

Transit Villages in New Jersey: Success Factors, Obstacles, and Recommendations

Assessing the Impacts of the New Jersey Transit Village Initiative

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The Transit Villages Initiative, coordinated by the New Jersey Department of Transportation, is a program that seeks to revitalize and grow selected communities with transit as an anchor. This policy fits into the larger smart growth agenda because it helps to promote the growth of businesses and residential population around existing (or planned in one case) transportation infrastructure investments. The Transit Village Initiative can be viewed as a tool within the smart growth policy framework. Its aim is to reduce traffic congestion and improve air quality by promoting increased transit ridership, pedestrian activity, and bicycle use. In addition, the goals of economic revitalization and growth of housing stock are part of an overall effort to create vibrant, fun, and exciting areas around major transit nodes. From the period of September 2002 until May 2003, the Voorhees Transportation Policy Institute has been engaged in a variety of activities in order to assess the status of New Jersey's Transit Village Initiative. These efforts include:

- Interviews with state agencies, municipal officials, and private parties (stakeholders)
- Site visits to the municipalities, which have included picture taking, driving and walking streets, looking in stores, talking with shopkeepers, and patronizing local restaurants
- Data gathering from the Census, NJ Transit, and other state agencies
- Research on the history of the towns and review of DOT files on the Transit Village Program
- Inclusion of seven questions about transit use and new housing construction on the *Star-Ledger/Eagleton-Rutgers* Poll, a statewide telephone survey of approximately 800 households.¹

The following is a summary of our findings—which are expressed as “success factors” and “obstacles”—and our recommendations to consider in future Transit Village policy decisions.

Success Factors

State Government. The Transit Villages Task Force consists of representatives from ten state agencies, coordinated by the New Jersey Department of Transportation. We conducted interviews with most of the representatives²: NJ Department of Transportation, NJ Department of Environmental Protection, NJ Redevelopment Authority, NJ Transit, Office of Smart Growth, NJ Department of Community Affairs, Main Street New Jersey, NJ Economic Development Authority, NJ Housing and Mortgage Finance Agency, and the NJ Commerce & Economic Growth Commission. We also received the candid comments of municipal contact persons. On the basis of

¹ See the separate report, “Transit Villages in New Jersey: Public Opinion and Attitudes”, which is part of this research.

²The NJ Council on the Arts, a Task Force member, was in transition at the time and was not available.

these discussions, we believe the following points are the most important components in the viability of the Transit Village Initiative:

- A Task Force that meets regularly with designated agency representatives to monitor progress in the designated municipalities, to discuss problems, and propose solutions. Many representatives cited this “teamwork” aspect as refreshing. It allows the agencies, both large and small, to sit at the same table and act cooperatively to help municipalities leverage resources. The state–municipal relationship is viewed as a partnership.
- Engaged Task Force members that help cut through “red tape” at their various agencies and assist in targeting funding to the designated Transit Villages. The Task Force members give the municipalities a specific contact person within an agency to call when a problem arises.
- An active and effective Transit Village program administrator. The Task Force can only be successful if there is guidance, coordination, and follow-through on Transit Village issues.
- State leadership publicly supporting transit oriented development and the Transit Village Program. The Transit Village Program owes much of its strength to the statehouse: It was created under the auspices Governor Whitman and has continued with enthusiasm under Governor McGreevey.
- NJ Transit actively supporting transit-oriented development. NJ Transit’s excellent station improvement program, its efforts at better utilization of parking facilities through partnerships with towns and the private sector, and its investment in a variety of support programs such as jitneys were applauded by everyone.

Municipal Government. On the basis of our interviews and observations, certain positive municipal characteristics emerged that mark Transit Villages:

- Strong leadership. All designated towns in the Transit Village Initiative have mayors, administrators, and city councils that have demonstrated a concerted willingness to take action for change.
- History of planning. New Jersey Transit Villages had been preparing for change and redevelopment well in advance of being designated (some for as long as eight to ten years).

