

Transit Villages in New Jersey: Recommendations for Assessment and Accountability

Assessing the Impacts of the New Jersey Transit Village Initiative

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Purpose

The New Jersey Transit Village Initiative, coordinated by the New Jersey Department of Transportation (NJDOT), is a state program that seeks to revitalize and grow selected communities with transit as an anchor. The anticipated benefits of this endeavor include increased transit ridership, economic revitalization, and growth of the housing stock. The program, which was formulated in 1998, named its first five Transit Villages in 1999: Morristown, Pleasantville, Rutherford, South Amboy, and South Orange. Subsequently, Rahway, Riverside, and Metuchen were designated.

The Alan M. Voorhees Transportation Center (VTC)¹ has been engaged in a year-long study of the Transit Village program at the behest of NJDOT. This effort has included a literature review of transit-oriented development, a demographic analysis of the first seven municipalities² designated as Transit Villages, and an appraisal of the program's administration by a Task Force steering committee.³ Public opinion has also been solicited through questions placed on the April 2003 statewide Star-Ledger/Eagleton-Rutgers Poll,⁴ and a detailed mail survey of households and commercial establishments in three Transit Villages—Metuchen, South Amboy, and South Orange—was conducted in the summer of 2003.

Taken together, these activities have served as the basis for the final objective of the study: to evaluate the effectiveness of the Transit Village Initiative and develop a monitoring “tool” that can be implemented by NJDOT. The present report is a proposal for a formalized annual accounting process to be undertaken by the municipalities and the state agencies. Suggestions for evaluation formats are also discussed.

Recommendations: Annual Accounting and Record Keeping

In the course of gathering information about the Transit Villages, it became apparent that important data about what was happening in the half-mile radius around the transit station was not being kept and/or reported to NJDOT in a consistent manner. Indeed, this is a major shortfall of the program: the lack of formal accountability on the part of either the

¹ Originally, transportation policy studies were carried out under the name Transportation Policy Institute (TPI) as part of the Alan M. Voorhees Center (VTC). As of September, 2003, TPI is no longer an active entity, and all research activity is encompassed by the VTC designation.

² Metuchen was named a Transit Village in December 2002, three months after the beginning of this study. On October 10, 2003, seven additional Transit Villages were named by Governor McGreevey: Belmar, Bloomfield, Bound Brook, Collingswood, Cranford, and Matawan.

³ Representatives from 11 state agencies/offices make up the Task Force: New Jersey Department of Transportation; New Jersey Department of Environmental Protection; New Jersey Redevelopment Authority; New Jersey Transit; New Jersey Department of Community Affairs, including the Office of Smart Growth and MainStreet New Jersey; New Jersey Economic Development Authority; New Jersey Housing and Mortgage Finance Agency; New Jersey Commerce & Economic Growth Commission; and New Jersey Council on the Arts.

⁴ This was a telephone poll of 802 New Jersey households conducted by the Eagleton Institute of Politics, Rutgers, The State University of New Jersey. Seven questions related to development and transit usage were included in the poll.

municipalities or the state agencies. Because no reporting requirements were ever articulated, monitoring the progress of the communities has been, for the most part, anecdotal and unstructured. We recommend the implementation of two measures that will enable the program to be more effectively evaluated in the future:

- 1) Annual reporting by the designated Transit Village municipalities and the state agencies represented on the Task Force. This annual data-gathering effort should cover economic, environmental, and transportation activity; any community perception results from household and business surveys; and institutional or legal actions taken by municipality.
- 2) The creation of a database that maintains the information submitted by the municipalities and the state agencies.

Economic Activity

On an annual basis, each designated municipality should compile information that reflects the economic activity in the Transit Village:

Public Investment (funds spent). Each municipality should report on the amount of funds spent on projects in the Transit Village area, broken down as follows:

- Municipal funds
- State grant and loan funds by source
- Federal grant and loan funds by source
- Tax abatements given within the half-mile circle around the transit station should also be included.

See Exhibit A-1 for a sample reporting sheet. The municipality is encouraged to offer recommendations for improving the process of public investment or to cite successful (or unsuccessful) experiences from which others might learn.

Private Investment. To simplify the reporting process, only construction data from the building department and tax information are utilized to get a sense of the magnitude of private-sector activity:

- Using Certificate of Occupancy (CO) records,⁵ the amount of new or substantially rehabilitated retail/office space and the number of new or substantially rehabilitated housing units completed will be the benchmark for measuring private investment.
- The value of this investment can be gathered from the building permit application.

⁵ Lot and block number on the COs can be used to identify those properties in the Transit Village area. A master list of properties by lot and block number within the half-mile circle around the transit station can be generated manually or with a geographic information system application.

- The increase in tax ratables on these new or rehabilitated properties can be tabulated from the change in assessed values.

