

## **Walkable communities, transit lines touted Advocate, The**

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Walkable urban communities and those along transit lines are where the money is in commercial and residential real estate development, a national real estate developer and visiting fellow of the Brookings Institution said Wednesday.

Chris Leinberger, who will return to Baton Rouge next week for the Center for Planning Excellences Smart Growth Summit, told a group of local developers, architects and planners that the era of interstate-driven suburban development is tapped out.

We have so overbuilt the drivable suburban environment, he said, adding there is massive pent-up demand for dense, compact and mixed-use developments, whether they are in the suburbs or in the urban core.

Leinberger said such developments spiral upward in value as residences and retail options are added.

Leinberger said the average suburban resident spends between 25 and 40 percent of his money on transportation, compared with 9 percent in urban walkable communities.

That 16 percent difference, he said, is \$900 billion a year up for grabs.

Leinberger asked the room how many had heard of Walk Score, a system of grading neighborhoods based on how walkable they are. Only a few hands in a room of more than 50 went up.

Leinberger said there is a correlation between the value of a neighborhood and how walkable it is, with a single additional point on the 1-to-100 scale worth a 0.9 percent increase in value.

Twenty years ago that relationship didnt exist, he said, noting that many urban neighborhoods in U.S. cities have gone from blighted to high-demand in the past few decades with the right investment.

In Atlanta, for example, 20 years ago, Buckhead had higher land values than Virginia Highlands, which was almost slummy. Virginia Highlands, he said, has since shot ahead.

Leinberger said cities such as Boise, Idaho; Greenville, S.C.; Charlottesville and Roanoke, Va.; Lancaster, Pa.; and Chattanooga, Tenn.; are all making strides, and Baton Rouge needs to keep up.

This metro area is being seriously left by these left-wing towns like Dallas and Phoenix he said, ending his point with a note of sarcasm. Theyre lapping you.

Leinberger said a metro area should have between five and seven walkable urban communities per million people. Baton Rouge should have four or five, yet only has one downtown. The key is deciding where they should be, he said, noting that 70 percent of new walkable urban environments will be built in the suburbs.

Leinberger said that transit-oriented development represents a money-making opportunity as well.

He showed the group an analysis of how urban transit systems in Portland, Tampa and Seattle increased land values around their street car lines. In the case of Portland, he said, a \$54 million first-phase investment boosted property values \$3.8 billion in the first four years.

He said that while sales taxes have been the primary way to fund transit projects in recent decades, the nations oldest and largest rail systems have always been funded by land developers as a means to an end.

This method, he said, holds promise going forward.

Leinberger cited research saying that if landowners along proposed transit lines would simply commit 17 percent of the projected increase in land value to construct transit lines, those lines could be fully funded.

Think of it as a private sector TIF, he said, keying off a public sector financing mechanism called tax increment financing.

And because the real estate business is federally subsidized to the tune of \$500 billion a year 15 percent of the federal budget and 4 percent of gross domestic product the industry should consider giving back in helping develop transit infrastructure, he said.

Leinberger is working with Sen. Mary Landrieus office to jumpstart transit-oriented development around the nations 3,700 exiting stations and transit-ready locations. It would use a federal guarantee for 75 percent of the loan amount for such guarantees as long as repayment starts within five years, and 15 percent of the development is affordable.

Landrieu, D-La., who introduced Leinberger at the event, echoed his point that private developers are going to have to step up to help with transit development. She said the nation has been suffering, even during the times of the federal governments surplus, of an infrastructure deficit by not keeping its public infrastructure up to date.

Those of you who travel internationally know exactly what Im talking about, she said.

Landrieu pledged to work with developers on any issues they had that are making smart growth and urban redevelopment difficult.

Chip Songy of Stirling Properties said he didnt think any developer would disagree that transit lines added value, but he agreed with a point made by Landrieu that one of the things that has held transit development back in Louisiana is the negative associations of the word. Public transportation, she noted, is often viewed as an underfunded, inefficient and inferior choice compared with the automobile, while in major metropolitan areas it is none of those things.

Songy said a successful, high-profile project a streetcar line between downtown and LSU or a bus rapid transit line on Florida Boulevard, for example could help show what kind of development asset transit can be.

Developer Mike Wampold, who sponsored the event along with Mike Polito of Mapp Construction, said funding has always been an issue with transit. Wampold said hed have to look into the numbers when it came to Leinbergers idea about having developers use future profits from land values to fund transit development up front.

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