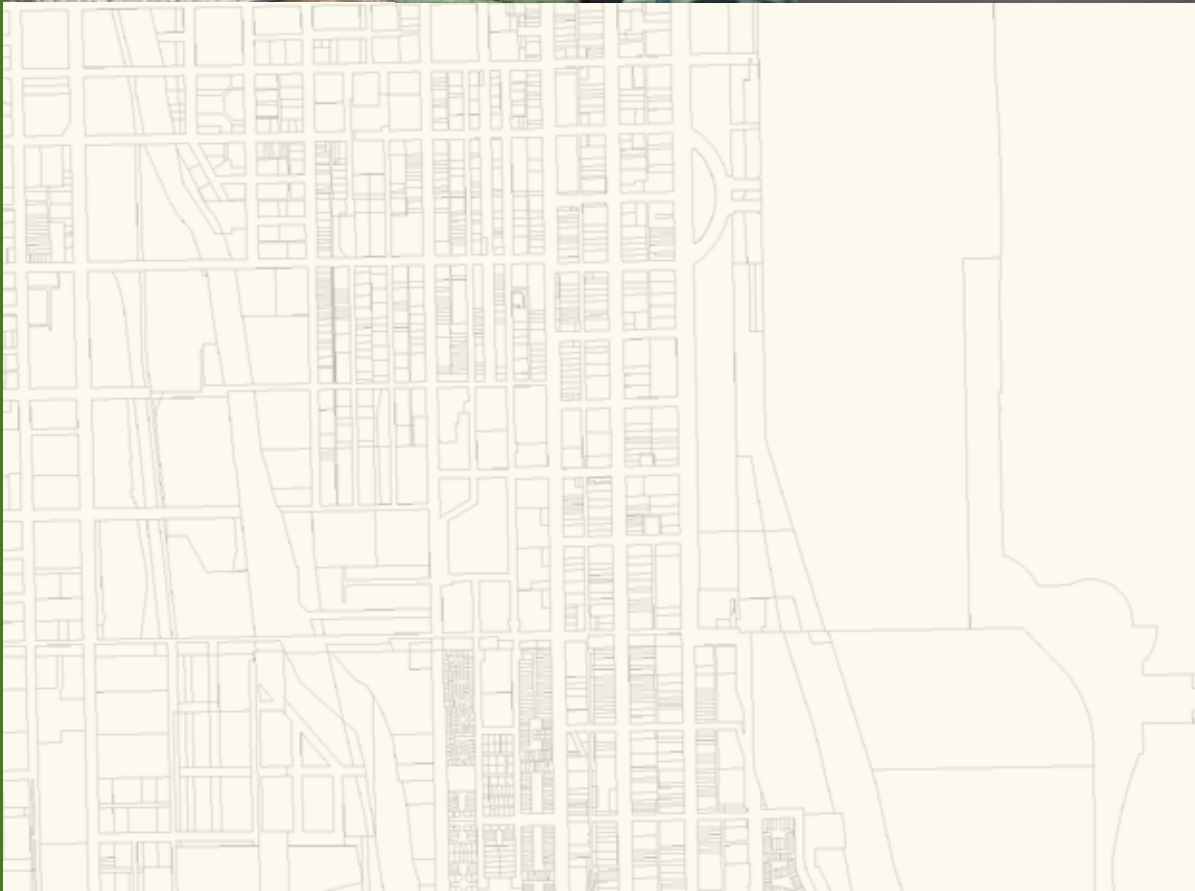




Paved Over

Surface Parking Lots or Opportunities for Tax-Generating, Sustainable Development?

Center for Neighborhood Technology
November 2006



Acknowledgements — — — — —

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— — — — — About the Center for Neighborhood Technology

The Center for Neighborhood Technology (CNT) was founded in 1978 to research, adapt and test new community revitalization strategies relevant to urban communities, especially strategies that harnessed the environmental and economic value of the more efficient use of natural resources. Over the years, CNT has worked to disclose the hidden assets of the Chicagoland economy and urban areas more broadly; demonstrate the multi-bottom line benefits of more resource-efficient policies and practices; and show how the value of what we demonstrated could be captured to benefit communities and their residents inclusively. CNT's work, especially in the areas of energy, transportation, materials conservation and housing preservation, helped fuel a generation of community development institutions and learning, garnering us a reputation as an economic innovator and leader in the field of creative sustainable development.

CNT serves as the umbrella for a number of projects and affiliate organizations, all of which help the organization fulfill its mission: to promote the development of more livable and sustainable urban communities. CNT's transportation work is focused on using transportation assets to serve both the environmental and economic development goals of regions and communities. CNT works to boost demand for clean, efficient and affordable mass transit; increase the supply of traditional and non-traditional mass transit services; disclose the linkages between transportation costs and housing affordability; create model value-capture mechanisms that take advantage of the intersection of efficient transportation networks with community economic development programs; and promote policy initiatives that increase public participation in investment decisions and make more resources available for sustainable investments. *More information about CNT is available at www.cnt.org.*

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The costs—economic and social—associated with large surface parking lots has been receiving more and more attention of late. Parking lots have been credited with impeding the establishment of a quality pedestrian environment, disrupting the urban fabric, encouraging greater auto use, and harming the environment.

In addition to these social and environmental costs, large surface parking lots also have an opportunity cost, which is the economic value of not putting the land on which these lots sit to some other use. Donald Shoup, a professor from UCLA, in his recent book, *The High Cost of Free Parking*, estimates the cost of free parking to the national economy is over \$300 billion annually.¹

The development potential of parking lots is especially high when the lot is proximate to transit. Park-n-ride lots at rail transit stations, when developed consistent to Transit Oriented Development (TOD) principles, whether that be commercial, residential or mixed-use can support greater densities without the same increase in auto traffic that an auto-oriented development would require. They also have the potential to generate greater sales, property, and utility tax revenues per square foot. And demand for housing near transit is growing, making the development and investment community increasingly interested in building and capitalizing on transit oriented projects and communities. Nearly every region in the country would like to be able to take advantage of this growing market but only New York has a greater opportunity for TOD than Chicago.

By 2030, the Center for Transit Oriented Development estimates that the demand for housing near transit in the Chicago region will be 1.6 million households.

By 2030, the Center for Transit Oriented Development estimates that the demand for housing near transit in the Chicago region will be 1.6 million households—more than double the number of households living near transit in 2000 (787,204)². With 401 stations today and 426 expected by 2030, Chicago could meet a large share of the demand by increasing the supply of housing and mixed-use

development near transit. But it will require new and targeted policies, additional and expanded funding mechanisms and sources, innovative planning tools and zoning, and creative and collaborative partnerships across government agencies and between the public and private sectors.

The purpose of this study is to highlight this regional opportunity by comparing the current economic and social costs of surface parking lots near rail transit stations with the potential economic and social benefits if they were developed into mixed-use, pedestrian friendly, transit-oriented developments. To do so, we create site-specific development scenarios for Metra Rail parking lots in nine Metra-served suburban communities in Cook County. These nine stations represent nearly 50 acres of potential developable area near transit and are only a fraction of the 230 Metra stations and 528 acres of surface lots.³ As scenarios, they should be viewed as long range alternatives to parking and not detailed development pro formas and plans since they do not incorporate total development costs or address all the barriers that are common to these types of developments. However, they are realistic scenarios and not unlike many TOD's in Northeastern Illinois and throughout the country. Therefore, they should be used to provoke further examination and a dialogue in the respective communities about the kinds of development that might be most suitable.

The estimates in these nine scenarios show how the parking lots, if used more efficiently, could generate 1,188 new residential units and at least 167,000 square feet of new commercial space. While the potential tax revenues for each lot vary based on available and convertible parking spaces; comparable taxes for specific land uses in each municipality; and existing development patterns; the estimated property tax revenues for each of the nine case studies all range in the hundreds of thousands of dollars per year.

If these nine case studies are representative of all the potential development opportunities near transit, a regional policy to develop these lots to higher uses could help to meet the region's growing demand for affordable, workforce, senior, and market rate housing near transit. These parking lot conversions could serve as a catalyst to

¹ *The High Costs of Free Parking*. Donald Shoup, 2005. Pg. 207. Note: In 2002, the total subsidy for off-street parking was between \$127 billion and \$374 billion. To put this in perspective, that same year the federal government spent \$231 billion on Medicare and \$349 billion for national defense.

² Center for Transit Oriented Development. "Promoting and Preserving Diverse Transit-Oriented Neighborhoods", September 2006. <http://www.cnt.org/resources>

³ The 50 acres of potential developable land near transit is based on a GIS calculation. The 528 acres was estimated from the total number of Metra designated surface parking lots and an average parking stall size of 325 square feet. The average parking stall size is based on the Victoria Transport Policy Institute's online Transportation Demand Management Encyclopedia, *Parking Management: Strategies for More Efficient Use of Parking Resources*. Available at <http://www.vtppi.org/tdm/tdm28.htm>.

spur development on other parking lots or underutilized sites near the stations, which would also help local government finances. Metra would also benefit in the long run from an increase in the number of residents living within walking distance of their stations.

While there are many barriers to TOD that a number of developers and communities have successfully addressed, one of the primary barriers—and probably the most critical barrier—is the difficulty in assembling large contiguous parcels for development at or near transit stations.⁴ In the Chicago area, regional agencies working with Metra, local governments, the State, and the Federal Transit Administration have the opportunity to directly influence this barrier by evaluating and making available some of 23 million square feet of land⁵ that is currently banked as surface parking.

LIMITS IN STUDY FINDINGS AND RESULTS

This study is limited to suburban Cook County and therefore does not specifically estimate the opportunity to the city of Chicago or the other five counties. While the general conclusions drawn from this study are likely to be applicable to other counties and other regions, Cook County data was used exclusively due to availability and to avoid complicated comparisons of tax and assessment rates across county boundaries. The study also only estimates the potential net annual property tax revenues

and does not assign the property tax to each taxing entity, e.g. school districts, city, library, and so on. Other revenues from development, such as sales, utility, and other non-property taxes, business income or fees have not been estimated.

The study also does not address the number of barriers often associated with TOD projects, such as land assembly, multiple layers of financing, coordinating various government agencies, conducting meaningful public participation, longer timelines, maintaining ridership levels, and higher pre-development costs. However, it does address the need to replace the parking spaces displaced by the proposed development. There are two reasons these spaces need to be replaced. First, parking replacement is necessary since a substantial share of Metra riders at most stations require park and ride capability. At park-n-ride lots that are fully utilized the development scenarios proposed in this study would more than likely decrease the number of transit riders at that particular station unless the park and ride commuters were still accommodated through new parking spaces; at least until the TOD fully matures and there were enough residents living within walking, biking or bus distance to replace the park and ride commuters. Second, Metra is required to follow a 100 percent parking replacement policy for spaces that have ever received federal funding. To address these two issues, in each of the potential build-out examples, Metra parking spaces are replaced through on-street parking, smaller scattered surface lots associated with the development, or structured parking.



Photo Credit: Center for Neighborhood Technology

⁴ Center for Transit Oriented Development presentation at the American Planning Association Conference, San Antonio, TX, April 24, 2006.

⁵ Metra Report. Appendix C: Fall 2003 Station Parking Survey Results by Facility Type – excludes street and deck parking, and see footnote 3 also.

INTRODUCTION

This study draws from CNT's projects and research on the economics and hidden assets of urban areas, including research by CNT and others on Transit Oriented Development (TOD) and the potential value it creates for communities and households. When designed correctly, TOD provides greater housing choice and affordability, creates sustainable economic development, reduces congestion, promotes walking and biking, and provides more convenient and affordable access to jobs.

Research by CNT has also quantified the very real benefits to household budgets from living in mixed-use, transit-oriented neighborhoods with access to employment. On average, households earning \$35,000 to \$75,000 in the Chicago region spend from 18 to 23 percent of income on transportation, but households in this same income range that are living in TOD neighborhoods spend much less, 13 to 17 percent. As a result, the combined housing and transportation expenditures for households living in transit-oriented places are lower. The savings from lower transportation costs translates into thousands of dollars each year that a household could instead use for education, retirement savings, better health care, recreation, other investments, and spending in the local economy.

Providing a lower cost of living for households is also better for the community. Financially secure households can afford to live, invest, shop, and stay in the community. As households of lower and moderate incomes are more than the majority of households nationally and in the Chicago region, all communities in the Chicago region need to be concerned about the combined cost of housing and transportation in their neighborhoods. This is particularly relevant for the communities that comprise Cook County. Like many older urban counties, Cook County has had its share of challenges in recent years. First, the County has been losing population. From 2000 to 2005, Cook County, which has a population of almost 5.4 million, lost 73,000 people, more than any other county in the nation⁶ (U.S. Census). This reflects a national trend, documented most comprehensively by the Brookings Institution, in which older inner-ring suburbs have been losing ground to newer suburbs for

the share they comprise of the U.S. population.⁷ In the region, more distant suburban and exurban counties have been growing—rapidly—at the expense of Cook County. Kendall County, in fact, was the fastest growing county in the country between 2000 and 2005, seeing a population increase of almost 46 percent, bringing its total to just under 80,000. Will County was also among the fastest growing counties in the country. It saw its population increase by 28 percent, bringing its current population to over 640,000.⁸

This loss of population has, not surprisingly, been accompanied by a declining tax base and a tight fiscal situation. For Fiscal Year 2006, Cook County saw an initial budget shortfall of \$307 million, and for the eleventh straight year in a row, its general fund headcount decreased.⁹

For Fiscal Year 2006, Cook County saw an initial budget shortfall of \$307 million.

Just as the county and local governments have been asked to do more with less—to stretch their budgets even more thinly as they try to provide for the public welfare of their jurisdictions—so too have many households and families. Wages over the last several decades have essentially been flat, even mildly declining, when adjusted for inflation. Housing costs have skyrocketed, and as a result there has been a surge outward, of people seeking lower-cost housing on the urban fringe. And energy prices, gasoline specifically, are near record-highs.



Photo Credit: Center for Neighborhood Technology

⁶ John McCormick, Cook Tops in Population Loss among Counties in the U.S.," Chicago Tribune 16 March 2006.

⁷ Robert Puentes and David Warren, "One-Fifth of America: A Comprehensive Guide to America's First Suburbs," The Brookings Institution, February 2006.

⁸ McCormick, March 2006, same as footnote 6.

⁹ Cook County Executive Budget Briefing. http://www.co.cook.il.us/06_budget/06_exec_briefing.pdf

At the time of writing, gas prices at the most expensive pumps in the region topped out at \$3.68.¹⁰ But despite these challenges, the localities in and residents of the county have reasons to be hopeful. Although housing on the urban fringe may appear less expensive at first, rising gasoline prices coupled with longer distances to work each day are making it evident to many households that these locations are not really affordable. In contrast, many communities in Cook County have a wealth of assets just waiting to be put to better use—namely a dense transportation infrastructure consisting of both rail and bus lines, served by Metra, Pace and the Chicago Transit Authority.

Combining this transportation infrastructure with new mixed-use development allows municipalities in Cook County to take advantage of the growing national demand for housing near transit, or transit-oriented development (TOD), as it is commonly referred. By the year 2030, 16 million households nationally will want to live in communities adjacent to transit. In the Chicago region, this figure is 1.6 million.¹¹ Part of what accounts for this growing demand is a frustration on the part of the public with increasingly long commute times. Research shows that 87 percent of new home buyers rank a shorter commute time as their top priority when purchasing a home.¹² And the Chicago region is notorious for its long commutes. The region repeatedly winds up near the top of the Texas Transportation Institute’s annual Urban Mobility Report ranking of most congested regions (it was third in the most recent report).¹³ So when these same home buyers referenced above are asked to choose between a transit-oriented community versus a sprawling one with large lots and longer commutes, six out of the ten respondents opt for the TOD. Reasons cited include a shorter commute, walkability, and access to amenities, such as libraries, shops and restaurants.¹⁴ These market trends are waiting to be capitalized on, and communities in Cook County are well-positioned to do so.

In addition to having the transportation infrastructure to capitalize on these market trends, many communities in Cook County also have two other critical ingredients: land adjacent to the transportation infrastructure to support new development, and densities that could be easily—if only modestly—increased to a sufficient level to support increased transit service and new retail. The available land is often in the form of parking lots for

commercial or public use. Conversion of these lots to mixed-use or higher density residential development, including units that are affordable and accommodate a range of household sizes would provide additional tax revenue to fully-established communities—those that cannot grow their tax base through annexation—in need of funds to upgrade and repair infrastructure and supplement a declining tax base. It would also result in vibrant streetscapes, an enhanced pedestrian environment, new retailers and consumers, more transit riders, and ultimately, increased property values.

Densities near transit in the Chicago region, except for in Chicago, are surprisingly low. The average household density within a one-half mile area surrounding Metra and CTA fixed-rail transit stations is just 4.1 households per acre. This presents an opportunity for increasing density in a way that would support new housing and commercial and retail services but without disturbing the existing character of the community. For example, the density in the Village of Oak Park, a suburb many consider very desirable and livable, has an estimated 8 households per acre. This density is higher than that of any of the communities considered in this report, but is still far from being high-density urban. By modestly increasing residential density within walking distance to the station, municipalities could attract a share of the large and growing TOD market.