Information on the project locations and a description of each project should accompany the data. See Exhibits A-2 and A-3 for sample reporting sheets.

It is recommended that the tenure, configuration, and any subsidy of new housing units also be monitored (see suggestions made in the companion report, *Transit Villages in New Jersey: Success Factors, Obstacles, and Recommendations*, about diversity of units and income levels). Exhibit A-3 illustrates these features.

Environmental and Transportation

Environmental and transportation information is divided into four categories: pedestrian, parking, traffic flow, and land use. Exhibits B-1 and B-2 are examples of how this information on environment and transportation betterments might be gathered.

Pedestrian. Reporting measures for improvement in pedestrian-scale activity include improved streetscape (sidewalks, lighting, etc.), improved intersections and street crossings, façade improvements, and pedestrian activity counts.

Parking. Any new capacity in parking for shoppers and commuters or shared parking should be reported. Also, the analysis should include any new bicycle racks or lockers put in place.

Local Travel. The number of new shuttle or jitney services instituted to or from the transit station should be reported. And any other traffic control or flow improvements are also of interest.

Land use. Reporting measures for improved land use should include the acreage of brownfield properties remediated, the number of vacant buildings rehabilitated or replaced, the amount of underutilized vacant land reclaimed for construction or green/recreational space, and the number of park areas that were created or improved.

Community Perception

Community perception is a further indicator of Transit Village progress. Household and commercial surveys can be reviewed for changes in residents' and business owners' attitudes about the transit area. Improvements in shopping, restaurants, entertainment, walkability, and access should garner positive responses from the community. See the accompanying report, *Transit Villages in New Jersey: Public Opinions and Attitudes*, for examples of questions that were used to assess satisfaction levels in three Transit Villages—Metuchen, South Amboy, and South Orange (see Exhibit C-1).

Institutional and Legal Actions

Although they are not easily quantifiable, the governmental actions taken to facilitate the goals of transit-oriented development are nevertheless important in the progress of a Transit Village. Such events could include a new zoning ordinance that includes an overlay zone, a designated redevelopment area, a cultural district, or a reduction in parking requirements for new residential construction; a change to the master plan that features a station area management strategy; the creation of a special improvement district; achieving a MainStreet New Jersey designation; actions that preserve historic districts or landmarks; and being named a “Center” by the State Planning Commission. Some municipalities undertook these activities before they became a Transit Village, but the process is dynamic. When a community makes changes in ordinances that affect the progress of the Transit Village, they should be reported (see Exhibit C-1).

Agencies’ Reports

The state agencies that are represented on the Task Force also need to provide NJDOT with a record of their activities that are related to the designated Transit Villages. Descriptions of grants or loans should be accompanied by any comments or follow-up process that the agency has with the municipality. This list can be checked with the municipality’s list so as to account for all public investments. Currently, this is a major problem: verifying the amount of funds received and the projects involved. Any recommendations or other relevant information that can be given about the agency’s interaction with the Transit Villages are encouraged.

NJ Transit. Because one of the main goals of the Transit Village Initiative is to increase transit ridership, it is particularly important that NJ Transit report:

- Funding amounts with project descriptions
- Ridership data
- Any change in service
- Any change in parking facilities
- Utilization of parking facilities.

Comparative Measures

We recommend that a comparative picture rather than a ranking calculation be used to evaluate the results of Transit Village activity. Similar to the tables used in the demographic analysis, a spreadsheet can illustrate what all the Transit Villages have accomplished in a particular area. High and low values can be highlighted for informational purposes. Exhibit C-2 illustrates how this could be done.

Although a ranking system may be the correct way to select new Transit Villages, it seems unfair to rate a community on housing production if, in fact, the community’s priority is

better pedestrian access to the train station; or to count brownfield clean-ups when contaminated properties do not exist in the Transit Village area. In fact, the process of assessing the performance of Transit Villages should not pit them against each other as if in a contest. Rather, each Village should be judged against its initial goals as set forth in its application to become a Transit Village. As was pointed out in the *Success Factors, Obstacles, and Recommendations* report, achieving redevelopment is not going to be easy and will certainly take time. Hence, we feel that the fairest approach is simply to present the data about all Villages as informational and for reference. As future years' data are gathered, evaluators should look for trends across all Villages.

Database

For this annual reporting to be meaningful and usable, there must be record keeping. To that end, we recommend creating a master database that will keep track of the specific information about Transit Villages. This “tool” will open up a variety of opportunities for analysis that simply cannot be done presently.

To set up this database, information on earlier years is needed. This means that Transit Villages must be advised about the need for the types of information from their building departments and tax offices that has previously been described—and that this information will be needed in the future on an annual basis. Representatives from the state agencies on the Task Force also need to be reminded of the importance of an annual accounting.

