

The Economic Benefits of Transit in the Buffalo Region

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Presentation Overview

- **Regional Economic Development Benefits from Transit**
- **Transit and Real Estate Values**
- **Transit's Impact on the Buffalo Niagara Region**
- **Conclusions**



Regional Economic Development Benefits From Transit

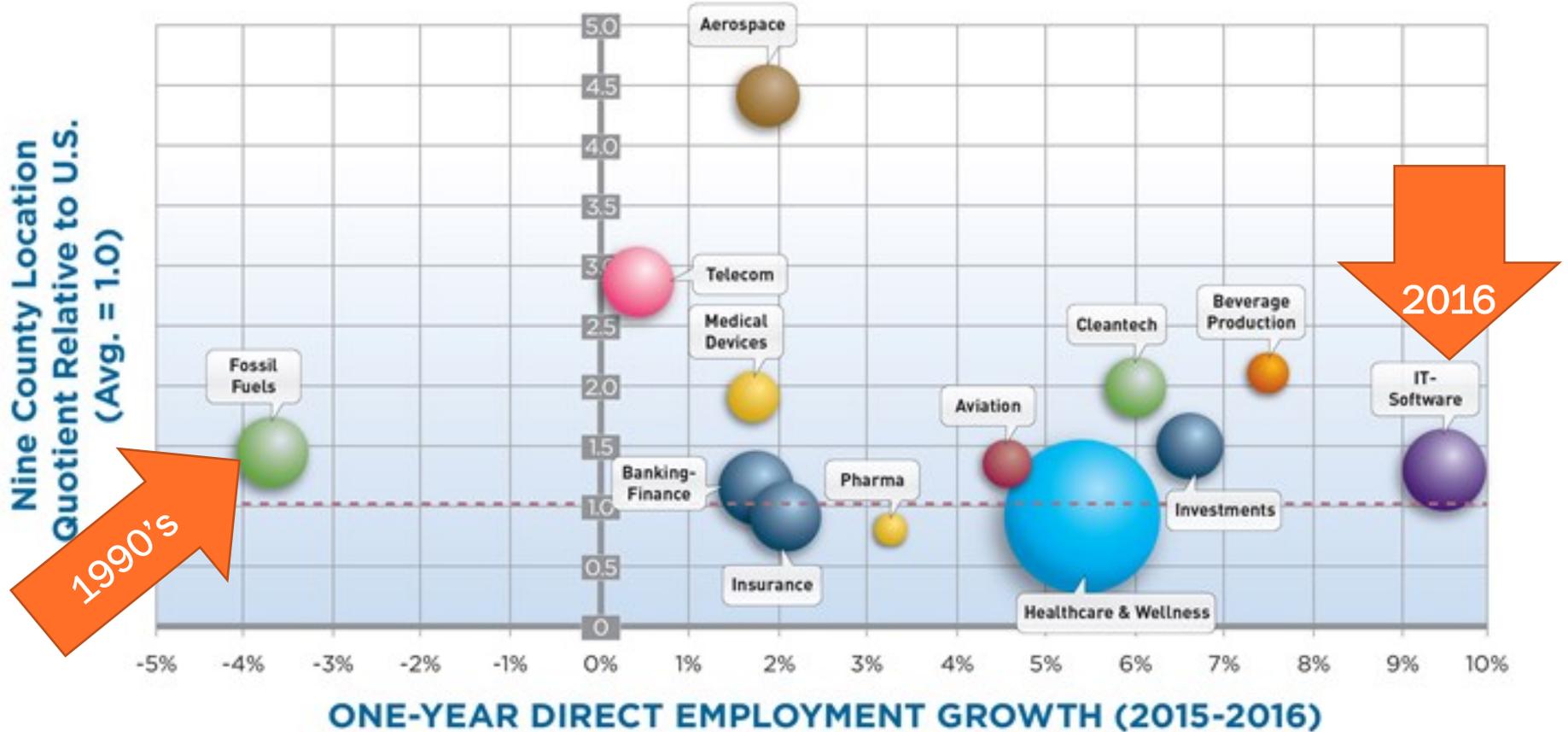
Transit is Becoming an Essential Component of Regional Economic Competitiveness

The places that added the most population last year have all been actively working upping their transit offerings!

