Toronto Lofts

June, 2010

Welcome to the Neighbourhood (Part 2 of 3)

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Walkable neighbourhoods linked by transit: the wave of the future.

In this three-part series based on Christopher B. Leinberger's "Here Comes the Neighborhood" article in *the Atlantic*, we'll address the housing market's relationship with the economy, the resulting shift away from the suburbs, the trend towards walkable neighbourhoods, and the importance of public transportation. Last time, we discussed the housing market and the trend that is shifting away from life in suburbia; today we will address the importance of building walkable neighbourhoods linked by transit.

We mentioned previously that the attraction surrounding building in the suburbs is partially due to the ease with which such houses are built, and how quickly whole suburban communities can seemingly arise from the ground. Though the trend of urban living is taking hold, the facts remain: building new and attractive urban spaces is a much more difficult and slower process. Not only is the land less abundant, the zoning laws more stringent, and the construction process more "inconvenient" for locals, effective housing in walkable neighbourhoods is largely dependent on infrastructure. Walkable neighbourhoods develop around such infrastructure, and

keeping up with the trends of rail, biking, and walking is vital to the wellbeing of urban development.

While urban housing may be more difficult to develop than its suburban counterpart, today's generation of 20 and 30-somethings tend to prefer city-living to life on the outskirts. Not only is the city seen as the exciting "place to be," the shift towards green living has demanded home buyers take into account transportation modes and ideals to inform their address. The traditional suburban household spends 24 percent of their income on transportation, but the maintenance and fueling of vehicles is not only expensive, it is not particularly environmentally-friendly. An urban household spends only 12 percent of its income on transportation, a cost that may include a metropass or bicycle maintenance, as opposed to fuel. This is not only a substantial savings financially; it is a key factor in decreasing one's carbon footprint. This approach to environmentally-friendly living is part of the new wave of the urban trend.

Mixed-use zoning with plenty of stores and parks describes the preferred urban space, but the utilization of this space for urban living demands infrastructure that allows for walkability, public transit, and bicycle use. In recent years, metropolitan voters have passed about two thirds of ballot measures calling for tax increases to fund the building and expansion of transit. Clearly, city dwellers would like to see their infrastructure grow and transform to support their urban lifestyle.

How can we keep the growth of infrastructure ahead of a rapidly increasing metropolitan population, rather than allowing roads, transit, and bike lanes to play a never-ending game of catch up? Christopher B. Leinberger, author of "Here Comes the Neighborhood" suggests an interesting solution: "What if developers and property owners build the transportation infrastructure themselves?" We'll address this in greater depth in the third and last part of our series, "Welcome to the Neighbourhood."

Welcome to the Neighbourhood (Part 3 of 3)

No Comments
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Public infrastructure meets private sponsorship?

In this three-part series based on Christopher B. Leinberger's "Here Comes the Neighborhood" article in *the Atlantic*, we have addressed the housing market's relationship with the economy, the resulting shift away from the suburbs, and the trend towards walkable neighbourhoods. Today's posting (the last of this series) will focus on the importance of public transportation, and some possible solutions for ensuring that vital infrastructure is developed in a timely manner.

As we shift into a trend of realizing (or re-realizing) the value of urban space as residential space, we begin to recognize how our current infrastructure lacks the capability to support the hundreds of thousands of people who endeavor to call inner-city communities "home." One key piece of this inadequate infrastructure is public transit, and its inability to serve the millions of people who use it each year.

In his "Here Comes the Neighborhood" article in *the Atlantic*, Christopher B. Leinberger makes the point that 100 years ago, the average American household spent only five percent of its income on transportation, thanks to the excellent infrastructure (namely the rail system) in place prior to the take-over of the automobile. Leinberger explains that the United States could afford such excellent rail systems because real-estate developers went to great lengths to build these transportation systems, and paid rent to the cities for the rights of way. At that time, transportation was seen as a way to drive development; for development to be successful, the subsidization of transportation was paramount.