Conclusion

Successful evaluation and monitoring of the New Jersey Transit Village initiative is going to require a more formal reporting structure by both municipalities and the state agencies. We have recommended what we believe is a straightforward approach to assessing the progress of Transit Villages using basic indicators that can be compiled relatively easily.

Exhibit A-1 - Municipality:

Year:

Economic Report (1/2 mile radius of station)

<i>Category</i>	Economic Activity During Period	Measure	Source
<i>Public Investment (Funds Spent)</i>	Municipal Funds	Dollars	
	State Funds (detail by source):		
	-- Grants	Dollars	
	-- Loans	Dollars	
	Federal Funds (detail by source):		
	-- Grants	Dollars	
	-- Loans	Dollars	
	Tax abatements given	Dollars	
	Total Public Investment	Dollars	

Exhibit A-2 - Municipality:

Year:

Economic Report (1/2 mile radius of station) Cont.

<i>Category</i>	Economic Activity During Period	Measure	Location/Description
<i>Private Investment</i>	<u>Commercial:</u> New or substantially rehabilitated retail/office space ¹	Square Footage	
	Estimated private investment ²	Dollars	
	Estimated new property taxes generated ³	Dollars	
	<u>Housing</u> New or substantially rehabilitated housing units ¹	Number of units	
	Estimated private investment ²	Dollars	
	Estimated new property taxes generated ³	Dollars	

¹Based on Certificate of Occupancy issued by the municipal building department

²Based on building permit information

³Based on assessed value times tax rate less previous ratable

Exhibit A-3 - Municipality:

Year:

Economic Report (1/2 mile radius of station) Cont.

<i>Category</i>	Economic Activity During Period	Measure	Location/Description
<i>Private Investment</i>	Configuration:		
	Studio/one bedroom	Number of units	
	Two bedrooms	Number of units	
	Three or more bedrooms	Number of units	
	Tenure:		
	For sale	Number of units	
	For rent	Number of units	
	Subsidized units (with income limits):	Number of units	
	For sale	Number of units	
	For rent	Number of units	

Exhibit B-1 - Municipality:

Year:

Environmental/Transportation Report (1/2 mile radius of station)

<i>Category</i>	Environmental/Transportation Activity During Period	Measure	Location/description
<i>Pedestrian</i>	Length of Improved Streetscape	feet	
	Number of improved intersections/street crossings for pedestrian safety	number	
	Length of façade improvement	feet	
	Pedestrian Activity Counts (if done)		
<i>Parking</i>	Number of new parking spaces for shoppers only	number	
	Number of new parking spaces for commuters only	number	
	Number of new parking spaces that are shared	number	
	Number of new bicycle racks or lockers provided	number	

Exhibit B-2 - Municipality:

Year:

Environmental/Transportation Report (1/2 mile radius of station) Cont.

<u>Category</u>	<u>Environmental/Transportation Activity During</u> <u>Period</u>	<u>Measure</u>	<u>Location/description</u>
<i>Traffic Flow</i>	Number of new shuttle or jitney services provided to and from the transit station	number	
	Number of traffic control or flow improvements	number	
	Amount of brownfield properties remediated under a DEP approved plan	acreage	
<i>Land Use</i>	Number/size of vacant buildings rehabilitated or replaced	number/sq. ft.	
	Number/amount of underutilized vacant lots reclaimed for construction or green/recreation space	number/acreage	
	Number of new or improved park areas	number	

Exhibit C-1 - New Jersey Transit Villages
Sample of Indicators - Comparative Activities Y/E -----

	Morristown	Pleasantville	Rahway	Riverside	Rutherford	South Amboy	South Orange
Institutional Changes							
New TOD Ordinances							
New TOD or Smart Growth designations							
Community Perception							
How would you rate your town as a place to live? ¹							
Do you feel the downtown is more or less attractive now compared to (--) years ago? ²							
Is it more or less pleasant to walk around the downtown now compared to (--) years ago? ²							
Does the downtown seem more or less safe now compared to (--) years ago? ²							
Does the downtown offer better or worse shopping now compared to (--) years ago? ²							

¹ Percentage that feel it is excellent or good.

² Percentage that feel it is better or much better.

Exhibit C-2 - New Jersey Transit Villages
Sample of Indicators - Comparative Activities Y/E -----

	Morristown	Pleasantville	Rahway	Riverside	Rutherford	South Amboy	South Orange
Economic							
Public Investment							
Private Investment							
Private /Public Investment Ratio							
New or rehabilitated commercial space							
New or rehabilitated residential units							
New net property tax revenues							
Housing							
New income restricted units							
New 3 or more bedroom units							
New rental units							
New for-sale units							
Land Use							
Brownfield property remediated							
Underutilized vacant lots reclaimed							
Number of vacant buildings rehabilitated or replaced							
Transportation							
New transit ridership							
bus							
rail							
Parking							
Pedestrian							