- 1. Phoenix** - light rail expansion, major corridor study
- 2. Houston** – radical bus route reorganization
- 3. Las Vegas** – light rail to the airport, major corridor study
- 4. Seattle** – pass regional tax measure for transportation expansion, including transit
- 5. Fort Worth** – rail link to Dallas

Transit Has Been Key to Denver's Regional Competitiveness

Denver Metro Region's Employment Transformation Where Transit Investment was a Key Economic Development Driver



Transit Facilitates Business Clusters, Which Promote Economic Productivity

- By connecting knowledge centers, business clusters and workers, firms are able to **access a larger workforce pool**, tap into **cutting-edge research**, and ultimately **improve their productivity**.
- Clustered firms – often near transit – will benefit from **positive knowledge spillovers** related to more concentrated land use patterns.



Transit Supports Regional Prosperity

“Every time a metro area added about 4 seats to rails and buses per 1,000 residents, the central city ended up with 320 more employees per square mile — an increase of 19 percent.”

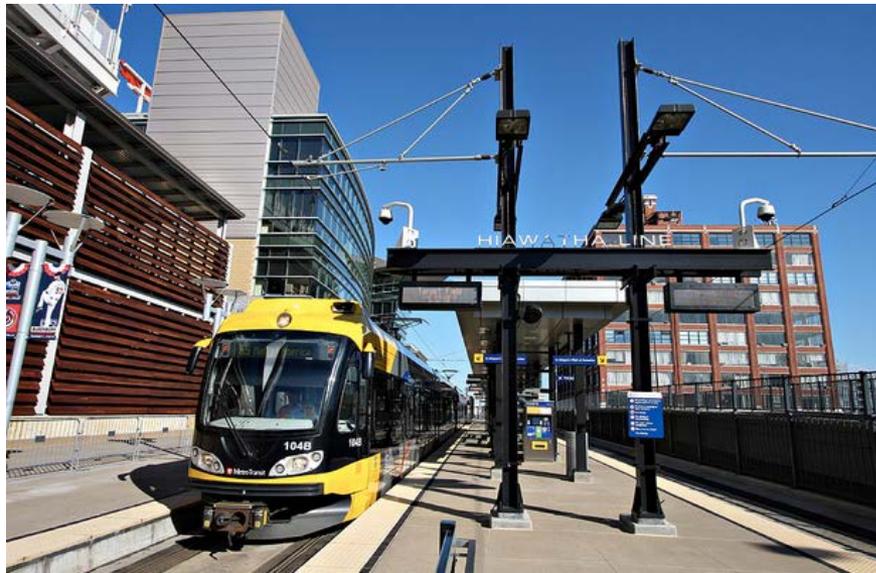


Transit is expected to help “refill” the Seneca One building



Transit Helps Low-Income Workers Access Jobs

- Transit provides access to economic opportunity for all residents by connecting them to jobs, education and health care.
- This is particularly true for low-income households.
 - Impact of the Hiawatha Line in Minneapolis:
 - Increased the number of jobs low-wage workers could reach within a 30 minute travel time
 - Was associated with an increase in the number of low-wage workers commuting to transit-served areas



Good Transit Means Less Costs for Cities and Towns

- For public agencies, more transit usage means **reduced costs on other transportation facilities**, such as roads and parking, freeing up funding for other uses, or tax rate reductions.
- Transit promotes a **more efficient land use**, and compact development around transit **reduces the cost of capital investments** as well as the **cost of providing services** such as police, ambulance and fire services.





