non-personal auto means in Evanston is twice that of the Chicago region, 32.2 percent compared to 16 percent, and the percentage is even higher – 38 percent -- in the half mile radius around transit stations and is more than 50% at some stations. Moreover, vehicle ownership remains low, less than 1.3 cars per household citywide and averages 1.1 per household in the half mile radius around the stations. Metra ridership increased an astonishing 155 percent at one downtown station from 1983 to 2002 and 60 percent at another, and CTA ridership increased from 28 to 52 percent at four of its seven stations, though it went down at the three stations that are near Metra, perhaps because riders switched to Metra, which provides faster service into downtown Chicago. Combined, Evanston's total rail ridership on CTA and Metra increased by 6% from 1983 to 2002, from 3,089,611 million annual riders to 3,295,813, while population has increased by 1% in the same time frame.

Evanston's redevelopment effort benefited from the support of a broad spectrum of residents and businesses, the Chamber of Commerce, the City Council, and city staff, who were committed to promoting sustainability and maintaining Evanston's strong transit orientation. In part because of this civic engagement and consensus, Metra, CTA and Pace, the suburban bus operator, readily responded to requests for service changes and improvements. Nearly all the major new developments were built using the city's planned development ordinance, which allowed variances from the zoning code as long as developers provided other benefits the city wanted, including open space, architectural details or landscaping. The city also helped arrange land swaps and provided financial incentives, ranging from tax increment financing to interest rate swaps and interest rate caps, as part of its "economic development toolkit" that allowed developers to negotiate agreements over sales and property taxes, tax credits and industrial revenue bonds.

CTA Ridersip

CTA Elevated Purple Line	1983	1993	2002	2004	Percent Change 1983-2002
South Blvd	186,107	158,880	249,180	225,023	33.9%
Dempster	152,544	141,158	231,180	231,254	51.9%
Central	325,734	219,737	286,423	279,410	-16.6%
Main	404,018	356,812	382,557	361,356	-5.3%
Davis	1,467,853	1,005,860	1,173,536	1,172,292	-20.1%
TOTAL	2,817,651	2,091,441	2,721,733	2,674,097	-5.4%

CTA Survey Data

Metra Ridersip

Metra UP North Line	1983	1993	2002	Percent Change 1983-2002
Main	125,060	188,760	199,940	59.9%
Davis	146,900	292,240	374,140	154.7%
TOTAL	271,960	481,000	574,080	1.1%

Metra Survey Data

Demographics

	Population		Households		Median Income		% Non-Auto to Work	
	1990	2000	1990	2000	1990	2000	1990	2000
South Blvd	11,013	11,253	5,141	5,307	$38,816	$51,672	34%	32%
Dempster	8,751	8,848	4,082	4,381	$42,927	$56,050	44%	41%
Main	11,288	10,810	5,277	5,230	$44,637	$61,138	35%	33%
Davis	2,380	3,187	1,388	1,849	$26,887	$36,312	58%	49%

Census 1990,2000

Conclusion

There is enormous opportunity right now to promote sustainability of regions by building communities that are compact and walkable, and that support transit ridership with higher-density housing and a mix of uses. After decades of an out-migration of residents and capital to suburbs on the far fringe, there is renewed interest in urban core neighborhoods and suburban town centers and the transit systems that serve them. The persistent problem of traffic combined with changes in demographics – households are older and smaller and singles are replacing families as the dominant census group -- are driving enormous changes in the real estate market. Renters and buyers are suddenly very interested in higher-density housing choices like condos and lofts and live-work spaces and townhomes.

But residents fear density and development in neighborhoods – and they oppose it – often because of the traffic it will create. Fortunately there is a growing body of literature, of which these case studies are a part, that illustrate that density and development that's oriented around transit can actually make neighborhoods better, especially when this development does five things:

* increases location efficiency so that people can walk and bike and take the train and bus to destinations,

* boosts transit ridership and minimizes traffic,

* provides a rich mix of housing, shopping and recreational choices for new and existing residents,

* provides value and value capture for the public and private sectors, and

* creates a sense of place for communities.