- Sustained vision of redevelopment. These towns have not only planned for renewal; they have also shown perseverance in the face of delays and financial hurdles in pressing for the implementation of their strategies.
- Entrepreneurial attitude. Specifically, willing to:
 - “think outside the box” and entertain new ideas
 - work with developers to achieve the desired product
 - implement creative zoning with increased density, multifamily housing, mixed-use projects, and flexible parking requirements
 - aggressively seek grant funding and/or low-interest loans
 - participate in public–private partnerships
- Willingness to foster pedestrian and bicycle access to the downtown and station areas. All the communities have acknowledged the importance of “walkability” and reduced automobile use by implementing such strategies as streetscape improvements, traffic-calming configurations, and jitney service.
- Support of the commercial area through downtown partnerships, Main Street programs, or enterprise zones. Transit Villages show a great deal of concern for the climate of local businesses, particularly retail and restaurants that draw people. _
- Sensitivity to “quality-of-life” issues by including parks, recreation areas, and cultural assets in redevelopment goals. Enhanced pocket parks, bicycle paths, new public recreation facilities, a wetlands educational preserve, and performing arts theaters are among the many lifestyle amenities that are featured on the agendas of New Jersey’s Transit Villages.

Private Sector. The success of the Transit Village Initiative has not been one-sided. Private developers have played a key role in implementing redevelopment plans. We interviewed several who have completed significant projects in Transit Villages, and their common characteristics are worth noting:

- They are major regional or national companies that have the capacity and experience to deal with difficult site issues.
- They are willing to work with towns to achieve a shared vision.
- They place a high market value on good transportation connections.
- They are creative with respect to designing products and utilizing land.

Obstacles

Despite these noted success factors, Transit Villages face many roadblocks. Some are site specific, and others are systemic to the development process. We have identified several major deterrents that need to be considered:

- Contaminated land or brownfields. Most of the Transit Villages have some level of land contamination that is discouraging redevelopment. Even if it is just an abandoned gas station, an environmental assessment and then implementation of appropriate remediation is necessary. For old manufacturing locations like Rahway, South Amboy, and Riverside, the situation is particularly critical. Often, the best use for these properties is housing or recreation (i.e., high human use). This increases the level of clean-up and, as a result, the cost. Even with the state's progressive brownfield statute,³ which provides for the remittance of a certain portion of remediation costs and limited liability for "innocent purchasers," many developers refuse to consider such risk. And, towns, if they own the property, are not in a fiscal position to carry out the clean-up themselves. It is even worse if the egregious property is privately held and "mothballed." These owners, fearing liability for the clean-up if they sell, keep the taxes paid but do little else with the site. Often, these are the prime parcels for redevelopment because of their size or location.
- Acquisition of properties for redevelopment. To attract developers, towns need large enough parcels to hold what builders call a "critical mass." Effectively, this is a high enough number of units to justify the effort and make the project marketable and profitable. Either the town or the developer has to acquire these properties. This can be a time-consuming, expensive process that entails valuation arguments and recalcitrant property owners.
- Bureaucracy of state agencies. Despite the efforts of the Task Force, municipal representatives complained of frustrating encounters with state agencies. Often, this is related to staff changes that leave an approval request in limbo. At other times, it reflects the agency's rigidity with regard to regulations, irrespective of the particular situation. For municipalities that are attempting to be innovative, this attitude is extremely exasperating.
- Cost. Redesigning the built environment is expensive. Even with grants and low-cost loans, these Transit Villages face major financial challenges in implementing redevelopment plans. Site preparation, such as demolition of existing structures and/or upgrades of old infrastructure to handle new levels of road and utility demands, adds a burden of increased risk and investment to many projects.

³ The Brownfield and Contaminated Site Remediation Act (P.L. 1997, C.278).

- **Parking.** Parking requirements still stand as a major obstacle to new urban infill development. Despite the relaxation of parking requirements in a few cases, developers and many planners feel that current ratios, which were designed primarily for suburban developments, are not representative of Transit Village households. The demographics of this study clearly show that more workers in the Transit Village use transit, walk to work, and have fewer cars than those in the municipality at large. New parameters for residential parking capacity in downtown areas need to be developed.
- **Conflict in funding sources.** To compound financing problems, towns have found that federal and state resources often cannot be used on the same project due to restrictions placed on the monies that are not compatible.
- **Fear of schoolchildren.** In New Jersey, the cost of educating children is a major factor in land use decisions. To avoid the possibility of a major influx of school-aged children, towns use the tactic of limiting the number of bedrooms in new developments to one or two. This leaves little housing choice for families or those childless couples wanting extra space. It also limits possibilities for those single or childless couples that move into Transit Villages' new developments to stay in town once they have children. Only South Amboy has embraced family housing with any enthusiasm.

