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Summary

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TOD: A solution in search of a problem

by John A. Charles

During the past decade government planners have embraced Transit-Oriented Development (TOD) as the dominant land use/transportation strategy in the Portland region. TOD is defined as compact, mixed-use development that concentrates retail, housing and jobs in neighborhoods well-served by public transit. Planners assert that TOD will reduce traffic congestion, increase transit use, and cost less to build than lower-density suburban neighborhoods.

Transit-Oriented Development has become so important to local planners that it is now the primary justification for expansion of Portland's light rail system. Rail advocates concede that light rail is not worth the cost if built only as a transit investment. They argue that rail should be seen more as a means to promote TOD.

Dozens of TODs have been constructed in the Portland region since 1990, with several winning national acclaim. Most have received public subsidies, on the assumption that the public benefits of TOD outweigh the costs. However, little is known about how transit-oriented projects actually perform, in terms of transit use and auto dependency, once they are built.

Cascade Policy Institute has spent more than a year analyzing Portland-area TODs, and the evidence to date fails to support the hype of planners. First, in no case did Transit-Oriented Development actually reduce traffic congestion. In fact, the opposite was true—high-density development always increased local road use. The reason: most residents of high-density projects own cars and use them for the majority of trips even when transit service is readily available.

Portland's Pearl District is a case in point. In the past five years several thousand jobs and housing units have been created in this high-density neighborhood, and the city built an expensive streetcar to encourage transit use. Yet during the peak commuting hours of 6:30 a.m. to 8:30 a.m., the streetcar averages fewer than 120 passengers per hour. The most common sight in the Pearl District during those hours is an underground garage door opening for another private vehicle to emerge from an upscale loft or condo complex.

The same holds true for Orenco Station near Hillsboro on Westside MAX, one of the most highly-touted TOD projects in the world. Most residents of Orenco Station like having MAX nearby, but relatively few use it on a regular basis. As a result, by the time residential construction is finished on the south side of the rail station (a project called Arbor Gardens), there will be more than 12,000 additional daily auto trips on the local road system.

Not only is TOD ineffective as a congestion relief strategy, it is so expensive that most high-density projects require public subsidies. For example, at Orenco Station the light rail service cost taxpayers more than \$190 million to build. Additionally, a \$500,000 Congestion Mitigation Air Quality (CMAQ) grant from the federal government paid for part of the TriMet Park-n-Ride; Hillsboro provided over \$1,000,000 from its Traffic Impact Fund to compensate the developers for infrastructure investments; and Metro spent \$230,000 to pay TOD consultant Peter Calthorpe to do various design sketches for Westside light rail stations, including Orenco Station.

The need for subsidies is even greater in Portland. The Portland Development Commission spent over \$170 million subsidizing projects in the Pearl District and plans to spend more than \$200 million subsidizing Transit-Oriented Development projects in the North Macadam district during the next decade.

Transit-Oriented Development is a nice idea and it was popular in the 1920s when streetcars were dominant and few people owned cars. But it has little relevance to personal preferences in 2003, when people live, work and recreate in many disparate locations. Even people who support transit find it impractical to go to work, pick up groceries, and take a daughter to soccer practice without the convenience of a private automobile.

Attempting to retrofit the suburbs through TOD will be a costly exercise in futility, while making regional traffic problems worse. Local transportation officials should accept that fact and stop wasting money on nostalgia trips into the last century.

John A. Charles is the environmental policy director at Cascade Policy Institute, a Portland, Oregon think tank. For more information on this topic, refer to Cascade Policy Institute's case study, The Mythical World of Transit-Oriented Development: Light Rail and the Orenco Neighborhood, available at www.cascadepolicy.org/pdf/env/I_124.pdf.

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