This type of infill development also has lower infrastructure and service costs per unit in the short and long term than greenfield development.¹⁵ Infrastructure costs on a greenfield site can add at least \$60,000 per unit initially plus increasing costs per housing unit each year once the community needs to establish additional municipal services including village administration, road and sewer maintenance, new schools, waste management, and water service, to name a few. Only some of these costs are passed on to the homebuyers through fees and the price of the home, while the remaining costs at the time of the development, and each year after, are passed on to all taxpayers and consumers in the community through new taxes, higher rates, and fees. In contrast, Metra parking lots in Cook County are often in the center of established towns or at the very least have direct access to a street network and existing utilities. Therefore, development costs of these lots, especially at higher densities, have a lower cost per unit

¹⁰ <http://www.chicagogasprices.com/index.aspx>

¹¹ Center for Transit Oriented Development. “Promoting and Preserving Diverse Transit-Oriented Neighborhoods”, September 2006. <http://www.cnt.org/resources>

¹² Chicago Tribune “Ticket: Building near public transit”. March 27, 2005.

¹³ Texas Transportation Institute. Urban Mobility Report. 2005. <http://mobility.tamu.edu/ums/report/>

¹⁴ Tribune, March 2005, same as footnote 12.

¹⁵ Greenfield development refers to Vision 2020. Hamilton, CA commitment to a sustainable community. Points to Ponder... Brownfield Redevelopment vs. Greenfield Development.

both at the time of development and each year after.

Parking lots are no longer thought of as a necessity worth their maintenance and holding costs, not to mention unattractiveness. There has been a shift in how parking lots and parking in general are understood in the context of urban development and urban economics. The assumption that parking should always be free or very low-cost is no longer a given. In his book, *The High Cost of Free Parking*, Donald Shoup, Ph.D., estimates that the total cost to the U.S. of free parking, which he deems a subsidy, was between \$127 billion and \$374 billion in 2002. That so much prime urban land is dedicated to parking, Shoup argues, drives up the cost of just about everything, from housing to food; because the true costs of parking are bundled with goods and sold as a package. Only a small percent of the actual costs of parking are paid by drivers and the rest of the costs are passed onto all consumers through higher prices.¹⁶

Take the example of a 100-person office. Typical zoning codes might require that the office provide 120 parking spaces, one for each employee and 20 for visitors. At an annualized cost of \$535 per space—a typical base cost for an urban parking space—a 120-space parking lot can cost upwards of \$60,000 per year.¹⁷ And this expense does not include the opportunity costs of the parking, i.e., the revenue that might be generated from land were it put to another use.

To illustrate this point, this study examines nine Metra

stations in different settings to serve as examples of the potential opportunities for more housing and increased property tax revenues at the 230 Metra stations in the six-county service area (Cook, DuPage, Lake, Will, McHenry and Kane). In total, these 230 stations provide 70,719 surface lot parking spaces, and occupy some 23 million square feet, or 528 acres.¹⁸



Photo Credit: Center for Neighborhood Technology

¹⁶ *The High Costs of Free Parking*. Donald Shoup, 2005. Pg. 206-207.

¹⁷ Litman, Todd. *Parking Management: Strategies, Evaluation and Planning* and, *Parking Pricing: Direct Charges for Using Parking Facilities*. TDM Encyclopedia. Victoria Transportation Policy Institute, April 2006, Table 2.

¹⁸ Metra Report. Appendix C: Fall 2003 Station Parking Survey Results by Facility Type – excludes street and deck parking.

PURPOSE

The purpose of this study is to examine how the surface parking lots near Metra stations in Cook County could be more efficiently used for housing and other revenue-generating uses. Through nine case studies of communities across the county—three each from the North/Northwest; West, and South/Southwest—this report argues that there are significant and real opportunities for increasing the tax base through strategically targeted developments around existing Metra stations. In each community, we offer a build-out scenario of what a feasible development might look like, and how much revenue it might be expected to yield.

These should be viewed as “what if” scenarios, meant to provoke further examination and a dialogue in the respective communities about the kinds of development that might be most suitable. Our research indicates that conversion of Metra parking lots can be done while still maintaining parking for commuters by utilizing such options as on-street parking along rail rights-of-way and in some cases structured parking.



Photo Credit: Center for Neighborhood Technology

ANALYSIS AND SITE SELECTION

The study is limited to suburban Cook County and excludes the city of Chicago. While the general conclusions drawn from this study are likely to be applicable to other counties and other regions, Cook County data was used exclusively to avoid complicated comparisons of tax and assessment rates across county boundaries. It should also be noted that this analysis does not factor in the costs associated with developing parking lots. It also only considers the potential net annual property tax revenues and does not assign the tax revenue to each taxing entity, e.g. school districts, city, library, and so on. The research was conducted in two major steps.

ESTABLISHING A TYPOLOGY

A scan and characterization of the eighty-four Metra station areas in suburban Cook County based on types of existing development patterns and corresponding development opportunities.

Station area types were evaluated according to three factors:

- Size and shape of Metra parking lots;
- Mode of travel to work by local residents; and
- Local development patterns, including land uses, density, number of small commercial parcels and average block size.

Our analysis of these eighty-four station areas revealed three general types: auto-oriented, emerging TOD, and established TOD. Auto-oriented stations could be characterized as having large surface parking lots and low household and commercial densities. The vast majority of riders using these stations drive to it and park.

Emerging TOD stations have, on the other hand, demonstrated in recent years a commitment to redeveloping the surface parking lots around the Metra station. These station areas have incorporated TOD principles in their design—encouraging higher residential densities and a mix of commercial activities, preserving the pedestrian environment and identifying creative ways for alleviating parking congestion.

The established TOD stations have made a considerable financial investment in the area surrounding the downtown and already support a wide range of commercial services and a mix of housing types. The residential densities are typically higher in these areas than at other station types, and the number of surface parking lot spaces is generally lower.

Within each general type of station, however, there

Table 1. Stations and Metra Lines by District for Suburban Cook County

District	Metra Main Lines ¹⁹	Number of Stations	Municipalities Served by Transit
North/Northwest	5	28	20
West	4	25	17
South/Southwest	3	31	20

is a range of development patterns, which in part can be attributed to the variation among Cook County municipalities. Cook County is the second largest county in the country and its municipalities vary in terms of tax structure, number and types of households, age of development and other land use and population characteristics. In order to account for these differences, we divided the county into three areas: North/Northwest, West, and South/Southwest. The municipalities within each of these three areas tend to be more similar to each other based on how the region developed with the steel industry to the south, the north shore communities to the north, and more agriculture to the west. (See Figure 1 for the district descriptions and locations.) Although, we limited the analysis to suburban Cook County, within the county there is a wide variety of station types, ranging from higher density urban to moderate density suburban to commuter-lot oriented.

CHOOSING THE CASES

Case studies of nine station areas.

To choose the nine communities, we first analyzed a variety of data sets for each station area within a Geographic Information System (GIS). The selected station areas and three areas are displayed in Figure 1. The characteristics that influenced their type and selection are described in Table 2.

After selecting the nine station areas, we performed a land use and walkability survey at each of the stations to confirm the accuracy of the GIS analysis, to observe the types of developments occurring around the station, and to document the station area amenities. The aerial image (see Figure 2) of the Oak Park Metra station serves as an example of a typical survey area for our site visits. (See Appendix A for the Metra Survey form & Land Use Survey form examples).

In Table 2, describing several characteristics within the

¹⁹ The Milwaukee District West Line counted in both the West & North/Northwest areas.

half mile radius around each station, stations of the same type have similarities. For instance, the auto-oriented stations have the fewest households within a half mile of the stations and the greatest percentage of riders that drive and park at the station.

ESTIMATING POTENTIAL REVENUE

Once we had visited the station areas to confirm the lots available for development, we estimated the current revenue and expenses for each developable Metra surface parking lot. We then compared the current revenue to the potential property tax revenue that could be generated if the lots were converted to residential, commercial, or mixed-use development. We attempted to propose development scenarios that were in keeping with the surrounding development and community or downtown master plan, but we do not pretend to have proposed development scenarios that fully conform to specific zoning ordinances or other planning codes.

Figure 1. District Map and Nine Study Areas in Suburban Cook County



Figure 2. Aerial Parcel and the Land-Use Map of Oak Park for Station Site Visit



We limited our analysis to Metra surface lots because the information on their owner(s), use, size, and location in proximity to the Metra stations was readily available and they were in most cases exempt from paying taxes. While each of the station areas had several other large surface lots or unused rights-of-way that could also have been considered for development, we chose not to include them in this analysis and to look only at Metra parking lots.

To estimate the taxes, we looked into several methods, including a comparison of the per capita residential property tax revenue that would be applied to the number of residents that might potentially live on the built-out site.

Table 2. Station Area Characteristics for Typology Selection

Areas	Study Stations	Station Area Types	Population Within 1/2 mile of Metra Station	Households within 1/2 mile of Metra Station	% of Riders Parking at Metra Stations	% Taking Public Transit to Work Within 1/2 Mile	Small* Commercial Parcels Within 1/2 Mile	Parking Acres (excluding parking decks)	2002 Daily Boardings	Avg. block size w/in 1/2 mile***	Total Metra Parking Spaces
North/ Northwest	Arlington Heights	Established TOD	5,241	2,649	56%	14%	140	3.2	2,496	4.9	1,978
	Palatine	Emerging TOD	3,547	1,587	75%	6%	94	5.5	1,894	7.5	1,461
	Hanover Park	Auto Oriented	3,469	1,203	80%	6%	15**	12.1	1,431	17.4	1,302
West	Oak Park, Marion St.	Established TOD	12,253	7,180	27%	25%	234	1.8	960	5.2	229
	LaGrange Road	Emerging TOD	5,571	2,144	38%	24%	170	4.1	1,353	4.1	335
	Franklin Park	Auto Oriented	5,087	1,821	66%	7%	150	3.7	506	6.1	247
South/ Southwest	Homewood	Established TOD	2,452	1,062	52%	19%	141	4.6	1,466	8.9	453
	Blue Island, Vermont St.	Emerging TOD	6,133	2,067	64%	12%	132	8.2	931	4.3	795
	Tinley Park, 80th Ave.	Auto Oriented	1,791	469	86%	13%	0**	18.8	2,297	22.2	2,158

* Commercial parcels < 1 acre were used to evaluate the local retail environment.

**Excludes a portion of the one-half mile buffer that is located outside of Cook County (count of commercial parcels in Hanover Park & Tinley Park, 80th Ave.

*** Census blocks were used to measure the walkability of an area, i.e., smaller blocks are generally considered more walkable.

Metra boardings based on Commuter Rail System Station Boarding/Alighting Count Summary Results – Table Exb III.

Metra parking based on Appendix E: Fall 2003 Station Parking Survey Results.

While that method would work at a municipal level, or if we were attempting to do all eighty-four stations, it was not ideal for specific site developments within the nine case studies. We also could have used the property tax formula which uses the assessed value of the property, a local tax rate, and the state equalization factor to calculate the property taxes owed. But rather than estimating the property value for new construction that we have not specifically designed, we gathered a set of “comparables” for each of the nine sites and used the actual taxes per square foot on these comparables as the conservative basis for the estimated taxes on the potential development.

To locate the comparables, we used the Cook County Tax Assessor, Cook County Treasurer, and realtor.com websites to identify two or more examples of five building types in each of the nine areas: commercial, mixed-use, multi-family (condominiums and apartments), single-family, and townhomes. The Cook County Tax Assessor website was used to collect specific information, such as tax assessor class, year built, number of stories, number of units, lot size, and building size. These fields, however, were not available for all properties. From the Cook County Treasurer’s website, we collected the annual taxes paid for 2004, 2005 and the first quarter taxes billed and collected for 2006. The annual taxes were then standardized to a cost per square foot for each development type.

The formula used to calculate potential tax revenue is as follows:

$$\text{Potential Property Tax Development Revenue} = \frac{\text{Comparable taxes}}{\text{s.f.}} * \text{Total s.f. of proposed development by tax class and building type}$$

For each parking lot, we then proposed a build-out scenario that would fit within the parking lot’s boundaries and be compatible with existing development, to the extent we were able to judge compatibility without holding a community input session or looking at the specific zoning. The property tax ratio (property taxes per square foot by building type and tax class by station area) was then applied to each parking lot’s potential build-out scenario. All but two of the Metra designated surface parking lots considered for development in this study were exempt from paying taxes, because they are owned by either Metra or the village or town in which they are located.

The potential build-out examples take into consideration the need for parking on these lots and designate either on-street, smaller surface lots and/or structured parking, recognizing that parking is a necessity and that there is a 1 to 1 replacement ratio for Metra parking spaces that have ever received federal funding. This study does not factor in the costs of the build-out scenarios or the costs associated with replacement parking. This would obviously need to be done on a parcel-by-parcel basis to determine the financial viability of any development project, regardless if it is on a parking lot or not. Our purpose is not to do the more complex work of the developer, but to estimate the potential value to households in the community and new residents of the development, to the transit agency, and to the taxing bodies.

PARKING STRATEGIES

Balancing the need for parking and the desire to develop large surface parking lots can often be achieved without building parking structures. For example, alternatives to large surface parking lots, such as diagonal parking along the rail right-of-way, are used at many of the Metra stations in suburban Cook County. When used as a parking strategy, these rights-of-way can house as many vehicles if not more than a surface parking lot. This is only one example of an alternative strategy, and, while used at many of the stations already, this strategy and others should be explored further to accommodate the needs of commuters, shoppers and the residences of the proposed housing build-out scenarios (Figure 3).

Figure 3 shows how parking along the rail right-of-way can be used to accommodate the needs of commuters. In this example, the parking spaces available along the rail tracks are estimated at 370, compared to a typical size surface lot that is estimated to have 240 parking spaces. More spaces are available along the linear strips without occupying land that instead could be used for development or open space.

Car sharing programs²⁰ offer yet another alternative for parking by reducing the demand for parking spaces per resident. Such programs have grown in popularity in the U.S., including Chicago which now has two car-sharing companies, as they allow people to reduce their car ownership while still providing access to a car for frequent errands, such as trips to the grocery or hardware store, or

²⁰ Car sharing programs have cars at set locations that members can reserve and use for specific times. Car sharing programs all differ slightly in their pricing structure, but generally the member pays an hourly rate for each hour reserved and/or actual mileage driven. The car sharing program pays all other expenses, including insurance, gas and maintenance. Ideally, the car locations are accessible by public transit to allow for combining different modes of travel.

Figure 3: On Street Parking Alternative to Surface Parking Lots



for less routine trips, such as medical visits or trips to see a distant relative. The parking reductions are significant. Surveys by the Chicago-based I-GO²¹ car share program of their car-sharing members, suggest that for every I-GO car, 15 vehicles are removed from the road. In fact, about half of the I-GO members that owned a car before joining I-GO sold the car within the first six months of membership. These same surveys have also shown that I-GO members walk, and use more public transit.

In addition to serving community residents in their day-to-day activities, I-GO currently serves the commuter who uses Metra to go downtown, but sometimes needs a car for meetings or errands outside of the Loop. The member can take advantage of one of the cars parked downtown, yet still take advantage of Metra to and from work. This service encourages commuters to use Metra who otherwise wouldn't because they would lack access to a car once they were in the Loop. Sharon Feigon, I-GO CEO, also sees I-GO encouraging reverse commuters to use transit. I-GO cars would be available at Metra stations and coordinated for use during work hours as carpool cars for the last leg of their trip from the Metra station to the actual office locations. During non business hours and weekends these cars would be available for other members to use, whether they are city dwellers making a trip to the suburbs on the weekend or suburban residents that live near the station.²²

Another strategy for creating TOD lies in creating incentives for private developers to develop their parking

lots. For example, the current property tax system is based primarily on the building or building improvements, rather than the land itself. As a result, the taxes on parking lots often times remain low and there is an incentive for developers to continue making their "risk free profit" from parking lot revenues. Land-value taxation offers a different alternative, where property taxes concentrate on land and its potential rather than buildings.

A clear example of how land-value taxation could impact a town's tax revenue is Cleveland. WKYC-TV studio in downtown Cleveland is worth \$12.6 million dollars, with most of that value being credited to the building itself (\$9.3 million). The resulting net tax revenue for this parcel is \$158,000. In contrast, there is a parking lot of similar land size a few blocks east of WKYC and it's a property improvements are assessed at \$2.1 million, with a net tax revenue of only \$26,500.²³

The case studies in this report indicate similar patterns in which low or zero taxes on parking lots do not provide an incentive to develop them. While we only studied the Metra parking lots in these station areas, which are predominantly exempt in paying taxes, if a community taxed the value of land and saw the foregone revenue from the Metra tax-exempt lots, the city might be encouraged to work with Metra on development of the lots.

RESULTS

By developing just the larger Metra surface lots in these nine towns, we conservatively estimate that 50 acres of surface parking could be transformed into over 1,221 units of housing within walking distance of transit, and often within walking distance of commercial or other non-residential uses, such as convenience stores, professional services, restaurants, parks, or a library. These lots could also accommodate at least another 167,000 square feet of commercial space, which would serve existing and new residents, as well as commuters.

We believe these are conservative estimates since we only proposed developments that fit on the existing Metra lot configurations and did not attempt to include rights-of-way or other private lots. A planned development, on the other hand, might be able to span a larger area by combining public and private lots and street or rail rights-

²¹ The first car sharing program in Chicago that now boasts over 3,500 members and 100 cars in various locations throughout the city and first ring suburbs.

²² Personal Communication, Sharon Feigon, I-GO CEO. October 15, 2006.