New development in Jersey City, Hoboken and Evanston succeeds by all these measures. While there is little consistency in the data collected in all three places, especially since stations in Jersey City and Evanston are served by more than one transit agency, the evidence that exists is compelling: 74 percent of Metra riders walk to stations in downtown Evanston, more than double the amount at other suburban Metra stations. As a result Metra has only 523 total parking spaces at all three stations, compared to 1,500 spaces at some of the commuter rail operator's other suburban stations, and they aren't located in large parking lots but along the streets and shared with other uses -- which greatly enhances walkability. Metra ridership increased 155 percent at one station from 1983 to 2002 and 60 percent at another, and CTA ridership increased from 28 to 52 percent at the four stations that are on the same street as Metra and total ridership has increased at a faster rate than population. Vehicle ownership is very low at 1.1 autos per household in the half mile radius around the stations.

The ridership on New Jersey's PATH and commuter trains and bus was complicated with the closure of the

Jersey City, NJ

World Trade Center and Exchange Place stations following 9/11. But transit connections connecting New Jersey suburbs to each other and to Manhattan have been greatly improved, and ridership on the first segment of the Hudson Bergen light rail line had doubled in two years, and capacity is being doubled on trains offering express service during rush hour. Car ownership in the half-mile radius around stations, according to data from the 2000 census, before the light rail line opened, was already very low at 0.7 cars per household, and 53 percent of residents were commuting by public transit.

Jersey City, with its imposing bank of office buildings lining the waterfront, has emerged as the gateway to Manhattan, adding 10,000 jobs and 3,000 housing units. Hoboken is growing faster than any other community in the county, and almost every available piece of property around rail stations is under development. The value creation and value capture from all this development – through property and sales taxes and fees on everything from business licenses to parking – is enormous. Property values haven't been revalued in 20 years, but Jersey City staff estimated property taxes has increased from $200,000-$300,000 to $4 or $6 million along the light rail line. And there is anecdotal evidence that property near stations in Hoboken has increased many times in value.

Evanston, too, is seeing tremendous development: 2,500 new housing units and 2.3 million square feet of office, surpassing the city's goal. The number of businesses and retail sales are growing steadily, and the total equalized assessed value increased 191 percent from 1985 to 2004. Because of the healthy balance of jobs and housing in Evanston, 40 percent of residents work in the same city where they live, double the rate in the region.

The mix of land uses and consumer choices in both places is less than rich, however, especially in New Jersey, and as land and property values continue to climb skyward, it is clear that affordability will become a real problem. Housing affordability will be key to maintaining the jobs/housing balance, and therefore the livability,

sustainability and financial stability of these cities. Moreover, there is not enough effort to ensure that great places are being created – or an understanding about how to create them. However, the number of stores and restaurants and amenities is increasing as more residents move into neighborhoods, and all along the Jersey City and Hoboken waterfront there are promenades and parks and public art. Moreover, existing historic neighborhoods, old trees, beautiful brownstones, cobblestone streets and classic factories and warehouses continue to be rehabbed and reused. In Evanston, too, beautiful neighborhoods and excellent housing stock have been preserved, even as this established seemingly built-out city accommodated tremendous new development.

These case studies add more evidence to the body of literature already documenting that TOD:

* Can catalyze sustainable, yet substantial, growth. In New Jersey investment in the Hudson Bergen Light Rail Line helped stimulate private investment; in Evanston public investment in the regional transportation center, library, water and sewer system, the high tech park, and entertainment project achieved the same goal.

* Involves regional transit connectivity and walking and biking. Rich regional transit connections, especially to major job centers, result in high ridership and low auto ownership, and the presence of interesting, pedestrian friendly streets – and minimized parking – encourages people to walk to stations.

* Needs to be truly transit-oriented and not just transit adjacent. Many new developments turn their backs on transit, don't provide for attractive and easy pedestrian connections to stations, provide too much parking and put garage entrances next to transit facilities, which may also be surrounded by parking, and don't routinely provide for bicyclists – all of which discourage walking and biking to transit.

* Needs to be planned for and to involve the input of citizens. Investors have the final word when it comes to TOD, which is why the private sector needs to be very clear about the kind of development it wants and to use public investment to leverage it. Residents will resist development and density if they didn't help plan for it, and if they don't believe that existing neighborhoods will benefit.

During the past decade there has been a tectonic shift in consumer preferences, employer location strategies and the way we plan transportation systems. Transit oriented development is at the convergence of all of these trends and can make transit the defining armature for a fundamental rethinking about how we build communities in order to make regions more sustainable. These two case studies are particularly dramatic because of the proximity of Chicago and Manhattan, and because of the size and connectivity of the regional transit systems. But the basic principles demonstrated so dramatically here are applicable to inner-ring suburbs and suburban town centers everywhere, and especially relevant to those situated outside other older cities with mature transit systems.

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New Construction in Evanston,IL

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