Transit and Real Estate Values

Transit Adds Value to Real Estate When It:

1. Connects to key regional activity centers – economic development is key
2. Serves places where people can also walk and bike
3. Offers a viable (i.e., fast, safe, reliable, frequent) alternative to driving



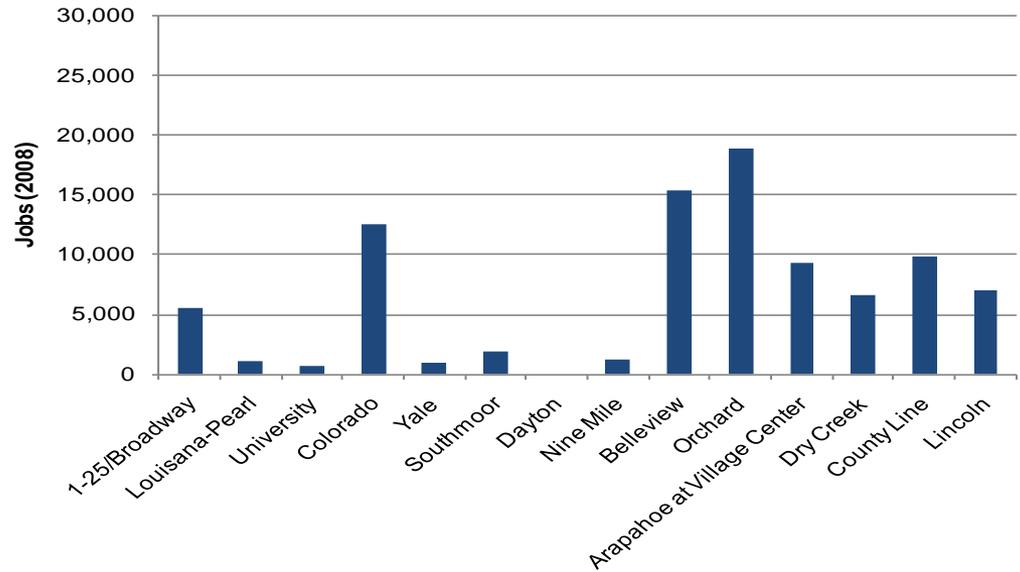
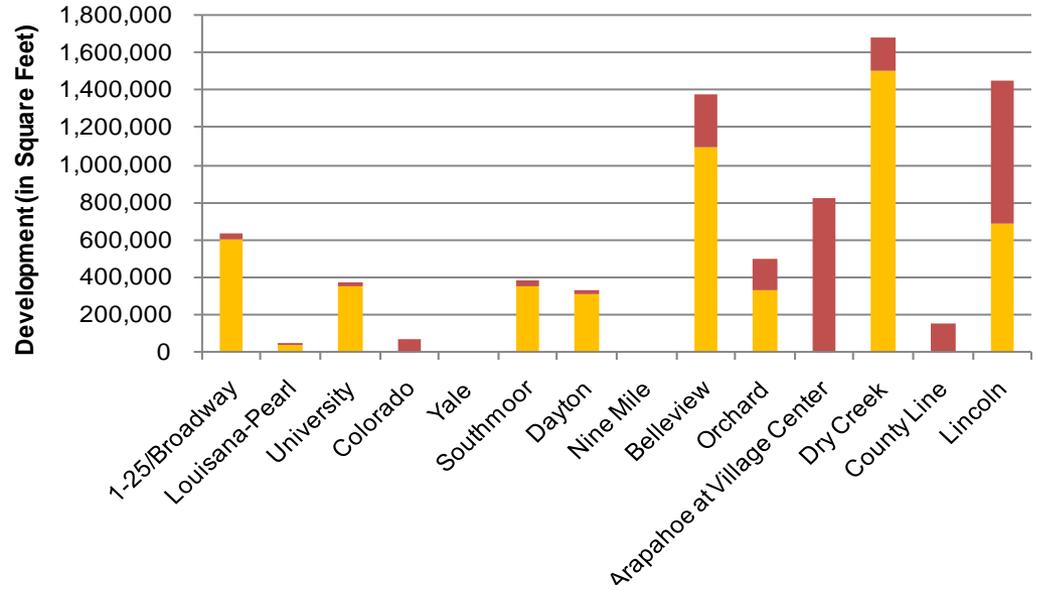
Real Estate Market Trends Are Shifting

- 81 percent of Millennials and 77 percent of Baby Boomers polled agreed that “affordable and convenient alternatives to the car are at least somewhat important when deciding where to live and work.”