²³ "Soil Rights: Can Cleveland use property taxes to prod intransigent developers?" David W. Martin. Cleveland Scene. September 10, 2003. <http://www.clevescene.com/issues/2003-09-10/news/news2.html>

Table 3. Parking Lot Annual Net Loss/Gain in Nine Station Areas *

* Applies to Only to Surface Lots with Potential Development Scenarios

Station	Estimated Surface Parking Spaces in Development Scenario	Estimated Developable Acres of Metra Surface Parking	Average Parking Charge per space per day	Parking Lot Annual Cost to maintain	Parking Lot Annual Revenue	Parking Lot –Net Revenue	Potential Property Tax Revenue from Development	Potential Net Annual Public Revenues
Arlington Heights	180	1.5	\$1.50	\$96,300	\$63,180	-\$33,120	\$606,981	\$640,101
Palatine	235	2	\$2.00	\$66,740	\$106,314	\$39,574	\$287,673	\$248,099
Hanover Park	1,302	12	\$1.00	\$369,768	\$294,512	-\$75,256	\$569,987	\$645,243
Oak Park, Marion St.	88	.6	\$3.00	\$47,080	\$66,581	\$19,501	\$178,560	\$159,059
LaGrange Road	230	1.5	\$1.50	\$65,320	\$89,700	\$24,380	\$363,217	\$338,837
Franklin Park	190	3.5	\$1.00	\$53,960	\$42,484	-\$11,476	\$479,293	\$490,769
Homewood	215	2.2	\$2.00	\$61,060	\$111,800	\$50,740	\$375,851	\$325,111
Blue Island, Vermont Street	795	7.9	\$1.25	\$225,780	\$173,111	-\$52,669	\$533,652	\$586,321
Tinley Park, 80th Avenue	1,733*	19	\$1.00	\$492,172	\$396,510	-\$95,662	\$528,425	\$624,087
Total	4968	50	\$1.60	\$1,478,180	\$1,344,192	-\$133,988	\$3,923,639	\$4,057,627

of-way, and with community support, might include more units, higher densities and a greater mix of uses than we proposed. Additionally, in some cases, we could only realistically propose development for some portion of the Metra lots, since some were long and narrow, consisting of one or two parallel rows of parking. While Metra parking may consist of several acres in a town, only some of the acres may actually be developable. For instance, Arlington Heights has almost 2,000 spaces, yet only 1.5 acres of surface lots. Most of these spaces are along streets (1.7 acres) or consolidated in parking decks. In contrast, Franklin Park has slightly more acres of parking than Arlington Heights—3.7 acres versus 3.2 acres (in lots and on-street)—yet only 247 spaces.

LaGrange, which we have classified as an emerging TOD, has a total of 4.1 acres of parking and only 335 spaces, but similar to Arlington Heights, many of the spaces are along streets rather than in large surface lots, leaving only an estimated 1.5 acres of surface parking available for development. When comparing the cost of acquiring and maintaining parking spaces and the revenue they generate from parking to the potential tax revenue if developed to a more efficient use, we found a consistent parking subsidy in the hundreds of thousands of dollars for each of these station areas, totaling 4.1 million dollars of lost property tax revenue in the aggregate. These

findings are summarized in Table 3.²⁴

The table includes calculations from left to right. First, the number of parking spaces and acres considered in the development scenario are listed. This is followed by the average charge per space, the corresponding annual costs, and the parking lot revenue, both gross and net. Next, the potential development revenue is listed. Finally, the Potential Net Annual Public Revenues considers the costs and revenues associated with the parking spaces and the new gross property tax revenue.

The figures in Table 3 are derived from the following:

1. **Parking Lot Annual Expenses** = Parking spaces used in development scenario * annual maintenance costs
2. **Parking Lot Revenue** = Parking spaces used in development scenario * annual workdays * Percent Use of Parking Lots * Average Parking Cost per space
3. **Parking Lot Net Revenue** = Parking Lot Revenue - Parking Lot Annual Expenses
4. **Potential Net Annual Revenues** = Development Scenario Potential Revenue - Current Parking Lot Net Revenue

Parking lot revenues are calculated using the average parking charge per day per space, the average occupancy for that station, and the work days per year. Maintenance

²⁴ Oak Park and Arlington Heights station areas are based on typical facility parking lots for an urban surface lot, which is \$535 per space annually given their higher household densities of 15.9 and 6.5, respectively. The other cities are based on the total typical parking costs of a suburban surface lot, which is \$284 per space annually (Parking Pricing: Direct Charges for Using Parking Facilities. TDM Encyclopedia. Updated April 4, 2006. Victoria Transportation Policy Institute) The suburban parking cost is in line with a Richton Park, IL Town Center and Station Area Plan that cites the operation and management costs alone of \$238 per space annually.

costs are obtained from the Victoria Transportation Policy Institute study of parking lot costs and are used in the annual expense calculation. Based on these calculations, five of the nine lots are earning less in revenue than it costs to maintain the spaces. Moreover, these operating losses are minor when compared to the opportunity costs of hundreds of thousands in public revenues that the municipalities are missing by having this land as parking instead of mixed-use development.

These estimates are conservative in nature. The proposed densities are modest; and, more importantly, only consider development at Metra operated parking lots. Any TOD development that were to happen on a Metra parking lot would have a greater impact on the area as whole, particularly the half mile transit zone, or what is popularly believed to be the “walkable” market of a transit station.²⁵ Equally important, the potential revenues do not consider the added sales tax to the community given the boost commercial businesses will receive from a higher concentration of local residents.

IDENTIFYING AND REMOVING BARRIERS TO DEVELOPMENT

Already touched on in the limits section are two primary barriers that impede the development of Metra owned and operated parking lots. The first of these is the 100 percent parking replacement requirement for all spaces that have ever received federal funding. Second, and directly tied to the 100 percent parking replacement requirement, is the high cost of developing replacement parking lots, either surface or structured. The costs associated with acquiring new land for parking and building a new parking lot, either surface or structured, can be enormous. Even in communities where land is readily available, the land acquisition and construction costs for a new surface parking lot can run \$2,500 per space. This does not include its annual operating and management costs. In more urban or dense communities, the estimated costs of acquiring the land and constructing a surface parking lot increases to just over \$5,000 per space. This figure jumps to nearly \$13,000 per space for a three level structure parking deck.²⁶ Even new on-street parking or reconfigured rail rights of way will have some costs associated with them, both in terms of up front construction and ongoing management, operations and maintenance.

We have attempted to address the acquisition costs in this study, by designing some of the replacement parking into the proposed developments on the Metra parking lots. This would minimize the amount of land to be purchased and assembled from private owners.

Another method for controlling costs is to estimate and build only the required spaces that are needed to support the commuter population, residents in the station area, and the nearby retail and service sectors. All too often, local zoning codes set parking requirements to accommodate the maximum parking demand, and the rest of the time the parking spaces remain empty.²⁷ In addition, some stations with large commuter lots might convert from park and ride lots that serve commuters from several other cities to local stations that primarily service riders that walk or take the bus to the station while other stations with lower potential for TOD expand their park and ride facilities. Second, it is not necessary for a town to build the most expensive parking space right away. As the new TOD development matures and expands, and the housing becomes denser, shopping opportunities increase, and the tax revenues rise, other opportunities for funding the conversion of a surface lot to a structured lot, including private investment, will become financially feasible. Together the 100 percent parking replacement requirement and the high cost of constructing new parking spaces perpetuate the parking subsidy that is currently in place. Shoup identifies this parking subsidy as the true cost of parking that is often hidden, but never free, and is either transferred directly to community residents and consumers through higher taxes, higher cost of goods and services, or higher parking rates.

As the following case of Palatine illustrates, development projects on formerly owned and operated transit authority parking lots often require a subsidy for them to materialize. In Palatine, the subsidy was provided by designating the downtown a Tax Increment Financing district (TIF), which allowed the Village of Palatine to develop a large surface parking lot and use the increase in tax revenue to fund other investments that sparked additional downtown growth by the private sector. Depending on the development stage of the community, it is likely that the examples in this report, and other similar projects, would also require subsidy to cover the initial investment.

²⁵ Center for Transit Oriented Development. “Hidden in Plain Sight: Capturing the Demand for Housing Near Transit,” September 2004.

²⁶ Parking Evaluation: Evaluating Parking Problems, Solution, Costs, and Benefits. TDM Encyclopedia Victoria Transport Policy Institute. May 9, 2005.

²⁷ Parking Spaces/Community Places: Finding the Balance through Smart Growth Solutions. Development, Community, and Environmental Division – EPA. January 2006.

REDEVELOPMENT IS ALREADY HAPPENING : Palatine, the Case of an Emerging TOD

The ideas and development scenarios proposed in this study are in line with what is already happening, or being discussed, in cities around the region. As the value of land near Metra stations is realized, there will be greater pressures to develop the land with higher uses other than parking lots. Palatine serves as a great example of how a city has worked with Metra and private developers to redevelop its downtown centered around its Metra station.

All of the emerging TOD stations in this report have exciting projects underway that take advantage of their Metra station. However, for the purposes of this study, Palatine was called out to illustrate how redevelopment of one of its Metra parking lots has played a key role in its larger downtown land use strategy.

The two aerials offer a before and after development snapshot and illustrate the magnitude of the once surface parking lots and vacant land. The two particular developments are labeled on the map, Palatine Station and Groves of Palatine. Together, these two developments combine to 374 new units of housing and represent 18.8 and 28 dwelling units per acre, respectively.

Several things needed to happen for these projects to come to fruition. First, funding from Metra, developer funds, and the Village, by way of a Tax Increment Financing (TIF) district, built the Gateway Center parking deck and mixed use facility was built. The center's parking deck has 1,244 parking spaces, but the Downtown Land Use guide calls for an additional three parking decks with 940 additional spaces anticipated. The Gateway Center also has 100,000 square feet of office/commercial space and is home to Durty Nellie's Restaurant. Once completed, this new structured parking freed up the existing Metra surface parking lot and its approximate 1,360 spaces for development.

These two projects have played a central role in the redevelopment of Palatine's downtown. In addition to having relocated the Metra station, the 2004 Downtown Land Use Guide recommends an additional 1,232 residential units, 169,000 square feet of commercial space and 260,000 square feet of office space. At this time there are currently 847 residential units either approved, or

Aerial Photo Before Downtown Redevelopment

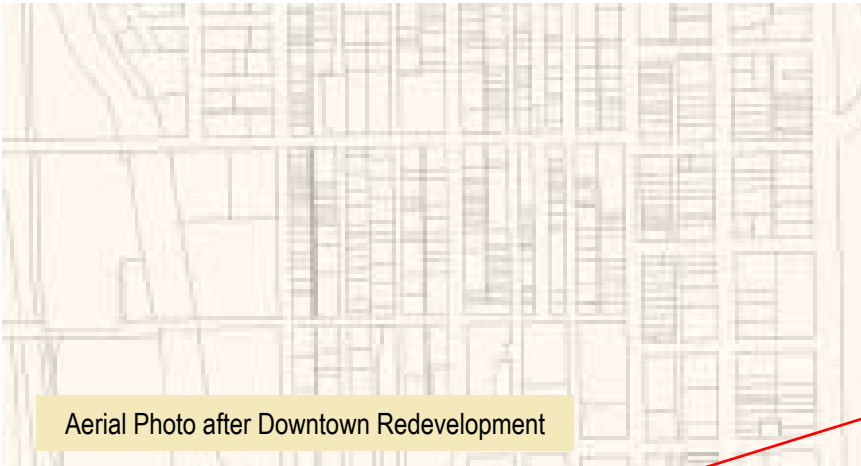


in various stages of construction, as well as a mixed-use project. In the planning stages are additional residential, commercial and office space. Through these projects, Palatine is transforming its downtown to a walkable community, vibrant with a residential base and commercial and office space, with Metra at the center. In the case of the Palatine Station and Groves of Palatine, there is a net gain of tax revenue for the Village and other taxing entities, as well as revenue through their TIF designation to carry out the downtown redevelopment strategy.

The downtown TIF has been leveraged at a ratio of 6 to 1 in terms of dollars invested. Broken down, these amount to \$34 million of TIF funds, \$200 million of private funds and \$5 million of non-village public funds. The TIF has helped stabilize the property values in downtown Palatine, which were decreasing at a rate of 3% annually prior to its implementation. In turn, the downtown revitalization as a whole has increased the tax base by 35%. In addition to this increased tax base, the village sales tax revenues from retail developments have increased from \$250,000 to \$300,000 annually and new residents have generated an additional \$135,000 to \$140,000 in village sales tax revenues each year.²⁸

²⁸ "Using Historical Information to Support Palatine's Downtown TIF District. Illinois Tax Increment Association (ITIA). Presentation, September 15, 2004.

REDEVELOPMENT IS ALREADY HAPPENING : Palatine, the Case of an Emerging TOD



Aerial Photo after Downtown Redevelopment

Groves of Palatine: 28 Dwelling Units/Acre



Photo Credit: S. B. Friedman & Company



Aerial Credit: Palatine Planning and Zoning Department

Palatine Station: 18.8 Dwelling Units/Acre



Photo Credit: S. B. Friedman & Company

Paved Over : Surface Parking Lots or Opportunities for Tax-Generating, Sustainable Development?

ARLINGTON HEIGHTS, ILLINOIS

District : North/Northwest
Station Type : Established TOD

BACKGROUND

Arlington Heights is a city on Metra's Union Pacific Northwest Line that has a population of over 76,000 residents living in more than 30,000 households, as of Census 2000. The city was incorporated in 1836 and saw its greatest period of residential development from 1950-1989, growing only slightly from 1990 to 2000, by 571 persons and 3,036 housing units. Arlington Heights earned its established TOD designation as a result of planning practices first implemented in the 1970s to revitalize the downtown as a central location and take advantage of the Metra rail station.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are 2,649 households sheltering 5,241 persons for a density of 6.5 dwelling units per acre. According to a 2002 Metra ridership survey, the Arlington Heights station has 2,496 daily boardings, of which 25 percent of all riders access the train by walking or biking.

The streets around the station are in a grid pattern, facilitating easy access to the train station on foot or by bicycle. The station has bike racks, all of which were well used on the day of our field visit. The station area also has plenty of amenities for pedestrians and commuters, including a water fountain, benches, recycling containers, coffee and concessions, a telephone, bathrooms and sidewalks linking the street to the station.

The station is served by two Pace buses (Route 690 - Arlington Heights Road, Route 696 - Woodfield-Arlington Heights-Randhurst), and two percent of daily riders utilize these routes to arrive at the station by transit. Another 16 percent of riders are dropped off at the station.

Excluding parking decks, approximately 3.2 acres of land within one-quarter mile of the station are designated Metra commuter parking lots, taking the form of either on-street parking along the rail line, or surface lots. Over



Photo Credit: Metra Rail

one-half, 56 percent, of daily riders arrive at the station by auto and park nearby, utilizing these parking spaces. Metra estimates the effective use rate of the parking spaces at these lots to be 90 percent.

LAND USES NEAR THE STATION

The Arlington Heights Planning & Community Development Department received the 2001 American Planning Association (APA) Outstanding Planning Award for Implementation.

Specifically, the award highlighted seven of the village's development objectives²⁹:

- Diverse and concentrated uses;
- A residential population;
- Quality pedestrian environment;
- Unique image and identity;
- Quality development through design review;
- Public-private partners; and
- Early results

These objectives were developed in the 1980's to address the decline of the downtown business areas, as businesses fled for the malls and residents moved to suburbs further from the region's core.