Toronto's original streetcar

A similar history is true of Toronto, where public transit has been in operation for almost 150 years. In 1861, the privately-owned Toronto Street Railway Company was granted a 30-year franchise by the City of Toronto for the operation of public transit. At this time this meant that horse-drawn streetcars provided public transit in the summer, while horse-drawn sleighs were in operation in the winter. In 1891, after transit service was briefly operated by the city, a new 30-year franchise was granted to Toronto Railway Company, and in the next year, Toronto saw its first electric streetcar. The entire system was converted to electric, and in 1894, the last horse-drawn streetcar was withdrawn from operation. The Toronto Railway Company's lease expired in 1921, and the Toronto Transportation Commission took over the operation of Toronto's transit, launching the municipal operation of the service.

Today, although transit lines and other improvements to infrastructure raise the value of surrounding properties, cities take advantage of this, funding transportation improvements via increases in property taxes. Gone are the days when real-estate developers ensured infrastructure was in place to encourage purchasers to move into the neighbourhood. Instead, cities are playing a never-ending game of catch-up to support their populations' ever-growing needs for public transit, walkable communities, and safer, greener, transportation options.

Leinberger suggests that the private funding of public transport could be a possible solution to failing urban infrastructure. From an American perspective, he describes two ways in which this would work. First, he explains that most states have laws in place that allow local groups to create "special-assessment districts," in which property owners in the neighbourhood can vote to fund a special project, such as an upgrade to infrastructure. If the majority of property owners believe that they would benefit from a certain improvement to their neighbourhood, the property owners of that district would then become obliged to help pay for the improvement by either a one-time contribution, or a higher property-tax rate for a set number of years. This is similar to the model of Toronto's Business Improvement Areas, where local business owners can endeavor to improve their neighbourhood's infrastructure, streetscape, street lighting, etc. by contributing their own funds for such improvements to be made, or partnering with the City in a project cost-sharing plan. This particular model has worked for infrastructure improvements in recent years: in the late 1990s, property owners in Washington, D.C. contributed a quarter of the cost to the building of a new Metrorail station.

Raising funds in this way can take a significant length of time, however, so Leinberger suggests a faster process. By allowing private corporations to partner with the federal government to pay for transportation projects, funding can be in place more quickly, and infrastructure can be developed at a faster rate. Leinberger notes that in the United States, this process would mean changing federal transportation laws to allow for such partnerships. Private corporations and foundations in Detroit, for example, have raised $125 million to help build a light-rail line, and are working to secure federal funding for the completion of the project. Adjusted laws would allow such processes to take shape more quickly, and at a lower cost to the public. In Canada, this public-private partnership model is possible, and has been used in the development of several infrastructure improvements, such as Confederation Bridge, Bay of Fundy Ferry Services, Charleswood Bridge, Highway 104, Highway 407 ETR, Alberta Highway Maintenance, Whistler and Valley Express System, and the Fredericton-Moncton Highway.

The Transit City project in Toronto is the classic example of the pitfalls of waiting on government funding alone for the improvement of city infrastructure. Plans for Transit City were announced in March of 2007, but since then, the Ontario provincial government has announced a postponement of $4 billion of its capital funding for the initiative, citing the deficit in the 2010 provincial operating budget. This has created a great deal of controversy in Toronto, as it is thought that Transit City would in fact serve as a stimulus, create 100,00 jobs, and add to the province's tax revenues. The plans for transit have also had to be scaled back, as it became clear that the project would cost at least $2 billion more than the originally promised $8.15 billion. 22.5 km of transit routes and about 25 stops have been shaved from the original plans, and years have been added to the project's timeline.

Would it be possible for private support to come to the rescue of Transit City, and Toronto's infrastructure in general? Could Detroit's undertakings to raise funds for transit be repeated in our city? Is a public-private partnership model possible, as it was in the building of Confederation Bridge, Alberta's Highway Maintenance, the Whistler and Valley Express System, and the Fredericton-Moncton Highway? Regardless of the answer to these questions, Leinberger reminds us that investing in urban infrastructure is imperative for the restoration of the health of our economy. As the urban core becomes the wave of the residential future, catering to this wave and preparing for the infrastructure needs it will bring is essential.