Conclusions and Recommendations

On the basis of all the information presented, it appears that the Transit Village Initiative has been a remarkable endeavor since its inception. Leading the charge has been South Orange, with many improvements in place and many close to being implemented. The town has the advantage of being the wealthiest of the Transit Villages, and it has done thoughtful planning and pushed for results. But others towns that are not so financially well endowed also are seeing impressive outcomes. For example, historically blue-collar South Amboy is home to one of the most prestigious and successful housing developments in Northern New Jersey, Lighthouse Bay. And, Pleasantville, with many economically disadvantaged residents, also has made notable improvements: new streetscaping and a modern bus terminal now brighten the town's landscape. Although the pace varies according to available resources, the designated Transit Villages are making demonstrable progress in becoming more transit-oriented, pedestrian-and-bike-friendly communities with revitalizing downtowns.

In sum, the Transit Village Initiative is an outstanding model for smart growth in New Jersey—a winning prototype that can be applied across the state.

Several other recommendations, however, also should be considered for future opportunities in Transit Village decisions:

- The pipeline for future Transit Villages needs to be nurtured. State agencies need to be proactive in helping to develop future Villages. More participation and cooperation with NJ Transit in its “Transit-Friendly Communities” Program is one way this could be done.
- Incentives need to be developed that encourage the inclusion of middle-income and family-sized units in new housing developments. Household diversity may be lost as result of zoning decisions based primarily on generating tax revenue.
- Consider the impacts of gentrification. Redevelopment with new upscale housing complexes and commercial establishments may ultimately force existing residents to leave if affordable units are lost or rent levels and housing values rise.
- Develop incentives that encourage the location of a diversity of services and amenities within the Transit Villages. The desirability of an area is dependent on having the necessary support for households (e.g., childcare, food shopping, dry cleaning, pharmacy, and banking) within easy access.
- Continue to press for more resources to help Transit Villages deal with brownfields. These contaminated sites remain huge stumbling blocks to revitalization. State agencies must push harder to find financial, legal, and technical solutions to recapturing these properties for viable use.
- Consider neighborhoods around train stations in bigger cities as viable candidates for designation, such as the Lafayette area and the West Side Avenue Station area of Jersey City.
- Work with NJ Transit to provide incentives for residents within the Transit Village communities to use mass transit. Marketing and promotion campaigns, particularly for nonwork use of transit, should be explored.
- Better utilize parking areas through shared parking arrangements, the installation of decks, and other mixed-use applications. Parking lots are a key issue, and creative solutions are needed to make them as productive as possible.
- Consider more emphasis on walkability. Pedestrians and bicyclists are a key element in better urban environments. Safe passage and amenities such as bicycle racks and lockers should be part of any redevelopment scheme.

- Consider actions that would encourage towns that share a transit station to join forces in transit-friendly improvements. Specifically, efforts should be made to engage East Rutherford in the Rutherford Transit Village area initiatives.
- Promote support for cultural assets of the Transit Villages. These venues bring people to the community and downtown areas. With the recent budget cuts at the New Jersey Council for the Arts, local performing arts centers may suffer. Other sources of financial assistance need to be found.
- Accountability. Finally, we are making a strong recommendation for accountability for both the municipalities and state agencies. 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 circle around the transit station was not being reported to DOT in a consistent manner. Indeed, this situation—the lack of formal accountability on the part of either the municipalities or the agencies—is a major shortfall of the program. 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 several measures that will enable the program to be more effectively evaluated in the future. This proposed monitoring “tool” is described in a separate report, “Transit Villages in New Jersey: Recommendations for Assessment and Accountability,” that is part of this research.