²⁹ Andrews, James H. "Outstanding Planning: Arlington Heights, IL". Planning Magazine, American Planning Association. March 2001

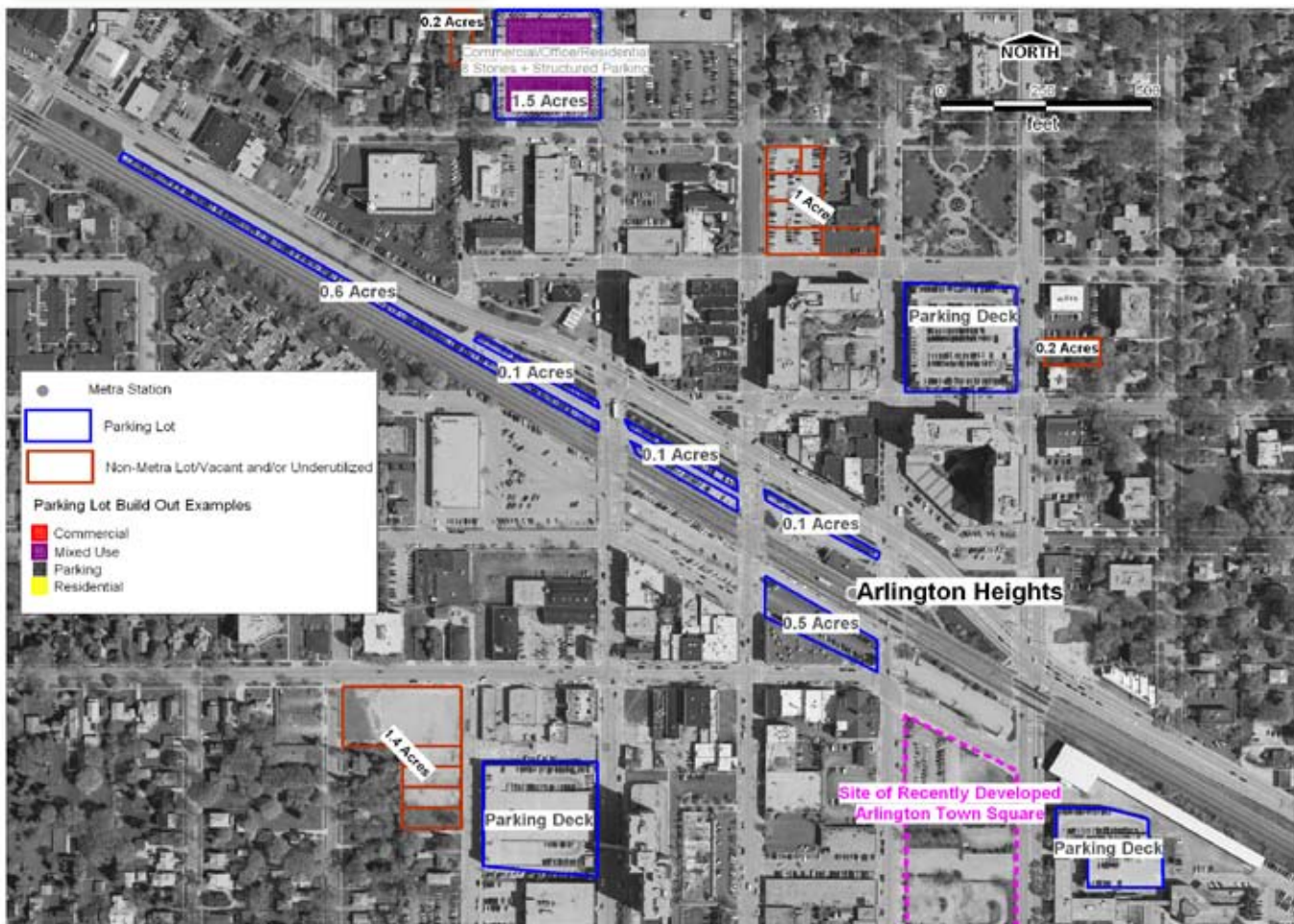
Since implementing these objectives over the last twenty years, the area near the Arlington Heights Metra station has experienced a surge in housing and commercial development.³⁰ The village applied a series of creative planning techniques, including a new Metra station better orientated to the two downtown areas, two tax increment finance (TIF) areas, land acquisition, public participation and modified zoning to allow for higher densities of mixed-use.³¹

In the year 2000 alone, the village added 330 new residential units, 157,000 square feet of retail, 67,000 square feet of office space, ten restaurants, a 400-seat performing arts center, a movie theatre, parks and other

amenities. To illustrate the growth of the downtown population, the number of housing units jumped from 150 in 1984 to 1,460 as of 2001, and all have been built at a pedestrian scale.³² Along with this development, Arlington Heights still boasts over 4,000 parking spaces located in the downtown area and used by residents, shoppers and commuters alike.³³

Despite the accolades the village has received for its planning from the APA, the public did not always support the village's development plans, given the height, the street reconfiguration they necessitated, and the TIF designation. According to one local business owner, however, most people are happy now after seeing the positive impact they have had on the downtown.³⁴

Figure 4: Aerial of Arlington Heights



³⁰ Northeastern Illinois Planning Commission, *Building a Regional Framework: Transit-Oriented Development*. January 2001

³¹ Northeastern Illinois Planning Commission and Campaign for Sensible Growth, *Transit-Oriented Development, Building Sustainable Communities*, Volume 1. January 2004.

³² Andrews, James H. "Outstanding Planning: Arlington Heights, Illinois". *Planning Magazine*. Planning American Planning Association. March 2001.

³³ Brochure: *Go to the Town*. Prepared by the Department of Planning and Community Development. No date listed.

³⁴ Andrews, James H. March 2001

PARKING REVENUE & EXPENSES

Given the estimated 180 existing Metra surface parking lot spaces used in the build-out scenario, the estimated annual cost of maintaining the commuter parking spaces in Arlington Heights is \$96,300, against estimated revenue of \$63,180, for a net loss of \$33,120³⁵ (See Table 4). As such, Metra riders who drive to the station cost the town and its taxpayers, but the real costs must also include the lost opportunity costs of not utilizing the land devoted to parking for a higher use.

Given the amount of development that has already occurred in Arlington Heights, we only identified one surface lot of 1.5 acres for potential development. A possible build-out could be designed as a mixed-use site that includes structured parking, commercial space and several stories of residential units above the parking and ground floor uses. With this additional development, Arlington Heights and other taxing entities, including the school, park and library districts, could gain over \$600,000 in additional annual property tax revenue and seventy-two more housing units. Table 4 and the aerial photo (Figure 4) illustrate the location and revenue from this potential development. We proposed a relative high-density development based on the existing TOD the town has already created.

Recent development in Arlington Heights has produced several real-life examples of parking lot conversions. In the aerial photo in Figure 4, the site labeled as Arlington Town Square was a 2.8 acre lot that Metra shared with just one other viable business, according to Charles Witherington-Perkins, the planning and community development director of Arlington Heights. Upon completion in 2000, this lot went from generating little to no tax revenue to generating an estimated \$1.6 million annually.³⁶ This revenue-generation is in addition to the Arlington Town Square now serving as a vibrant town center. The developers expected the mixed-use development to be busy sixteen to eighteen hours a day, with its movie theatre, restaurants, shops, offices and 13-story, 216-unit condominium apartment building.³⁷

The aerial also illustrates how linear on-street parking can be used as a substitute for a traditional surface parking lot. This linear street parking along the Metra rail line totals nearly an acre of land, or roughly 215 parking spaces.

Table 4. Arlington Heights, the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	180
Annual ownership and maintenance cost per parking space	\$535
<i>Estimated Annual Parking Expense</i>	<i>\$96,300</i>
Number of parking spaces	180
Effective use rate of parking spaces	90%
Daily parking fee per space	\$1.50
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$63,180</i>
Annual Parking Lot Net Revenue	-\$33,120
DEVELOPMENT REVENUE POTENTIAL	
Available acres	1.5
Residential units/square feet	72 Units/144,000 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$374,400</i>
Commercial/Office Sq. Feet	50,561 s.f.
<i>Estimated Potential Tax Revenue for Commercial Build-Out</i>	<i>\$232,581</i>
<i>Current Taxes Collected</i>	<i>\$0</i>
Total Potential Tax Revenue	\$606,981
Potential Net Annual Public Revenues	\$640,101

³⁵ For the purposes of estimating the costs of parking, Arlington Heights is assigned a typical annual cost for an urban surface lot, \$535/space. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

³⁶ Estimated based on information from the Cook County Tax Assessor and the Cook County Treasurer website.

³⁷ <http://www.floridacdc.org/79th/chicago/arlington2.htm>.

PALATINE, ILLINOIS

District : North/Northwest
Station Type : Emerging TOD



Photo Credit: Metra Rail

BACKGROUND

Palatine is a city on Metra’s Union Pacific Northwest Line with over 65,000 residents. The city was incorporated in 1850 but most of its residential development has been recent, since 1970. Of today’s existing housing units, 56 percent were built between 1970 and 1990, while another 14 percent were built between 1990 and 2000. The development patterns and architectural styles around the station reflect this recent growth spurt, typical of many newer suburban centers that are geared toward the automobile. Metra usage trends seem to support that residents rely on their cars. Though Palatine grew by 10,000 households from 1990 to 2000, the number of Palatine residents that used Metra to go to work in that same time frame dropped from 7 percent to 5 percent. This suggests that residents of Palatine are not taking full advantage of access to Metra. Recent developments, however, indicate that perhaps things are changing as land near that station has become more and more valuable. Within the last several years, a number of large village-owned parking lots have been converted to residential housing.

ACCESS TO AND USE OF THE STATION

The streets around the station are in a grid pattern, facilitating easy access to the station on foot or by bicycle. According to a 2002 Metra ridership survey, 11 percent of Metra riders access the train by walking or biking, and though the station does not have bike racks, we observed a number of bikes locked to fences. The Palatine Metra station is served by one Pace bus (Route 699 - Palatine-Woodfield-Elk Grove) and a network of sidewalks and streets. Approximately 5 acres of land within one-quarter mile of the station are designated Metra commuter parking lots, excluding the new parking deck located just north of the station.

Within a one-half mile radius of the station, there are 3,547 persons living in 1,587 housing units for a net household density of 3.5 dwelling units per acre. According to the 2002 survey, the Palatine station has 1,894 daily boardings. Of those boardings, 75 percent of riders drive to the station and park, 11 percent walk or bike to the station, 13 percent get dropped off and 1.3 percent take feeder transit service. Those that drive to the station and park take up between 79 percent and 87 percent of the 1,461 available Metra parking spots.

LAND USES NEAR THE STATION

The current land use around the Metra station is primarily single-story commercial, multi-family and single-family residential. The aerial photo illustrates a number of large underutilized parking lots and vacant land within walking distance of the station.

Recent development activity in downtown Palatine and plans for a more transit-oriented town center indicate that Palatine is hoping to capitalize on its Metra station. Palatine was featured in a study by the Northeastern Illinois Planning Commission (NIPC) of the potential for TOD. The report recognizes that Palatine would like to use its Metra station as a catalyst for development given its proximity to the local downtown by incorporating TOD principles.³⁸ Planning officials in Palatine have in turn taken steps to make this a reality. The area around

³⁸ Building a Regional Framework: Transit-Oriented Development. NIPC. January 2001.

the Metra station was given a TIF designation and subsequently experienced an influx of recent development activity – including townhomes and new condominiums that helped to establish the tax comparable revenues used in this analysis.³⁹

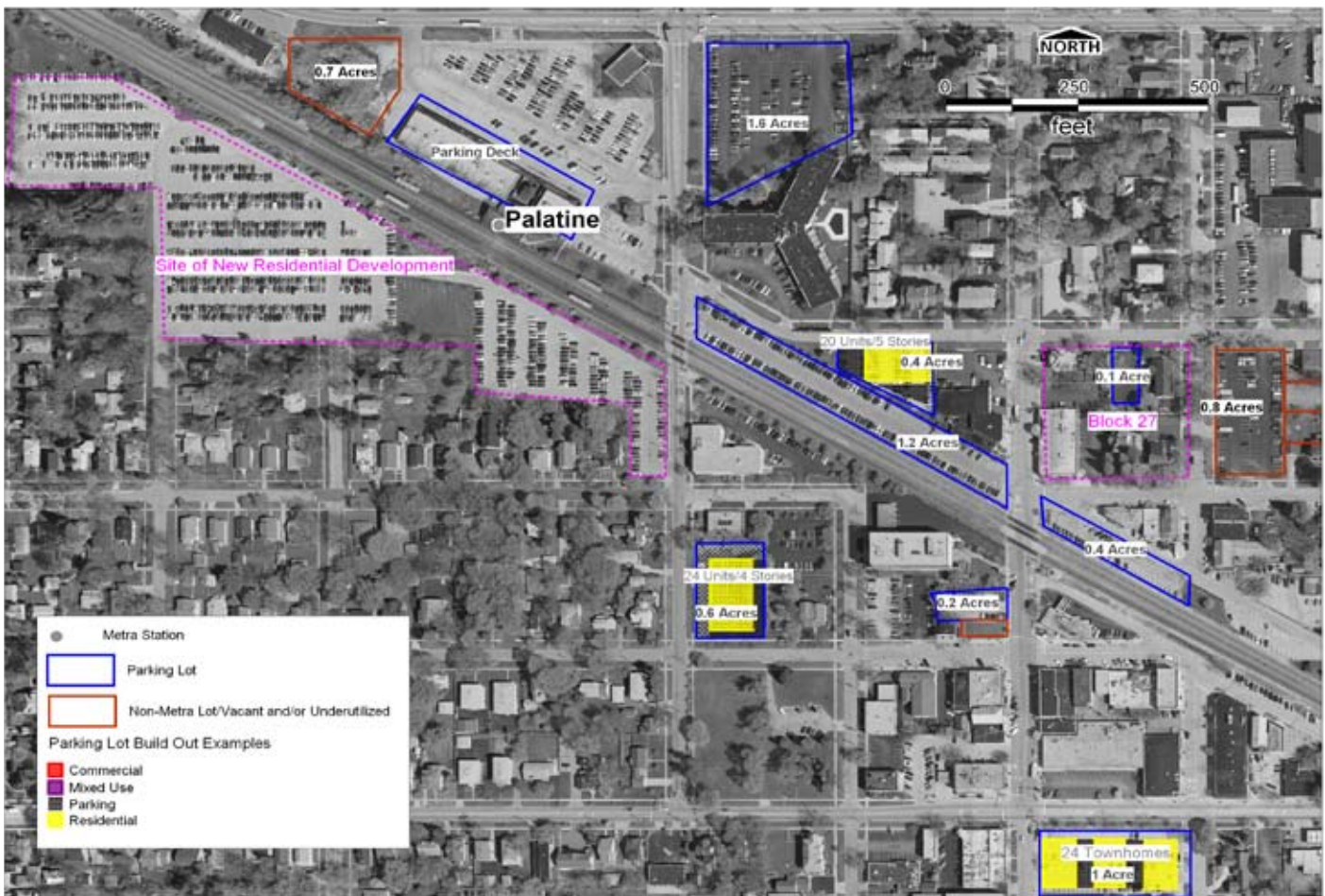
At this same time, the village began work on a comprehensive downtown redevelopment strategy that involved the community through a series of meetings, workshops, and downtown walking tours. From this process, the Village Council adopted the Downtown Land Use Guide in 2000. The guide follows TOD principles in that it encourages a mix of retail and higher-density housing that is still built at a pedestrian scale.⁴⁰ The Village Council uses the guide—which discusses appropriate land uses, building heights and parking options, as well as a new site for the Metra station—as a

basis for approving proposed downtown redevelopment projects.

The guide was updated in 2004 to better reflect the redevelopment activity that had occurred since 2000, such as the recently redeveloped large parking lot outlined in pink and labeled “site of new residential development” on the aerial photo.⁴¹

To further its downtown redevelopment vision, the village is currently reviewing the mixed-use redevelopment of Block 27 (also outlined in pink on the map).

Figure 5. Aerial of Palatine



³⁹ <http://www.friedmanco.com/clients/palatine/palatine.htm>.

⁴⁰ Village of Palatine website (<http://www.palatine.il.us/downtown/index.htm>).

⁴¹ Palatine: On Track for the Future. 2004 Downtown Land Use Guide Update.

PARKING REVENUE & EXPENSE

Taking into account the estimated 235 surface parking lot spaces considered for potential build-out in this study, the estimated annual expense for the commuter parking spaces in Palatine is \$67,000 against annual revenue of approximately \$106,000, yielding a net gain of nearly \$40,000 per year.⁴² Even with this revenue, however, it is also necessary to consider the lost opportunity costs of these parking lots when not put to higher use. It is also important to consider the pricing of parking and how it encourages driving – at \$2 a day, parking is cheaper than a \$3 round-trip Pace bus fare.

If just 2 acres of Metra parking lots were developed as residential and commercial property, Palatine (and other taxing entities, including the school, park and library districts) could gain an additional \$248,099 in annual property tax revenue and 68 more households.⁴³ Table 5 and the aerial photo in Figure 5 illustrate the potential development.

In fact, the 7.4 acre large lot on the map, labeled “site of new residential development”, was recently developed into multi-family housing units. The development is so recent that the aerial still shows the parcel as a parking lot and the tax information is not yet available from the Cook County Treasurer’s website. Nonetheless, this former village parking lot now generates revenue for the village and in addition to this revenue, the new households in the downtown serve as a readymade market for downtown shops and Metra.

Table 5. Palatine, the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	235
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	<i>\$66,740</i>
Number of parking spaces	235
Effective use rate of parking spaces	87%
Daily parking fee per space	\$2
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$106,314</i>
Annual Parking Lot Net Revenue	\$39,574
DEVELOPMENT REVENUE POTENTIAL	
Available acres	2
Residential units/square feet	68 Units/ 123,600 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$301,344</i>
<i>Current taxes collected</i>	<i>13,671</i>
Total Potential Tax Revenue	\$287,673
Potential Net Annual Public Revenues	\$248,099

⁴² For the purposes of estimating the costs of parking, Palatine is assigned a typical annual cost for a suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

⁴³ The .6 acre parking lot listed on the map is privately owned. The taxes paid on that parcel in 2005 are deducted from the parking subsidy listed in the table.

HANOVER PARK, ILLINOIS

District : North/Northwest
Station Type : Auto-Oriented

BACKGROUND

Hanover Park is located along Metra's Milwaukee West Line. The town has a population of 38,278 residents living in 11,105 housing units, as of Census 2000. This represents a gain of 5,383 persons from the 1990 Census. The town was incorporated in the 1950s, the point at which it began to develop; just 4 percent of today's housing units pre-date 1950. The town saw its greatest period of residential development from 1970 to 1980, when 48 percent of today's existing housing units were built. Overall, Hanover Park's housing stock is new relative to other towns in this study.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are 3,469 persons living in 1,203 households for an average of 2.8 dwelling units per acre. According to a 2002 Metra ridership survey, this station has 1,431 daily boardings, of which seven percent of all riders access the train by walking or biking.