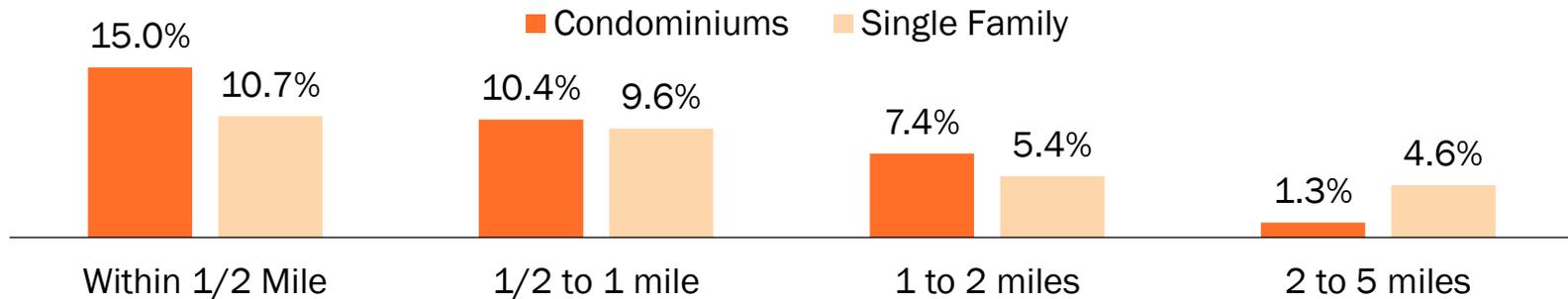
Data Show a “Virtuous Cycle” Between Dense Housing and Dense Employment

**More About Denver:
The Southeast transit
corridor, serving a
suburban employment
center, also attracted a lot
of residential
development**



Property Values, Not Just Development Potential, Increase With Proximity to Transit – and this impact effects more than just the 1/2 area

For-Sale Residential Price Premium with Proximity to BART
Alameda, Contra Costa, and San Mateo Counties



Office Rent Premium Associated with Proximity to BART
Alameda and Contra Costa Counties



The Real Estate Benefits of Transit Can Also Have a Downside

- Transit agencies across the nation are starting to adopt affordable housing goals to mitigate the residential price premiums associated with TOD
- Research shows that **displacement** of low income households from transit served neighborhoods **often proceeds gentrification.**