The streets around the station are predominantly major arterials with some low-density single-family residential development nearby. For some households, there is easy access to the train station on foot or by bicycle, but for most, getting to the station requires a long walk on major roads or driving. While there are bike racks at the station, they were not in use at the time of our visit, which was in temperate weather suitable for biking. The station and platform area is in good condition and includes restrooms, a coffee shop and an ATM, but the station is seemingly only open during rush hour (it was closed at 1:30 P.M., the time of our visit, though a sign indicated that it would reopen at 3:00 P.M.)

The station is not served by Pace bus. The closest service is Route 602 (Higgins - Salem - Cedarcrest), with a stop of about 1.6 miles away. Not surprisingly, only 1 percent of Metra riders who board here access the station by bus, while 13 percent get dropped off at the station.



Photo Credit: Center for Neighborhood Technology

By far the majority of passengers boarding here, 80 percent, drive to the Metra station and park. Approximately 12 acres of land within one-quarter mile of the station are designated Metra commuter parking lots, and Metra estimates that the parking spaces run at 87 percent capacity.

PARKING REVENUE & EXPENSE

The estimated cost of supporting the 1,302 spaces in Metra lots in Hanover Park is \$370,000 per year against an estimated revenue of almost \$300,000, for a yearly gap of about \$75,000.⁴⁵ While drivers use transit for part of their commute, the use of their auto for the other leg costs the town, especially when the opportunity costs of not utilizing the land for a more valuable use are considered.

If the five Metra lots totaling an estimated 12 acres noted on the map above were developed as residential and commercial uses, Hanover Park and other taxing entities (including the school, park and library districts), could gain an estimated \$570,000 in new annual tax revenue and 189 more housing units – all on land already served by existing infrastructure. When the costs of maintaining the current parking are also considered, the total parking subsidy jumps to \$645,243. Table 6 and the aerial photo in Figure 6 illustrate the potential development.

Such a development may not only provide tax revenue, it may also help to reverse the downward trend in Metra ridership in Hanover Park. From 1990 to 2000, Hanover Park gained 1,657 workers, but of the almost 20,000 workers who commuted in 2000, those taking public transit decreased from 4.2 percent in 1990 to 3.8 percent in 2000. There was, however, a modest increase among those walking or biking to work, from 1.5 percent to 2 percent. The decrease in public transit usage despite the increase in total workers, and the results of our windshield survey – in which we found that many riders who park at the station live in surrounding communities, not necessarily Hanover Park itself – would indicate that the residents of Hanover Park are not fully utilizing the Metra station.

Hanover Park is in an attractive location within the region. It is close to Chicago and other vibrant suburbs, is located along a Metra line and is near multiple job centers. It also has great potential – given the number of available Metra parking acres and the underutilized private or village-owned land, either vacant or being used as large parking lots – for enhancing its identity using its Metra station and for meeting the growing demand for housing near transit.

Table 6. Hanover Park, the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	1,302
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	<i>\$369,768</i>
Number of parking spaces	1,302
Effective use rate of parking spaces	87%
Daily parking fee per space	\$1.00
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$294,512</i>
Annual Parking Lot Net Revenue	-\$75,256
DEVELOPMENT REVENUE POTENTIAL	
Available acres	12
Residential units/square feet	189 Units/408,050 s.f.
Estimated Potential Tax Revenue for Residential Build-Out	\$530,465
Commercial Sq. Feet	28,848 s.f.
Estimated Potential Tax Revenue for Commercial Build-Out	\$39,522
Current Taxes Collected	\$0
Total Potential Tax Revenue	\$569,987
Potential Net Annual Public Revenues	\$645,243

⁴⁵ For the purposes of estimating the costs of parking, Hanover Park is assigned a typical annual cost for a suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

OAK PARK, ILLINOIS

District : West

Station Type : Established TOD



Photo Credit: Metra Rail

houses the Harlem CTA el station and has designated bus parking in front. The platform area is in very good condition and includes restrooms, a coffee shop and handicapped-accessible ramps. There are numerous bike racks at the station and they were well used at the time of our visit.

The station is served by three Pace buses (Route 311-Oak Park Avenue, Route 313-St. Charles Road, Route 318-West North Avenue) and 4 percent of riders arrive by transit, according to the 2002 survey. An additional 12 percent of riders get dropped off.

Approximately 1.8 acres of land are designated Metra commuter parking lots or spaces. These lots accommodate the 27 percent of daily Metra riders who drive to the station and park. Metra estimates the effective use rate of the parking spaces at these lots to be 97 percent.⁴⁶

BACKGROUND

The Oak Park Marion Avenue station is located along Metra's Union Pacific West line. As of the 2000 Census, the village had a population of over 52,000 living in just over 23,000 housing units. The city was incorporated in 1902 and its housing stock reflects that of an established suburb; 73 percent of it was built prior to 1950 and 66 percent prior to 1939. Oak Park is often viewed as a model suburb for its efforts to create a mixed-race community and for its diverse housing stock, which also supports a mix of incomes.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are just over 12,000 residents in over 7,000 units for a net household density of 15.9 dwelling units per acre. According to a 2002 Metra ridership survey, this station has 960 daily boardings, of which 58 percent access the train by walking or biking.

The streets around the station are predominantly a grid pattern with a high density of commercial and residential uses, facilitating easy access by foot or bicycle. The station is an example of a new multi-modal center, as it also

LAND USES NEAR THE STATION

Oak Park is designed around a grid street network and has a strong pedestrian orientation. Its comprehensive plan, along with a number of other studies, has promoted transit connectivity, and the village has encouraged a multi-modal approach toward development.⁴⁷ There are four shared-use Metra lots within walking distance of the station. One of the lots shares its parking with a church, while the others offer residential permit parking in the evening. There is also long-term, metered, on-street, diagonal parking to the north and south of the rail lines that is shared with neighboring residents in the evening.

The two lots south of the station allow commuters to park for up to twelve hours at a cost of \$0.25 per hour. On one of the lots we proposed a build-out, given that it is underutilized relative to neighboring parcels. There are also development opportunities to the north of the station, where two large parking lots serve downtown businesses and commuters. A creative approach could be used here to still maintain some parking while enhancing the downtown by adding residential units and commercial opportunities, as several other large mixed-

⁴⁶This figure does not include a number of long-term on-street parking spaces located just north and south of the Metra line.

⁴⁷Northeastern Illinois Planning Commission. *Building a Regional Framework: Transit-Oriented Development*. January 2001.

use projects currently under construction within one-quarter mile of the Oak Park Metra station are doing.

PARKING REVENUE & EXPENSE

The eighty-eight parking spaces that are considered for mixed-use development in this study have an estimated cost of \$47,000 per year, versus estimated revenue of approximately \$67,000.⁴⁸ This results in a net gain of about \$20,000 per year, which can be attributed to the higher cost per day for a parking space and the high effective-use rate.

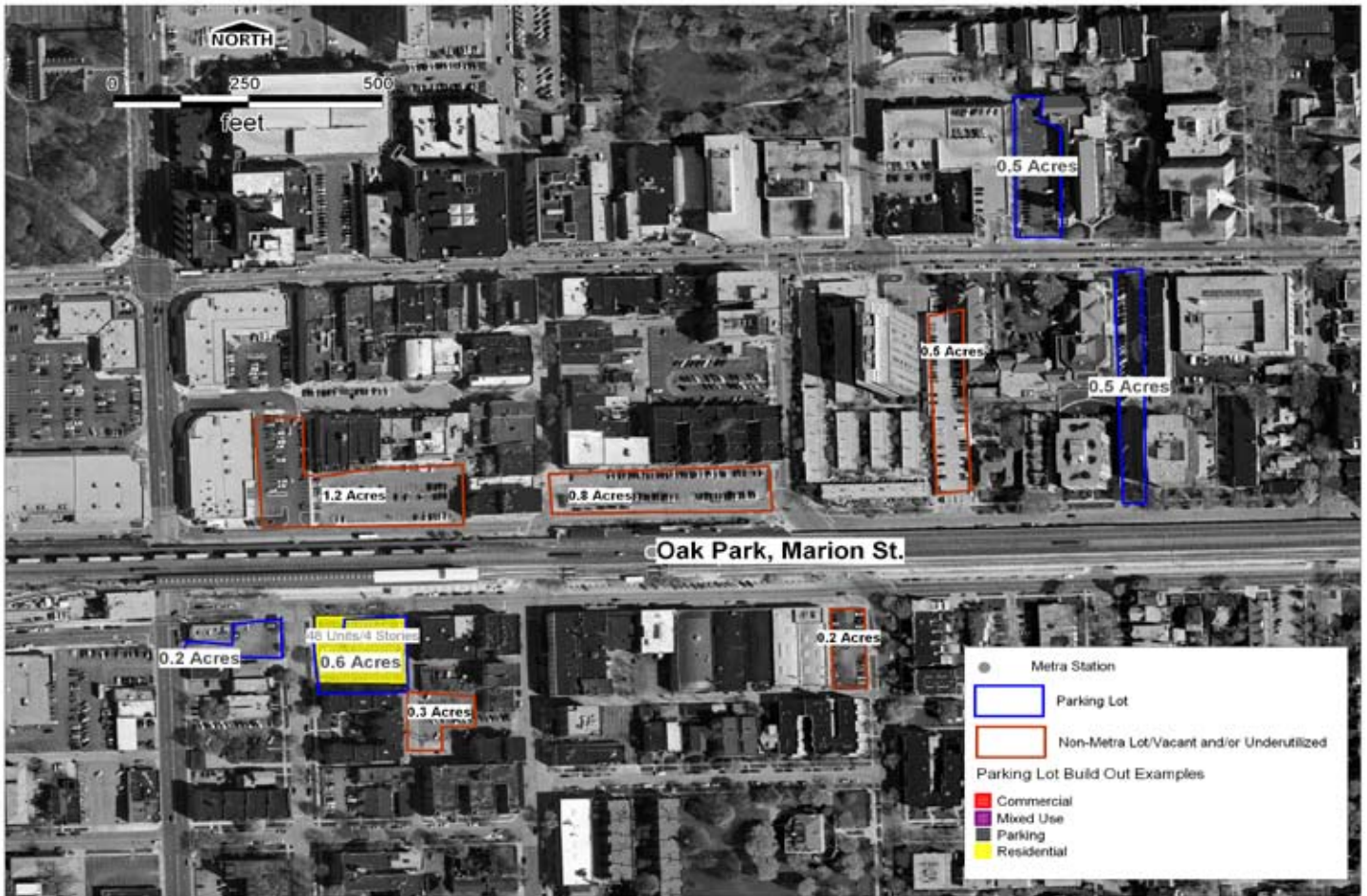
Yet, even in a town as dense as Oak Park, it is worthwhile to also look at the lost opportunity costs for not developing the land at a higher use.

Table 7. Oak Park: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	88
Annual ownership and maintenance cost per parking space	\$535
<i>Estimated Annual Parking Expense</i>	<i>\$47,080</i>
Number of parking spaces	88
Effective use rate of parking spaces	97%
Daily parking fee per space	\$3
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$66,581</i>
<i>Annual Parking Lot Net Revenue</i>	<i>\$19,501</i>
DEVELOPMENT REVENUE POTENTIAL	
Available acres	.6
Residential units/square feet	48 Units/72,000 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$178,560</i>
<i>Current Taxes Collected</i>	<i>\$0</i>
<i>Total Potential Tax Revenue</i>	<i>\$178,560</i>
Potential Net Annual Public Revenues	\$159,059

⁴⁸ For the purposes of estimating the costs of parking, Oak Park is assigned a typical annual cost for an urban surface lot, \$535/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 7. Aerial of Oak Park



VISUALIZING THE OPPORTUNITIES

Of the four Metra lots totaling 1.8 acres, outlined on the map above in blue (Figure 7), we estimated development potential for only the one located on the south side of the station, just east of the intersection of South Boulevard and Harlem Avenue. The lot has approximately .6 acres of land and could be developed into a four-story building with 48 residential units. Such a development would produce an additional \$159,059 in annual tax revenue for the Village of Oak Park and other taxing entities, including the school, park and library districts. Table 7 and the aerial photo illustrate the potential development.

From 1990 to 2000, Oak Park lost 1,124 residents, including 272 residents of working age. Given the amount of development the town has planned near its CTA and Metra stations, however, it has likely regained a portion, if not all, of this population since 2000. The village's TOD planning and development has helped this historic and vibrant town regain population, increase its tax base and continue to support its city services, which many residents in Oak Park and from around the region treasure.

LAGRANGE, ILLINOIS

District : West
Station Type : Emerging TOD

BACKGROUND

The Village of LaGrange is located along the Metra West Line. As of the 2000 Census, the village had a population of 15,608 living in 5,624 housing units, which marked a gain of 246 persons from the 1990 Census. The village's history dates back to 1892 and its housing stock – one-half of which pre-dates 1950 and 83 percent of which pre-dates 1980 – reflects that of a more established suburb. Since 1980 there has been moderate growth in housing units; six percent of today's units were constructed between 1980 and 2000. The village is served by two Metra stations and has an historical district surrounding the Central Business District.



Photo Credit: Center for Neighborhood Technology

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are 5,571 persons in 2,144 households for a net household density of 5.2 dwelling units per acre. According to a 2002 Metra ridership survey, this station has 1,353 daily boardings, of which 41 percent access the train by walking or biking.

The streets around the station are in a grid pattern, thereby facilitating easy access by foot or on bicycle. The station and platform area are in good condition and include restrooms. Bike racks were available and well utilized on our site visit. The streets along the station also include shops and restaurants within walking distance of the station.

The station is served by three Pace buses (Route 330-Mannheim/LaGrange Roads, Route 304-Cicero/LaGrange, Route 302-Ogden/Stanley) and 2 percent of riders utilize these routes to access the station, according to the 2002 survey. An additional 18 percent of riders get dropped off at the station.

Approximately 4.1 acres of land within a half mile of the LaGrange station are designated Metra commuter parking lots, including part of the parking that is associated with the Stone Avenue Metra station just .3 miles down the line. This parking includes some small lots, but most take advantage of the right-of-way to the north and south of the tracks. The lot and on-street parking spaces

accommodate the 38 percent of daily Metra riders who arrive at the station by car and park. Metra estimates the effective-use rate of the parking spaces at these lots to be 100 percent although their observed survey cites 87 percent and our field observation estimated 90 percent.

There are three different levels of payment for parking at both of the Metra stations in LaGrange. There are 10-hour meters that cost \$2 to fill, but these meters are usually taken by 7:00 A.M. In addition to the meters, there is also a \$20 and \$40 monthly pass available, depending on how closeness to either of the LaGrange stations.

LAND USES NEAR THE STATION

The land use around the Metra station is rapidly changing. Taking advantage of its grid street network, recent developments have included a Trader Joe's grocery store, a Borders Books and large condominium developments. LaGrange's Comprehensive Plan recognizes and has encouraged these higher uses near the Metra station, specifically calling for higher-density housing and mixed-use transit supportive developments within the BNSF Railroad Corridor. A number of beautification projects are also supported by the village in the corridor, including streetscaping and building façade improvements, to help create a more pedestrian-oriented environment and encourage walking and biking.

The plan also recognizes the importance of parking and the need to maintain adequate parking facilities to serve land uses throughout the village, including support for Metra commuters. The plan recommends, however, the consideration of creative solutions for providing increased public commuter parking along the BNSF Corridor, to balance Metra’s projected commuter parking needs with the potential community benefits of developing these parking lots. One solution being pursued is the reconfiguration of off-street parking lots and shared parking agreements to take advantage of the different parking needs of community residents.⁴⁹

Current parking requirements for new developments in part recognize these plans; multi-family units only require 1.5 spaces per unit. As LaGrange continues to develop its core area around the Metra station, however, the village may find that these requirements are too limiting, or that as amenities in the area increase, it may be practical to require only one car per unit for certain types of units or locations.

PARKING REVENUE & EXPENSE

The estimated 230 spaces in Metra lots considered for a potential build-out in LaGrange cost an estimated \$65,000 per year.⁵⁰ To estimate annual revenue, given the varied costs for the different parking spaces, we used an average daily fee of \$1.50 per space, which results in approximately \$90,000 a year in revenue. There is a net gain of about \$24,000 per year; however, it is also necessary to look at the lost opportunity costs of these surface parking lots to fully evaluate their expenses versus revenue. Only 230 spaces are considered in this analysis because some other spaces are on parcels too small to develop, including on-street spaces, located along the rail right-of-way, which is a good example of on street parking, considering it would be difficult to use it for another use.

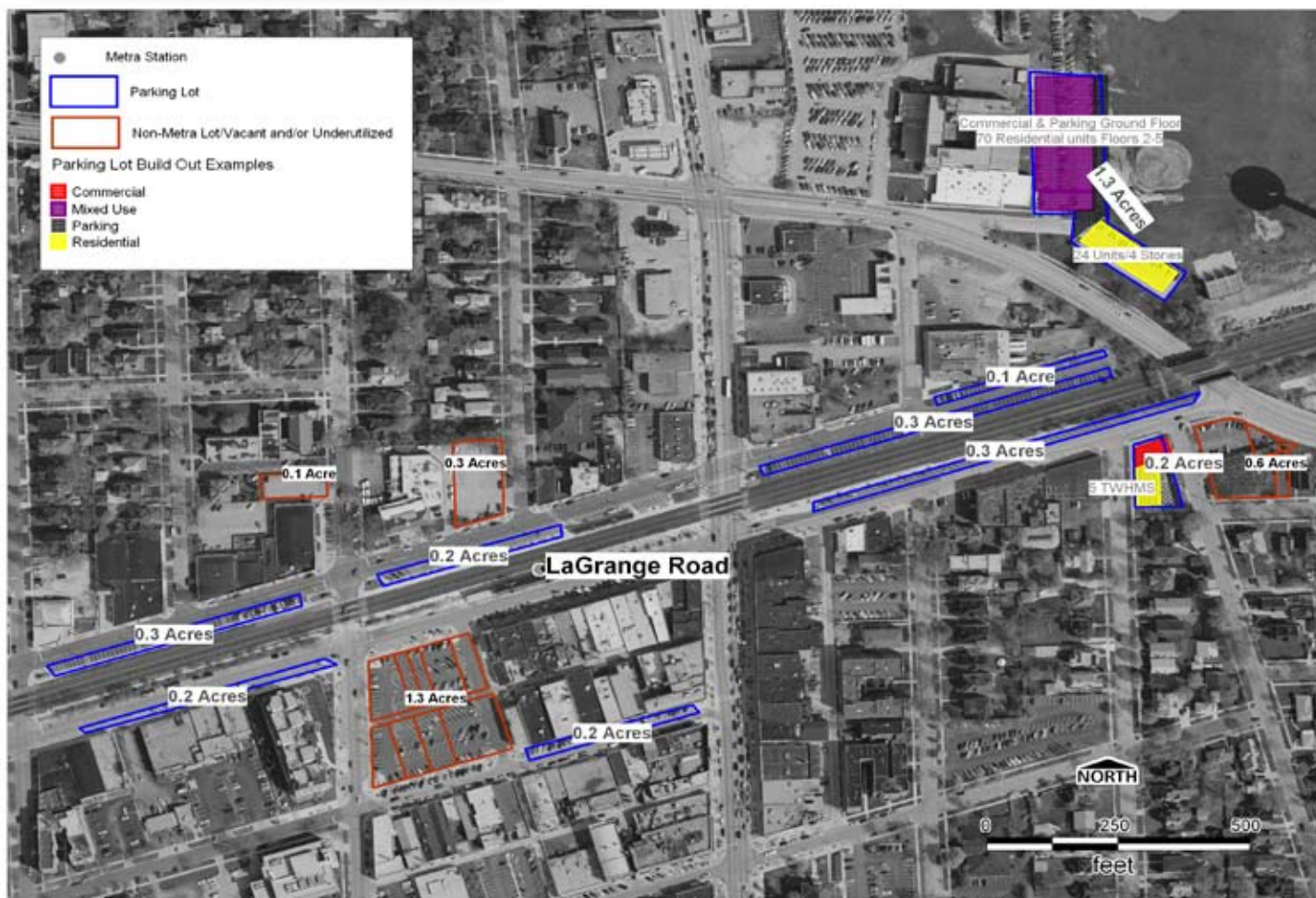
Table 8. LaGrange: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	230
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	\$65,320
Number of parking spaces	230
Effective use rate of parking spaces	100%
Daily parking fee per space	\$1.50
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	\$89,700
Annual Parking Lot Net Revenue	\$24,380
DEVELOPMENT REVENUE POTENTIAL	
Available acres	1.5
Residential units/square feet	99 Units/129,025 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	\$345,787
Commercial Sq. Feet	5,100 s.f.
<i>Estimated Potential Tax Revenue for Commercial Build-Out</i>	\$17,430
<i>Current Taxes Collected</i>	\$0
Total Potential Tax Revenue	\$363,217
Potential Net Annual Public Revenues	\$338,837

⁴⁹ LaGrange Comprehensive Plan. Released May 9, 2005.

⁵⁰ For the purposes of estimating the costs of parking, LaGrange is assigned a typical annual cost for an suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 8. Aerial of LaGrange



VISUALIZING THE OPPORTUNITIES

Most of the 4.6 acres of parking within a half mile of the LaGrange station takes advantage of the rail right-of-way, so we targeted for potential development just the three surface lots to the east of the station, which total 1.5 acres. On the two lots north of the tracks we propose a mixed-use development of up to five stories on each lot. On the lot south of the tracks, we propose townhomes and some commercial space, given the lot's proximity to the commercial district on the north and single-family homes to the south. From these developments LaGrange and other taxing entities, including the school, park and library districts, could gain an estimated \$339,000 in annual tax revenue, 99 housing units, and 5,100 commercial square feet—all on just 1.5 acres of land that is already served by existing infrastructure and transit. Table 8 and the aerial photo in Figure 8 illustrate the potential development. From 1990 to 2000, LaGrange saw gains in both total population and working population.

This was reflected in the one percentage point rise in workers using transit to get to work, from 17 percent to 18 percent. The percentage of workers that biked or walked to work, however, declined from 5 percent to 3 percent, while the percentage that drove dropped from 79 percent to 78 percent.

The proposed development scenarios for LaGrange are conservative in both size and potential revenue. Through its TOD plan, LaGrange has seen a considerable amount of new development near its station, including a multi-story building with 268 units on Beacon Road. Continued development of this sort, potentially on the remaining larger Metra lots, would add more households near both the transit station and LaGrange's downtown shopping district. It could also help support a parking structure to accommodate these additional households, as well as commuters and shoppers.

FRANKLIN PARK, ILLINOIS

District : West
Station Type : Auto-Oriented



Photo Credit: Metra Rail

area does not include any commercial services for commuters, but the station itself is in good condition and inviting.

The station is served by two Pace buses (Route 319 - Grand Avenue and Route 325 - 25th Avenue) and 2 percent of riders take advantage of this service and arrive by transit. An additional 10 percent get dropped off at the station, according to the 2002 survey.

Approximately 3.7 acres of land within one-quarter mile of the station are designated Metra commuter parking lots. These lots accommodate the 66 percent of daily Metra riders who drive to the station and park. Metra estimates the effective-use rate of the parking spaces in these lots is 86 percent.

BACKGROUND

Franklin Park is located along Metra's Milwaukee West Line. As of Census 2000, the town had a population of 19,434 residents living in 6,484 housing units, marking a gain of 949 persons from the 1990 Census. The city was incorporated in 1892 and saw its greatest period of residential development from 1950 to 1959, when 43 percent of today's existing housing units were built. A significant number of units, 27 percent, pre-date 1950, while 11 percent have been constructed since 1970.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are 1,821 households and 5,087 persons for a net household density of 5 dwelling units per acre. According to a 2002 Metra ridership survey, this station had an average of 506 daily boardings—20 percent of which accessed the train by walking or biking.

While the streets around the station are in a grid pattern, helping to facilitate easy access to the train station on foot or by bicycle, and there is lighting and sidewalks to and from the station area, it is not especially inviting to pedestrians. Though there are bike racks at the station, they were not in use at the time of our visit. The station

LAND USES NEAR THE STATION

Franklin Park has several large parking lots around the Metra station that prohibit the creation of a pedestrian-friendly environment—yet hold enormous potential for the community to create a unique identity centered on its Metra station and the greater downtown. Other land uses downtown include industrial, commercial and multi-family and single-family residential.

Franklin Park has a comprehensive plan that recognizes the potential for TOD. In January of 2006, the village released a comprehensive TOD study for the area around the Metra station. The study proposes using the Metra station as the focal point for surrounding residential neighborhoods, incorporating mixed-use retail, green space and higher densities. For example, the study considers the development of a 4-story condo building with 36 residential units and 40 underground parking spaces.⁵¹ This proposal seems feasible given the parking survey results, which indicate that on-street parking is underutilized, at only 60 percent capacity at even peak times. This underutilization could help absorb some of the loss of parking spaces that might result from the lots being developed, as could taking better advantage of parking along the rail right-of-way.

⁵¹ Village of Franklin Park: Transit Oriented Development Study. January 6, 2006.

PARKING REVENUE & EXPENSE

Taking into account the 190 spaces considered for a potential build-out in this study, the Metra lots in Franklin Park have an estimated annual expense of \$54,000 against estimated revenue of \$43,000, yielding a net loss of about \$11,000.⁵² In addition to this direct loss, it is also necessary to consider the lost opportunity costs of not using the surface parking lots for higher use. When these opportunity costs are considered, drivers using transit for part of their commute costs the town a considerable amount of revenue.

VISUALIZING THE OPPORTUNITIES

If the four Metra lots, noted on the map, which total 3.5 acres were developed as mixed-use sites, with multi-family units above ground-floor parking and commercial space, Franklin Park and other taxing entities, including the school, park and library districts could gain an additional \$490,769 in annual property tax revenue and 155 housing units—this on just three acres of land that is already served by existing infrastructure. Table 9 and the aerial photo in Figure 9 illustrate the potential development.

From 1990 to 2000, Franklin Park lost 837 workers. Of the remaining 8,453 workers, those taking public transit increased from 4 percent to 5 percent, while those driving also increased—from 89 percent to 91 percent. Those biking and walking dropped from 5 percent to 4 percent, while workers commuting by other means fell from 2 percent to 0 percent.

Table 9. Franklin Park: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	190
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	<i>\$53,960</i>
<hr/>	
Number of parking spaces	190
Effective use rate of parking spaces	86%
Daily parking fee per space	\$1
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$42,484</i>
Annual Parking Lot Net Revenue	-\$11,476
DEVELOPMENT REVENUE POTENTIAL	
Available acres	3.5
Residential units/square feet	40 Units/72,000 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$144,000</i>
<hr/>	
Mixed Use	
Residential	115 Units/142,500 s.f.
Commercial/Office Sq. Feet	43,774 s.f.
<i>Estimated Potential Tax Revenue for Mixed Use Build-Out</i>	<i>\$335,293</i>
<i>Current Taxes Collected</i>	<i>\$0</i>
Total Potential Tax Revenue	\$479,293
Potential Net Annual Public Revenues	\$490,769

⁵² For the purposes of estimating the costs of parking, Franklin Park is assigned a typical annual cost for an suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 9. Aerial of Franklin Park



This loss of workers and increased use of the auto for work can be addressed by building more housing near the downtown Metra station. As the infrastructure and building stock of the inner suburbs continue to age, it is important they maintain a mix of ages and a substantial working population. Franklin Park’s working population, 43 percent, is slightly below the national average of 45 percent.

Franklin Park also holds the potential to develop affordable housing for working families that wish to live near transit or a central downtown. Among the top 25 percent of home sales in Franklin Park, the average selling price was \$241,428 for a detached home and \$169,167 for an attached one. The detached homes stayed on the

market for an average of 48 days, while the attached ones were on the market for an average of 70 days. The top quartile prices were examined in Franklin Park’s TOD Study to better assess the market potential for new home sales in the TOD market.⁵³ These homes would open the possibilities for younger singles and families to own housing with access to transit and local amenities.

⁵³ Village of Franklin Park Transit Oriented Development Study. Released January 6, 2006. Page 29 of the report.

HOMewood, ILLINOIS

District : South/Southwest
Station Type : Established TOD

BACKGROUND

The Village of Homewood is located along Metra's Electric Line. Homewood also has a unique advantage of hosting a stop on Amtrak's City of New Orleans route that starts in Chicago and terminates in New Orleans. As of Census 2000, the village had a population of just over 19,000 residents living in over 7,500 housing units, marking a loss of 265 persons from the 1990 Census. The city was incorporated in 1893, but most of the existing housing stock is from the post-war period. About 20 percent of today's units were built each decade between 1950 and 1980, while 12 percent of today's units were constructed between 1980 and 2000.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station there are over 2,400 persons in just over 1,000 households for a net household density of 3.9 dwelling units per acre. According to a 2002 Metra ridership survey, this station has an average of 1,466 daily boardings, of which 18 percent access the train by walking or biking.

The streets around the station are predominantly a grid pattern, facilitating easy access by foot or on bicycle. The station and platform area are in good condition and include restrooms, but the station is only open from 2 P.M. to 9:30 P.M. While there are bike racks at the station, they were not in use at the time of our visit.

The station is served by four Pace buses (Route 359 - Robbins/South Kedzie Avenue, Route 451 - Southeast Homewood, Route 452 - Northeast Homewood, Route 352 - Halsted) and 6 percent of riders use transit to access the train, according to the 2002 survey. An additional 24 percent of the riders get dropped off.

Approximately 4.4 acres of land within one-quarter mile of the station are designated Metra commuter parking lots. These lots accommodate 52 percent of daily Metra riders who drive to the station and park. Metra estimates the effective-use rate of the parking spaces at these lots to be 100 percent.



Photo Credit: Center for Neighborhood Technology

LAND USES NEAR THE STATION

Homewood is laid out on a grid street network and is served by Metra, Amtrak and Pace bus. Although the village has experienced a certain degree of disinvestment, it has created a downtown master plan to build on the assets in its existing downtown and maintain and improve its connection to the Metra station by incorporating TOD principles. The plan acknowledges that the core downtown blocks have a charming "main street feel" with a good mix of retail, and this was affirmed during our site visit.

The downtown serves as a meeting place and center for civic services, including Village Hall, fire and police stations, Irwin Park and the library. There were roughly 600 households living in the downtown core blocks as of Census 2000. Homewood already makes good use of on-street parking, both along the Metra line and in the downtown. The village's parking requirements, relative to other municipalities in the vicinity, is low, at 2 spaces per single-family unit and 1.5 spaces per multi-family unit. The downtown plan, however, recognizes that current zoning in the downtown may be too restrictive and offers a series of recommendations, such as increasing density, to address this.⁵⁴

⁵⁴ Village of Homewood Downtown Master Plan. Released March 2005.

PARKING EXPENSE & REVENUE

Taking into account the 215 Metra spaces considered for a potential build-out in Homewood, the estimated cost of maintaining the parking is \$61,000 per year against annual revenue of \$111,800 for a net gain of over \$50,000.⁵⁵ But even aside from this yearly profit, it is also necessary to consider the lost opportunity costs of not using the surface parking lots for a higher use. When this is considered, drivers using transit for part of their commute—who then need parking—cost the town a considerable amount of lost revenue. A windshield survey of stickers on autos in the parking lot indicate that many drivers who board in Homewood are not from there, but from other towns, including Flossmoor, Glenwood, Country Club Hills and Lansing.

VISUALIZING THE OPPORTUNITIES

Similar to the emerging and established TODs in the other areas, Homewood has taken advantage of the right-of-way along the rail line and converted some of the spaces to parking. Since these rights-of-way lots are slightly larger than those in the other examples, however, it is possible to configure them for redevelopment, and therefore one of the lots is considered in our build-out scenario.

Of the four Metra lots totaling 4.4 acres, noted on the map, we estimate development potential for two of them. Potential development could include townhomes and a multi-family building. From this development Homewood and other taxing entities (including the school, park and library districts) could gain over \$325,111 in annual tax revenue and 112 more housing units—all on just 2.2 acres of land that is already served by existing infrastructure. Table 10 and the aerial photo in Figure 10 illustrate the potential development.

Table 10. Homewood: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	215
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	\$61,060
Number of parking spaces	215
Effective use rate of parking spaces	100%
Daily parking fee per space	\$2
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	\$111,800
Annual Parking Lot Net Revenue	\$50,740
DEVELOPMENT REVENUE POTENTIAL	
Available acres	2.2
Residential units/square feet	112 Units/175,200
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	\$382,296
<i>Current Taxes Collected</i>	\$6,445
Total Potential Tax Revenue	\$375,851
Potential Net Annual Public Revenues	\$325,111

⁵⁵ For the purposes of estimating the costs of parking, Homewood is assigned a typical annual cost for an suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 10. Aerial of Homewood



From 1990 to 2000, Homewood lost both some of its total population and its working population. Of the over 9,000 workers who commuted in 2000, the percent taking public transit decreased from 20 percent to 17 percent, while those walking or biking dropped from 2 percent to 1 percent, and those commuting by auto increased from 81 percent to 82 percent.

Homewood has an historic and attractive downtown that could be a desirable place for transit-oriented development, allowing the village to attract more residents of a working age, and retain retired residents who want to remain in Homewood but no longer want to maintain a single-family home, though they do want convenient access to transit and other local services.

BLUE ISLAND, ILLINOIS

District : South/Southwest
Station Type : Emerging TOD



Photo Credit: Center for Neighborhood Technology

grid street pattern, facilitating easy access to the train station on foot or bicycle, some lack sidewalks and adequate pedestrian crossing signals. The station also has a few bike racks that were in use, and more bikes were chained to fences and poles on the day of our visit. The station appears to need more and improved bicycle parking. The station area does not include any commercial services for commuters, but each line has a station and cover on the platform for commuters.

The station and local downtown is served primarily by four Pace buses (Route 359-Robbins/South Kedzie Avenue, Route 397-Blue Island/Moraine Valley College/UPS, Route 349-South Western, Route 385-87th/111th/127th). Yet, despite this level of connecting bus service, Metra cites zero riders taking transit to start their commute, according to the 2002 survey.

BACKGROUND

Blue Island is located on two Metra lines, the Rock Island Line and the Metra Electric Line. As of the Census 2000, the town had a population of over 23,000 residents living in more than 8,000 housing units. The city was incorporated in 1835 and saw its greatest period of residential development before 1950; 43 percent of existing housing units were built before 1950, and an additional 47 percent were constructed from 1950 to 1980. In the last two decades, fewer units have been constructed, about nine percent of today's total. Although the town is land locked, the population grew from 1990 to 2000 by 11 percent. The town has a long history of being an industrial center and is taking steps to fully realize its potential growth in industrial jobs and TOD.