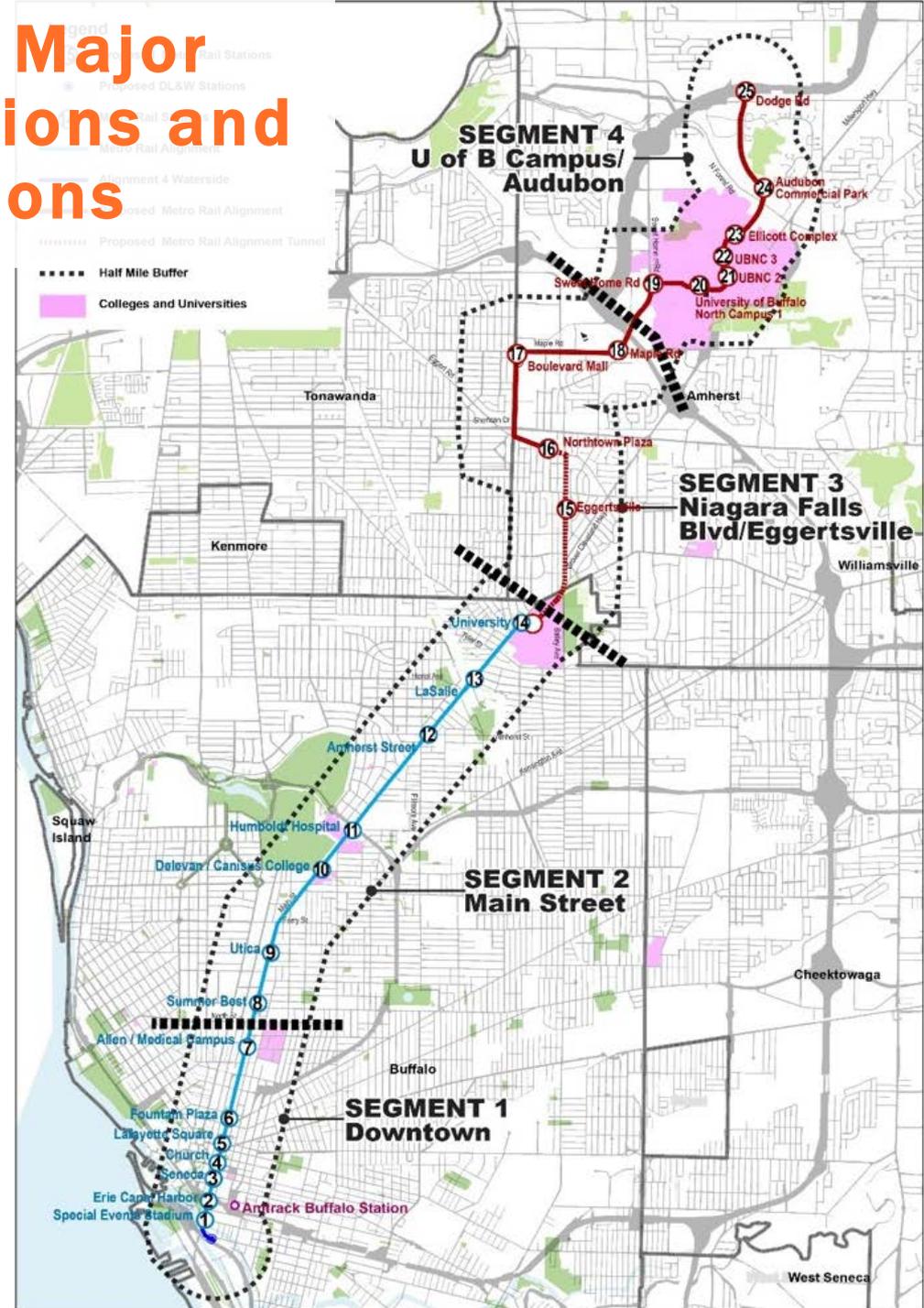




Transit's Impact in the Buffalo Niagara Region

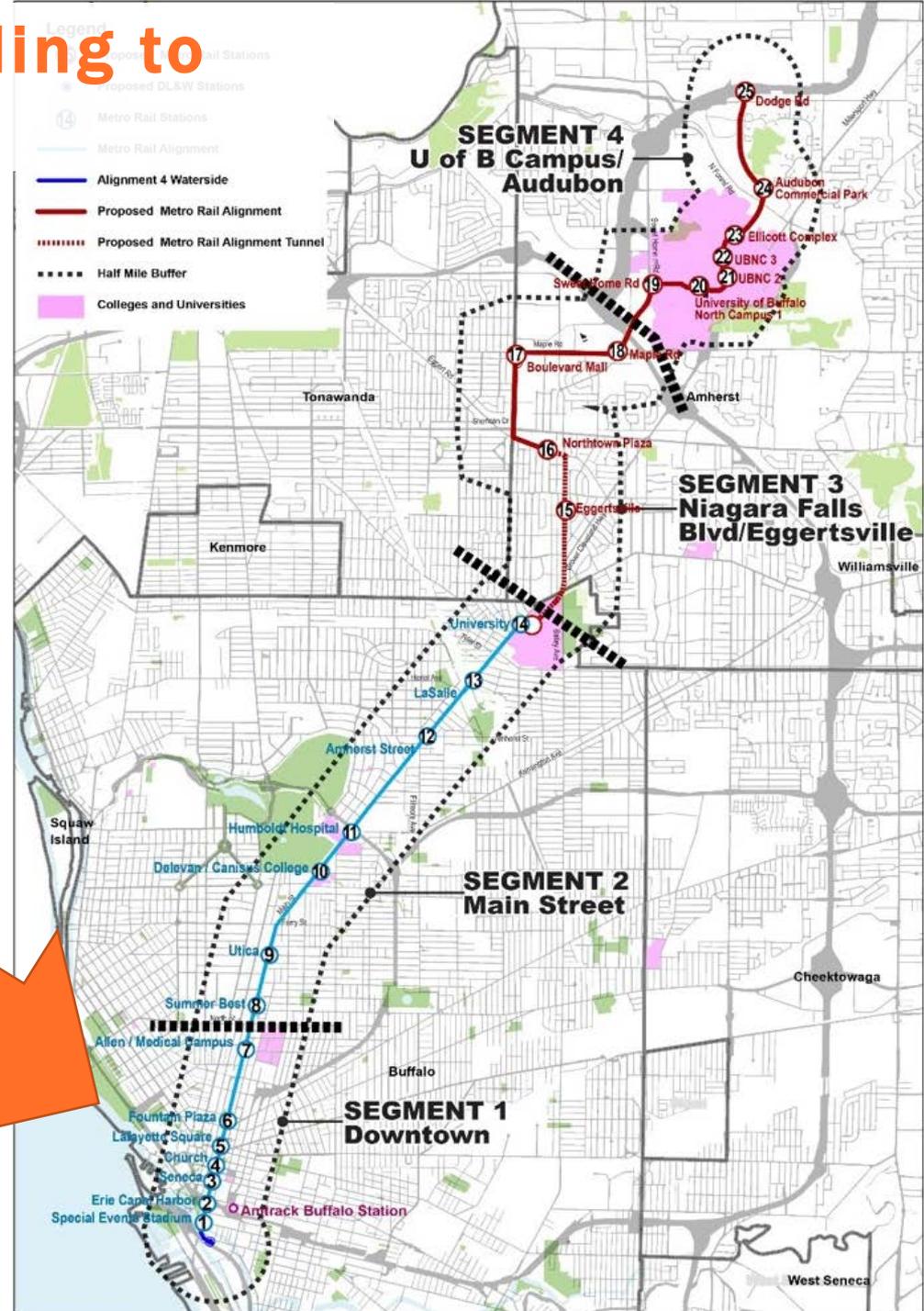
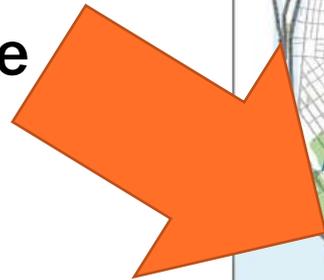
Metro Rail Will Connect Major Employment Concentrations and Entertainment Destinations

- These connections are essential to optimizing transit's benefits



Developers are Responding to the New Market Trends

There are approx. \$7.4 billion of investment recently built, under construction, or in the planning phase just in the Urban Core



More Investment is On the Way, And Not Just in Downtown

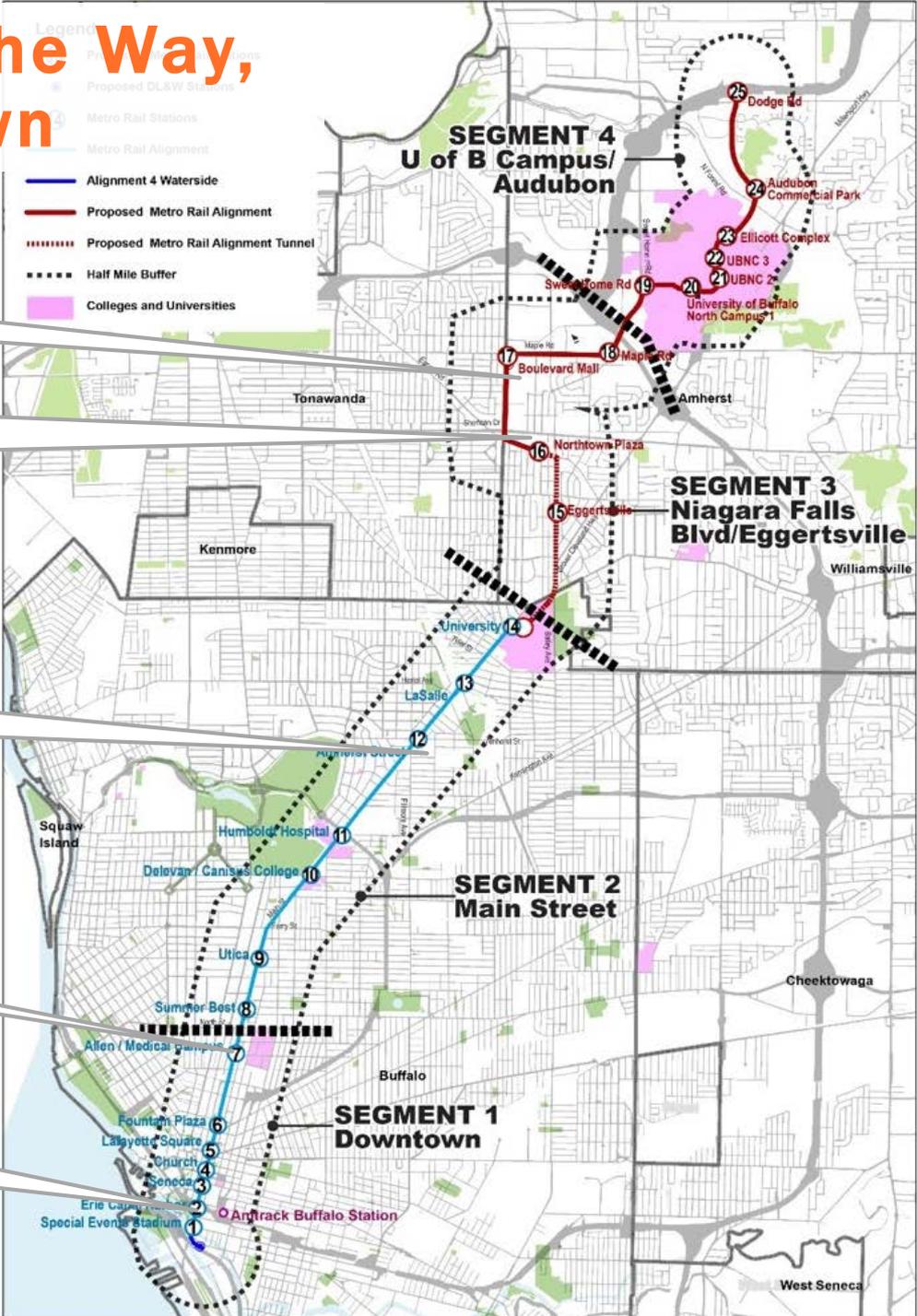
Boulevard Mall is up for sale and will attract new investment

Northtown Plaza is transforming and could support more new development in the future

Many Adaptive Reuse Projects Such as Tri-Main and Highland Park development projects

Buffalo Niagara Medical Campus continues to expand

The Seneca One Tower is repositioning itself as a Downtown Anchor



The Metro Rail Corridor is Critical to the Region's Long Term Future

- The Metro Rail corridor is projected to have **faster population and employment growth** than the region going out to 2040.
- **20 percent of all regional jobs are located in the Metro Rail corridor now**, this share will reach 28 percent by 2040.
- **A fourth of the region's office, health, education, and government jobs are located in the Metro Corridor**, and the corridor will maintain its share by 2040. Employers in these driving industries have a strong preference for transit-accessible locations.



The Corridor Will Also Spur Significant Future Investment and Provide a Boost to Local Government Revenues

- Future development could add **8.4 million square feet** of space for both commercial and residential uses with a total assessed valuation of approximately **\$1.7 billion**
- Existing properties within a half mile of the transit corridor could see an additional **\$310 million increase in assessed values** with the Metro Rail extension.
- This would translate in a **32 percent increase in property tax revenues** for jurisdictions in the region in a scenario where the Metro Rail extension is built.



Concluding Thoughts

- Continuing to expand Metro Rail is an important part of the strategy for ensuring that the Buffalo Niagara Region remains attractive to 21st Century businesses and workers.
- Real estate values along the Metro Rail corridor will only increase if employment growth continues and is geographically focused.
- Capturing the full value of transit at both the regional and the local level requires both public and private investment, and a strong supportive policy framework.
- Momentum is building, so stay focused, but be prepared to take incremental steps forward.



THANK YOU