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the station, there are over 6,000 residents living in over 2,000 households for a net household density of 5.1 dwelling units per acre. In a 2002 Metra ridership survey, the two Blue Island stations at Vermont Street had almost 1,200 daily boardings combined, 14 percent of whom accessed the train by walking or biking.

While some neighborhoods around the station are on a

For those riders arriving by car, 5 percent are dropped off while 64 percent park among the 8.2 acres of Metra commuter parking lots that exist within one-quarter mile of the station. The station area has definite excess parking capacity, as the effective use rate of parking spaces among these lots is 67 percent.

LAND USES NEAR THE STATION

Blue Island's grid street pattern breaks down around the Metra station, partly because the rail line crosses the existing street network at an angle, but also due to the large surface parking lots. Like most industrial cities, Blue Island has experienced a certain level of disinvestment over the last several decades as industry and businesses have fled to more distant suburbs. Recognizing this, Blue Island created an economic development plan and is in the process of revising its zoning code to encourage higher densities and mixed-use developments consistent with TOD principles. For example, within a one-quarter mile of the Vermont Street Metra station, approximately 400 condominiums and townhomes and 37,000 square feet of commercial space have been planned, along with a nature trail and bike path that would connect with the Metra station. These plans all incorporate the Metra station into their design and place a strong emphasis on pedestrian amenities, such as wide sidewalks, street

lighting and street trees. This plan is unique in that it has been developed in tandem with another plan to bolster the industrial base just north of the Metra station.⁵⁷

PARKING EXPENSE & REVENUE

Using this figure and taking into account the 795 Metra spaces considered for a potential build-out in Blue Island, the estimated annual expense for the commuter parking spaces is about \$226,000 against estimated annual revenue of \$173,000 for a net loss of about \$53,000.⁵⁸

While drivers who take advantage of parking at the station use transit for part of their commute, the use of their auto on the other leg costs the town, both directly in terms of expenses, and indirectly since the large parking lots generate no additional revenue for the city and impede the pedestrian environment. A windshield survey indicated that many of the stations boarders were not from Blue Island, an important finding considering the town residents are not the ones benefiting from the large parking lots. Moreover, the parking subsidy is even higher when the lost opportunity costs for potential tax revenue are considered on the surface parking lots.

VISUALIZING THE OPPORTUNITIES

If just the Metra lots—which total 7.9 acres, noted on the map above—were developed as mixed-use sites, including structured parking, commercial space, and a mix of townhomes and multi-family housing, Blue Island and other taxing entities (including the school, park and library districts) could gain an estimated \$586,321 in annual tax revenue and 156 more housing units, considering the cost of parking and the potential tax revenue for the build-out scenario. Blue Island’s plan for economic development, which incorporates more land in this area than the actual Metra lots, estimates \$1,215,000 in additional property tax revenue and 275 more residential units. Table 11 and the aerial photo in Figure 11 illustrate the potential development.

Table 11. Blue Island: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	795
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	<i>\$225,780</i>
Number of parking spaces	795
Effective use rate of parking spaces	67%
Daily parking fee per space	\$1.25
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$173,111</i>
Annual Parking Lot Net Revenue	-\$52,669
DEVELOPMENT REVENUE POTENTIAL	
Available acres	7.9
Residential units/square feet	156 Units/248,600 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$502,060</i>
Commercial Sq. Feet	23,576 s.f.
<i>Estimated Potential Tax Revenue for Commercial Build-Out</i>	<i>\$16,668</i>
<i>Current Taxes Collected</i>	<i>\$0</i>
Total Potential Tax Revenue	\$533,652
Potential Net Annual Public Revenues	\$586,321

⁵⁷ Blue Island Economic Development Plan. www.cnt.org/smart-communities

⁵⁸ For the purposes of estimating the costs of parking, Blue Island is assigned a typical annual cost for an suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 11. Aerial of Blue Island



Blue Island has gained residents in the last decade and is seeing new development throughout the town. Given its location in the region—bordering Chicago and home to two Metra lines and several Pace bus routes—it could have a higher portion of workers biking, walking or taking transit to work. From 1990 to 2000, the city saw a slight gain in the number of workers, just over 200, the overall portion of which continued to commute by transit at the same rate—13 percent—while the percent of workers walking and biking dropped a percentage point, from 6 percent to 5 percent. The proposed development could increase the number of residents using the Metra station by increasing the number of residents who live within walking distance, and by facilitating greater access to the station through a commuter shuttle, which is also proposed in the plan. Residents have also expressed interest in a trolley that would circulate from the station to the hospital and down Main Street, which might encourage more visitors and residents to use

Metra if they knew there was a frequent way to connect between the station and the downtown area by way of a trolley, which would shuttle them from the station to the downtown area—up a hill and about four blocks away.

TINLEY PARK, ILLINOIS

District : South/Southwest
Station Type : Auto-Oriented

BACKGROUND

Tinley Park is served by two Metra stations, though this study only analyzes the 80th Avenue station. This station is located along Metra's Rock Island Main Line. As of Census 2000, Tinley Park had a population of just over 48,000 residents living in almost 14,500 housing units, an increase of 30 percent since the 1990 Census. The Rock Island and Pacific railroad arrived in Tinley Park in 1852 and the village was incorporated forty years later, in 1892.⁵⁹ While the village is over 150 years old, roughly 80 percent of its housing has been developed since 1970, and the area around the 80th Avenue station has an even higher rate of new development than the rest of the village.



Photo Credit: Metra Rail

ACCESS TO AND USE OF THE STATION

Within a one-half mile radius of the 80th Avenue station, there are 1,700 residents living in over 450 households for a net household density of 1.5 dwelling units per acre. In a 2002 Metra ridership survey, this station had almost 2,300 daily boardings, of which 5 percent accessed the train by walking or biking.

The streets around the station are predominantly large arterials with a handful of sub-divisions, accessible through single-entry roads, which does not facilitate easy access by foot or bicycle for most nearby households. While there are bicycle racks at the station, they were not in use at the time of our visit. The station itself is in fair condition, with limited amenities for commuters; trash receptacles, newspaper stands, benches and sidewalks.

A Pace bus does not serve the station. Accordingly, the 2002 Metra survey indicates that no one arrives to the station by transit. While 8 percent of passengers get dropped off, the majority of riders drive to the station and park. Approximately 19 acres of land within one-quarter mile of the station are designated Metra commuter parking lots and these accommodate the 86 percent of the daily Metra riders who drive to the station and park. It should be noted that these 19 acres of parking do not include newly developed parking spaces. Metra

estimates the effective-use rate of the parking spaces at these lots is 88 percent.

LAND USES NEAR THE STATION

Tinley Park's other Metra station is downtown, and there are plans to make that station more of a town center. Zoning changes there have allowed for some higher densities and mixed uses, such as a planned development that has 100 units of condominiums, a movie theatre and retail and commercial space. There is little connectivity, however, between the downtown station and the 80th Avenue station and as a result, the 80th Avenue station is rapidly developing as an auto-oriented residential area. There are few indications that the station is being used to foster TOD in any way, and the station itself is physically isolated from the surrounding community.⁶⁰ Given the rapid growth that is occurring in the area, it was necessary for our researchers to acquire a more recent aerial photo to better reflect the developments that have recently occurred. Tinley Park is in the process of developing a comprehensive plan, and to the extent this plan incorporates the 80th Avenue station, the plan will determine its course, whether it will continue along its current path toward auto-dominance or become an example of TOD.

⁵⁹ Online Encyclopedia of Chicago. www.encyclopedia.chicagohistory.org/pages/1255.html

⁶⁰ Building a Regional Framework: Transit-Oriented Development. NIPC. January 2001.

PARKING EXPENSE & REVENUE

There are 2,158 designated Metra parking spaces at this station. Only 1,733 Metra parking spaces are considered for a potential build-out in this study. These 1,733 parking spaces cost an estimated \$492,000 per year against annual revenue of \$397,000 for a net loss of about \$96,000 a year.⁶¹ When the opportunity costs of using the land as parking is taken into account, however, the costs rise even further.

VISUALIZING THE OPPORTUNITIES

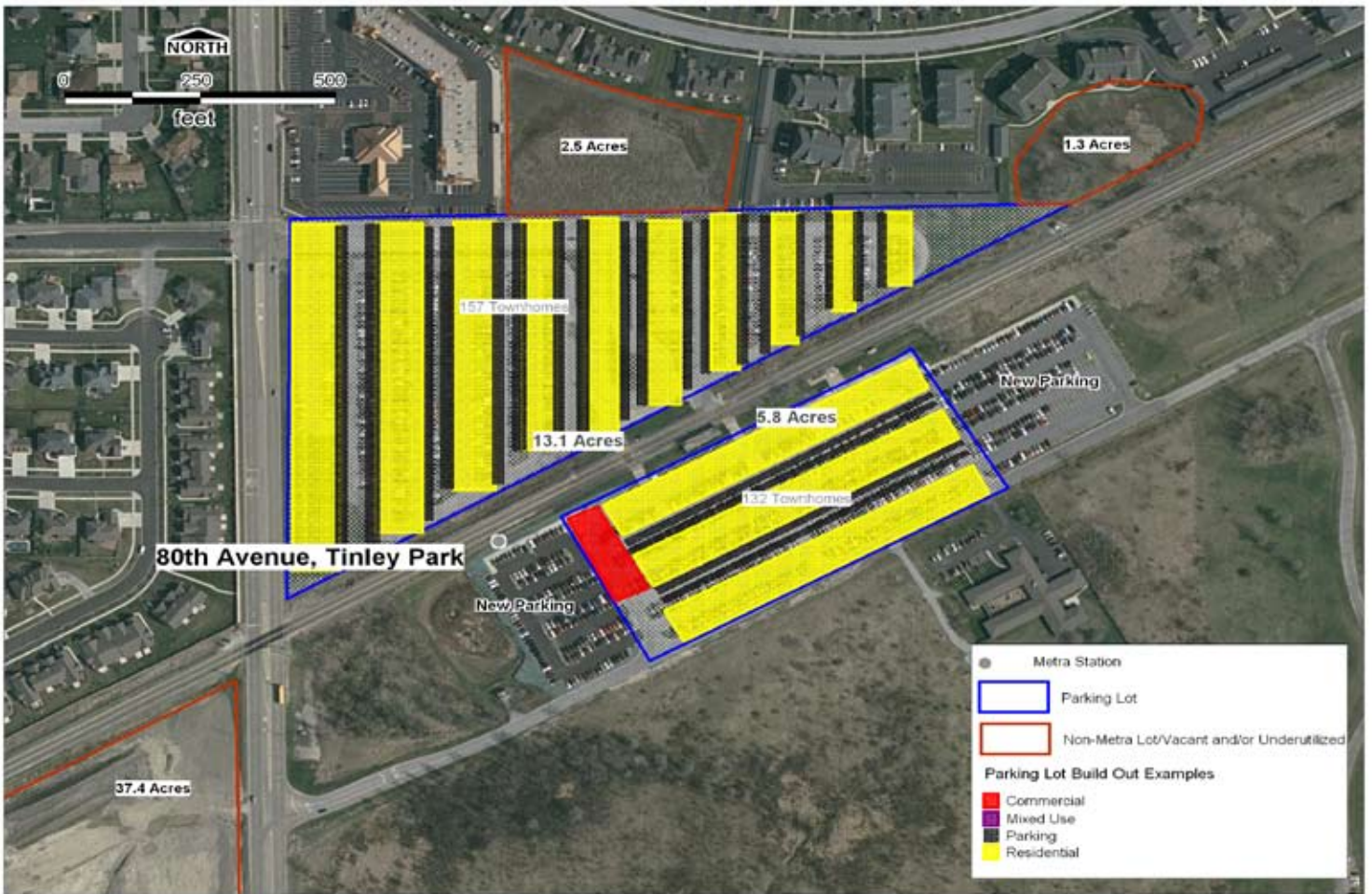
The two Metra lots, noted on the aerial photo, which total nearly 19 acres, have the potential to be developed into a major planned development with townhomes, multi-family buildings and a range of commercial uses. Such a plan, however, is beyond the scope of this project, and therefore our potential scenario erred on the conservative side to more closely match the existing single-family, low-density development in the area. The proposed development includes a low-rise structure of 289 townhomes and 15,000 square feet of commercial space, resulting in a net residential density on these lots of 15 units per acre. From this development, Tinley Park and other taxing entities (including the school, park and library districts) could gain an estimated \$624,000 in annual tax revenue, when considering the cost of parking and the potential tax revenue from the proposed build-out scenario. Table 12 and the aerial photo in Figure 12 illustrate the potential development.

Table 12. Tinley Park: the Opportunity Costs of Parking

PARKING REVENUE VERSUS EXPENSE	
Number of parking spaces	1,733
Annual ownership and maintenance cost per parking space	\$284
<i>Estimated Annual Parking Expense</i>	<i>\$492,172</i>
Total Estimated Annual Parking Lot Revenue	
Number of parking spaces	1,733
Effective use rate of parking spaces	88%
Daily parking fee per space	\$1
Annual work days per year	260
<i>Estimated Annual Parking Revenue</i>	<i>\$396,510</i>
Annual Parking Lot Net Revenue	-\$95,662
DEVELOPMENT REVENUE POTENTIAL	
Available acres	18.9
Residential units/square feet	289 Units/722,500 s.f.
<i>Estimated Potential Tax Revenue for Residential Build-Out</i>	<i>\$512,975</i>
Commercial Sq. Feet	15,000 s.f.
<i>Estimated Potential Tax Revenue for Commercial Build-Out</i>	<i>\$15,450</i>
<i>Current Taxes Collected</i>	<i>\$0</i>
Total Potential Tax Revenue	\$528,425
Potential Net Annual Public Revenues	\$624,087

⁶¹ For the purposes of estimating the costs of parking, Tinley Park is assigned a typical annual cost for an suburban surface lot, \$284/spot. VTPI, *Parking Pricing: Direct Charges for Using Parking Facilities*, TDM Encyclopedia. Table 2: Typical Parking Facility Costs.

Figure 12. Aerial of Tinley Park



From 1990 to 2000, Tinley Park saw substantial gains in residents overall and in workers, about 10 percent of whom use transit, the same percentage as the previous decade. With two Metra stops, however, Tinley Park has the potential to more fully incorporate the Metra stations into its community to create a unique identity and town center. Whether the village can achieve this, depends in part on the results of its current comprehensive planning process.

The analysis in this study suggests there is tremendous opportunity throughout the Chicago region for TOD. A set of TOD policies, funding and planning tools, and partnerships and collaboration that would take the vision to fruition, could yield multiple benefits to individual households and the region.

These benefits include congestion relief and economic competitiveness for local governments and counties by increasing revenues and attracting new residents, and for households by offering more housing choices, livable communities, and a reduction in the cost of living. Development projections for just the Metra parking lots in nine suburban Cook County communities estimated an additional 1,188 households living within walking distance of transit, over 167,000 square feet of commercial space, and 4 million dollars in potential net property tax revenue, plus additional sales, utility, and other tax and fee revenue. Imagine the potential revenue and housing opportunities that exist along the entire 495-mile Metra system. While Chicago is not alone in the list of regions with opportunities to capture the expanding TOD market and its corresponding benefits—there are 2948 other station areas in the country in 31 other regions—Chicago is in the advantageous position of having a significantly greater number of opportunities than all other regions except New York.

As land becomes more valuable, congestion worsens, and municipal and county finances remain tight, the pressure to develop large surface parking lots in suburban downtowns and at Metra stations will increase. The region will be best served if communities, the state, and regional agencies, including Metra, work together to convert this already assembled land near transit to more productive use. By working together, the needs of Metra rail users, the constraints of the transit provider, those living and doing business in the community, and those in need of housing near transit, will be equally considered. These groups should consider the following recommendations.

Establish a Joint Development Authority. Many transit agencies have been successful in developing a Joint Development Authority to create public and private partnerships to develop land owned by transit authorities

in concert with smart growth or TOD principles. WMATA in Washington D.C., DART in Dallas, MARTA in Atlanta and BART and MTC in the Bay Area all have an established Joint Development Authority.

WMATA, for example, recognizes the benefits of TOD at its stations and it gives priority to joint development proposals that promote TOD and smart growth principles. These benefits include the reduction of automobile dependency, an enhanced pedestrian environment, an increased number of transit trips that originate with walking or biking, newly safe station areas, and increased housing and retail opportunities. Beyond promoting TOD, WMATA, through its Joint Development Authority program, works to attract new riders to the system, create a source of revenue, and augment the local property tax bases.⁶²

Local jurisdictions ultimately have authority over land use decisions, but having a joint development authority can give the transit agency some influence over and benefit from the development process. Processes like the Joint Development Authority will go a long way toward creating a coordinated effort between the transit authority, local jurisdictions, and others involved in the development process.

Change the Valuation and Owners of Parking Near Transit. Large, contiguous, and developable parcels at or near transit stations are in high demand and surface parking lots could go a long way toward filling this need. One possible solution is to remove Metra and municipalities from the parking business and create a new independent agency to promote development. The new agency would evaluate the best use and value for the land based on the development potential, the value to transit ridership, and even workforce and senior housing needs. This agency would essentially oversee a regional land bank for TOD. Incentives could be created through state and regional funds to help cover the extra costs required for a high quality TOD environment, e.g. the costs for sidewalk connectivity, station area improvements, replacement structured parking, and so on.

Create TOD funds for Affordable Housing and Additional Costs for TOD. In addition to making better use of the allowable federal transportation

⁶² <http://www.wmata.com/bus2bus/jd/jointdev.cfm>

funds for various elements of TOD projects, several other states and local governments have created new sources of revenue to support TOD. Funding sources to ensure affordable housing can be included within TOD and to help cover the upfront costs associated with TOD, particularly the public costs of site planning, public involvement, pedestrian infrastructure, station area improvements, other place making elements, and affordable housing include developer impact fees, funds from the sale of public lands, housing funds, EPA funds, in-lieu of fees, benefit assessment areas, tax-increment financing, and other sources for dedicated funding

Restructure Parking and Transit Rates. The under priced parking rates at Metra stations—often \$1 to \$2 a day—encourage driving and discourage use of other modes for accessing the station, since the total daily rate is, for instance, less than a roundtrip Pace bus fare of \$3. A further disincentive to access the Metra station by a Pace bus—as opposed to driving—is the lack of ticket transferability between the two systems. Whereas, Pace and the CTA both utilize the CTA transit card, there is no similar seamless connectivity between Metra and Pace.

Incorporate TOD Principles into Planning Tools and Policies. Towns with valuable rail station assets should encourage TOD by incorporating TOD principles into their planning policies and processes, including their comprehensive plans, planned development ordinances, transportation and circulation plans, parking policies, zoning codes, TIF redevelopment agreements, and design guidelines. For instance, their parking policy might encourage innovative parking solutions, such as shared parking and managed on-street parking with central meters. The city could facilitate cooperation among lot owners, so a lot is used for commuters on weekdays, theatergoers at night, and churchgoers on weekends. The policies should also encourage private developments to encourage alternatives to private auto use by accommodating bicycle parking, creating pedestrian connections with surrounding uses, dedicating a space for car-sharing, and allowing a transit shelter and stop.

Utilize car sharing and other strategies to reduce the demand for parking. Car sharing and other programs that reduce the demand for parking should be better utilized in conjunction with commuter rail service. Car sharing already serves the traditional commuter, but it could also serve the reverse commuter for the

last leg of travel from a Metra station to the place of work, when managed as a carpool car to specified sites during work hours. This car would then be available during non-business hours and weekends to allow residents near the station to reduce their auto ownership and therefore the number of parking spaces required within new development near the station. As densities increase around Metra stations, car sharing becomes an alternative for even more households, making it part of a collection of strategies to solve parking problems and reduce congestion by increasing transit use, walking and biking.



Photo Credit: Center for Neighborhood Technology

Place more emphasis on a land-value taxation system. The current property tax system places an emphasis on the improvements to land, namely the buildings and building improvements, rather than the land itself. This could have the unintended consequence of encouraging private developers to speculate and create parking lots as a risk free investment and profit, rather than develop the land more efficiently. An alternative approach could combine the current system with a land-value taxation structure. That is, where the land itself is taxed higher based on surrounding parcels of similar size. The potential tax revenue generated from the nine case studies in this report demonstrates that there is a significant loss in net revenue when large surface parking lots remain as such. The intricacies of such a program would have to be worked out so that some level of necessary parking isn't unaffordable to maintain as parking.

APPENDIX A : Metra Station Survey

The two survey forms were used on the site visits to assess the characteristics of the station, its surrounding land use patterns, and parking availability.

Metra Station Survey

Station Name _____ Date _____ Time of Survey _____

Station Type & Condition:

Accessibility/Lack of Barriers (e.g., handicap ramp): 1 2 3 4 5 (5 being the best).

Comment _____

Condition of station: 1 2 3 4 5 Comment _____

Shops/Concession/restrooms: Y N If yes, specify _____

Exterior Light Features Y N Sidewalks Y N Pedestrian Use 1 2 3 4 5

Bike Racks Y N Bike Racks Utilized Y N

Parking

Type (e.g.; street, garage surface lot): _____

Estimated # of Spaces/Type: _____

Proximity to Station: _____

Cost/Hr/Day by Type: _____

Level of Use (estimated %): _____ Shared Parking: _____

Additional Comments:

Paved Over : Surface Parking Lots or Opportunities for Tax-Generating, Sustainable Development?

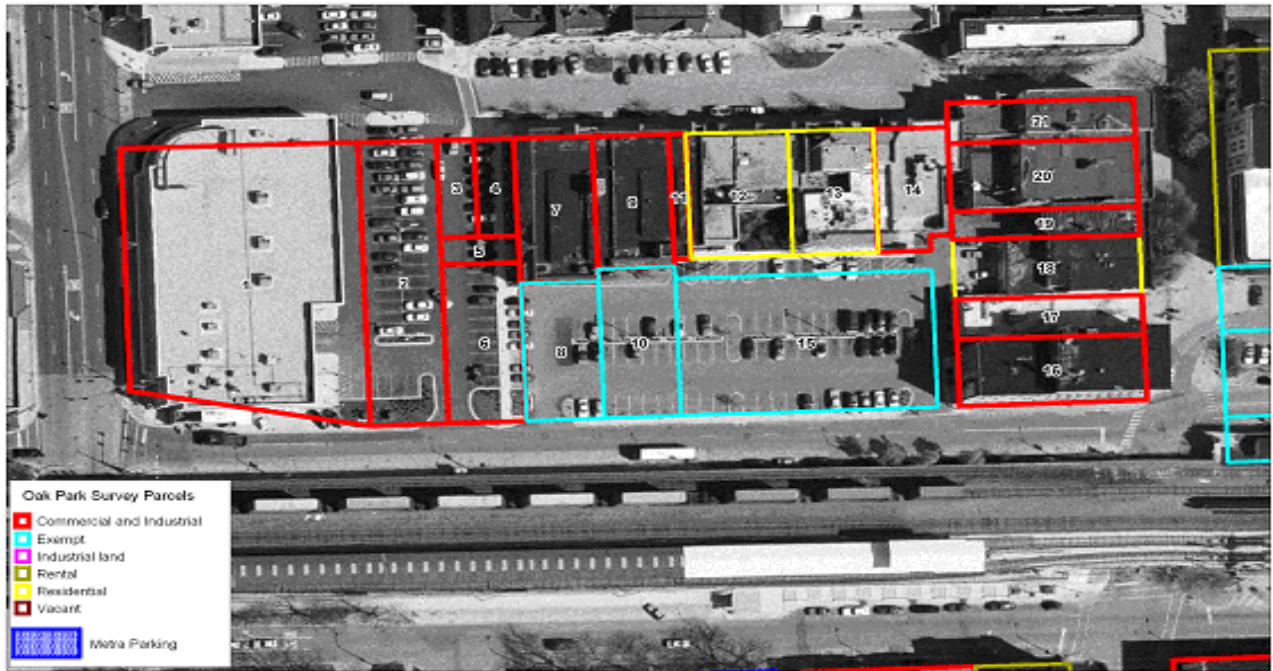
APPENDIX B : Sample Land Use Survey Form

Sample Land Use Survey Form

Below is a sample land use survey form used to complete the fieldwork to assess the land use and parking capacity for the nine case study Metra stations. In this sample, the first aerial represents the total area that was surveyed in Oak Park. The total area surveyed for all of the nine case studies included the parcels immediate the transit station and those that bordered designated Metra parking lots. The following three aerials are the actual survey forms used to record site specific information about each parcel, such as land use, number of stories, building condition, and number of parking spaces. The numbers in the table correspond to the parcels outlined on the aerials.



APPENDIX B : Sample Land Use Survey Form



Map ID	Address	Land Use	Estimated Year Built	# of Stories	Condition	# Parking Spaces	Type Parking	Cost Parking	Comments
1	417 N HARLEM AVE								
2	1165 WESTGATE								
3	1161 WESTGATE								
4	1151 WESTGATE								
5	1151 WESTGATE								
6	1128 WESTGATE								
7	1145 WESTGATE								
8	1128 WESTGATE								
9	1137 WESTGATE								
10	1128 WESTGATE								
11	1135 WESTGATE								
12	1127 WESTGATE								
13	1119 WESTGATE								
14	1115 WESTGATE								
15	1128 WESTGATE								

Paved Over : Surface Parking Lots or Opportunities for Tax-Generating, Sustainable Development?

APPENDIX B : Sample Land Use Survey Form



Map ID	Address	Land Use	Estimated Year Built	# of Stories	Condition	# Parking Spaces	Type Parking	Cost Parking	Comments
32	100 FOREST AVE								
33	950 NORTH BLV								
34	946 NORTH BLV								
35	938 NORTH BLV								
36	930 NORTH BLV								
37	925 LAKE ST								
38	922 NORTH BLV								
39	914 NORTH BLV								
40	101 N KENILWORTH								
41	105 N KENILWORTH								
42	109 N KENILWORTH								
43	109 N KENILWORTH								
44	111 N KENILWORTH								
45	115 N KENILWORTH								
46	117 N KENILWORTH								
47	119 N KENILWORTH								
48	121 N KENILWORTH								

Paved Over : Surface Parking Lots or Opportunities for Tax-Generating, Sustainable Development?

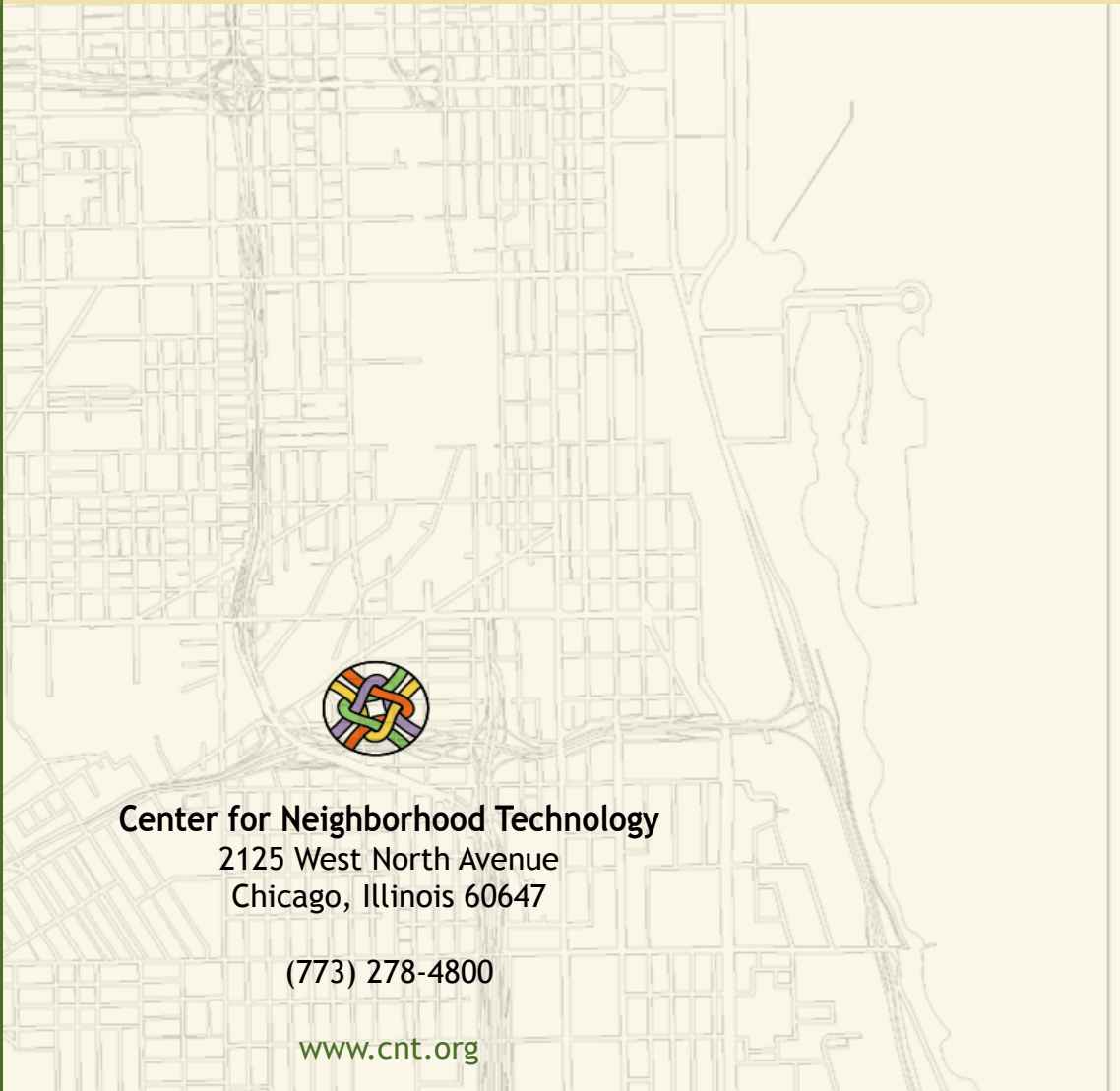
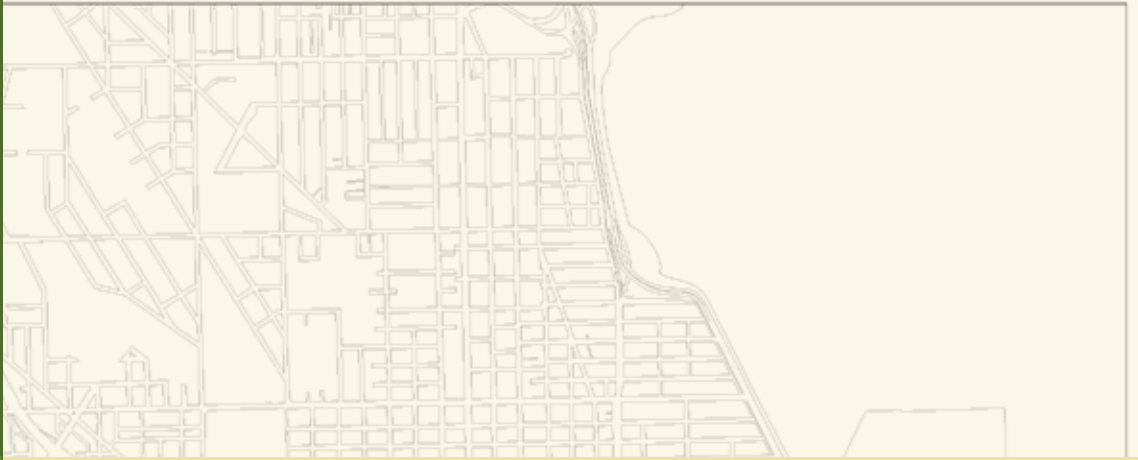
About the Authors

Albert Benedict is senior community and economic development specialist and GIS analyst at CNT. He has been involved in a number of national and local studies examining the potential for Transit Oriented Development (TOD). His research has drawn from his education and past experiences in fair housing and community lending, as it has looked at the relationship between housing, transportation and land use. Most recently, he has helped maintain the National GIS based TOD Database, was a lead researcher on the Housing and Transportation Affordability Index (a project funded under The Brookings Institution Urban Markets Initiative), and has examined the additional capacity for low and moderate income housing and the potential revenue for development of TOD on underutilized parcels. He holds a Master's in Geography with an emphasis in urban planning and GIS from the University of Akron.

Jacky Grimshaw is Vice President for Policy, Transportation and Community Development at CNT, and has developed its capacity to engage in transportation public policy advocacy and research, and community economic development. Jacky serves on numerous boards, including: Congress for New Urbanism, Chicago Transit authority's Citizens Advisory board, Smart Growth America, Surface Transportation Policy Project, and the National Academy of Sciences' Transportation Research Board's Committees on Women's Issues in Transportation and Environmental Justice. She was a member of the Energy and Transportation Task Force of the President's Council on Sustainable Development and has been a longtime activist for social justice. Jacky Grimshaw has completed the Masters of Arts in Public Policy requirements at Governors State University and a B.S. in Biology from Marquette University in Milwaukee. In addition, she has teaching certification from Chicago Teachers College.

Carrie Makarewicz is research manager at CNT, specializing in the link between housing and transportation, intercity travel networks, transit-oriented development, sustainable economic development strategies and affordable housing. She has co-authored several local and national reports on transportation, including "Reconnecting America's Missed Connections," a report series on the airline and passenger rail industries; the Surface Transportation Policy Project's 2005 "Driven to Spend" report; and a Brookings Institution Brief on a new tool, the Housing and Transportation Affordability Index, developed by CNT and the Center for Transit-Oriented Development. Prior to receiving her master's in Urban Planning and Policy Analysis from UIC, Makarewicz received a bachelor's degree in business from the University of Michigan.

Scott Bernstein is co-founder and President of CNT, where he uses his extensive knowledge of GIS-based analysis and understanding, tools development, standards/rating organization, location efficiency and community returns, and capacity for regional applications. He is a founding Board member of the Surface Transportation Policy Project and Smart Growth America. He studied engineering and political science at Northwestern University and served at its Center for Urban Affairs. He has been a Visiting Lecturer at UCLA, Fellow of the Institute for Transportation Studies, a trustee of the Institute for the Regional Community, and Board member, Brookings Institution Center for Urban & Metropolitan Policy. He was appointed by President Clinton to the President's Council for Sustainable Development, and co-chaired its task forces on Metropolitan Strategies and on Cross-Cutting Climate Issues.



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