TOD and Employment: The Transit-Job Connection

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Transit’s Importance in the Commute Trip
The Transit Commute is Critical For Transit Ridership

- By a wide margin, the largest group of transit trips are commute trips
- Commuters are key to transit’s productivity

Source: Pisarski, *Commuting in America*
The Impact of the Commute Trip Goes Beyond Its Share of Total Travel
People Who Work Near Transit Are Much More Likely to Ride Transit

- About 20% of California workers in suburban office near transit commute by transit (Cervero, 2006)

- High quality transit, expensive parking and nearby amenities and services help build ridership
Destinations Matter For All Types of Transit Corridors (Urban and Suburban)

Source: CTOD
Combined Origins and Destinations Are Mutually Reinforcing for Transit Ridership

Source: Metropolitan Transportation Commission
This Relationship is Very Strong in Transit Corridors With Very Dense Employment

\[ \text{Source: Commuting in America III} \]
Who Works Near Transit Now
Analysis of Jobs Near Transit in 34 Transit Regions

- 14 million jobs near transit (2008)
- 23 percent of jobs are near transit

<table>
<thead>
<tr>
<th>System Size Classifications</th>
<th>Description</th>
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<tbody>
<tr>
<td>Extensive Systems</td>
<td>201 or more stations</td>
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<tr>
<td>Large Systems</td>
<td>70 – 200 stations</td>
</tr>
<tr>
<td>Medium Systems</td>
<td>25 to 69 stations</td>
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<tr>
<td>Small Systems</td>
<td>1 to 24 stations</td>
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</table>
Relationship between Employment Clusters and Transit Varies by Region
Transit System Size Is Major Factor in Capturing Jobs Near Transit

Source: LEHD 2008, CTOD
Some Sectors Are More Likely to be Near Transit Than Others

Transit Zone Capture Rate by Sector Group, 2008

Source: LEHD 2008, Center for Transit Oriented Development 2010
From 2002-2008 Employment Near Transit Increased Slightly in Absolute Numbers

![Change in Total Transit Zone Employment by Sector Group, 2002-2008](chart)

Source: LEHD 2008, Center for Transit Oriented Development 2010
But, Nationally, Transit Zones have a declining share of regional jobs...

Change in Transit Zone Capture Rate by Sector Group, 2002-2008

Source: LEHD 2008, Center for Transit Oriented Development 2010
Benefits of Transit for Regional Economies
Certain Sectors of the Economy Benefit from Co-Locating in Dense Settings

- Greater access to appropriate shared workforce
- Geographic proximity to similar and complementary firms
- “Knowledge spillover”
- Urban amenities for firms focused on particular segments of the labor force (Gen X and Millennials)
Transit Facilitates Agglomeration Benefits

**Agglomeration Benefits:**
- Geographic Proximity to complementary firms
- Labor Market Pooling
- Knowledge Spillovers

**Transit Benefits to Employers:**
- Enhanced Labor Pool Access
- Greater mobility options for employees
- Reliable and cost-effective transportation
- Allows for greater densities than can be served by auto-only access

**Benefits of Agglomeration near Transit:**
- Transit allows for greater levels of employment density and agglomeration
- Transit allows for pedestrian-friendly environment and urban amenities to help attract and retain employees
- Enhanced opportunities knowledge spillovers
Many Large Suburban Employment Centers Cannot Evolve Without Transit

Warner Center, Los Angeles

Tysons Corner, N. Virginia
There Appears to be a “Virtuous Cycle” Between Dense Housing and Dense Employment – Most TOD Happens In or Near Downtowns and Employment Centers

Hiawatha Line
Minneapolis

SE Corridor
Denver

Blue Line
Charlotte
Case Study: Employment Sprawl and the Phoenix Case
The Trend Towards Employment Decentralization Has Continue to Accelerate Over the Past 50 Years

Employment decentralization patterns have occurred in 98 of the largest metropolitan areas from 1998-2006 in almost every major industry category.

“Boomburbs,” suburban communities at the edge of metropolitan areas, have become the fastest growing cities in the US.

Dominance of the suburb-to-suburb commute.
This Employment Dispersal Has Also Led to a Decline in Transit Ridership Nationally

Concentrated Employment
High Transit Ridership

Dispersed Ridership
Low Transit Ridership
How Will Phoenix “Move the Needle” on VMT Through Future Transit Investment?

How will the region address the local land use decision regarding job centers?

How will MAG address the employment diversity in the region?

Where will transit be most effective versus who wants transit?
Concluding Thoughts
Employment Concentration is Undervalued and Therefore Underemphasized in Local and Regional Planning Efforts

- Regional planning must put a greater emphasis on connecting existing employment activity in “concentrated” nodes.
- Older employment areas needing reinvestment and new industries are critical to this regional employment “framework.”
Older Downtowns and Underutilized Employment Districts Offer an Significant Alternative to Suburban Employment Sprawl

- Transit is key to the success of these locations.
- Central, transit oriented locations offer the best access for attracting the broadest labor force, including young workers critical to the knowledge based industries.
Focusing Employment in “Infill” Locations Requires Planning and Proactive Implementation

- Strong public private partnerships are key to successfully strengthening existing employment concentrations.
- Government, educational institutions, and medical centers can “anchor” emerging employment concentrations in existing cities.
“Place Making” is as Essential to Concentrated Employment Nodes as it is to Mixed Use Residential Districts

- Places must be able to take advantage of the strong market synergism between high density housing and employment.
- De-emphasizing the car and emphasizing the walk/bike and last mile shuttles trip leads to different urban design approach to employment centers.
- Place making investments are probably the best tool for “moving the needle” on business location decisions.
- Employers themselves are moving in this direction in response to demands from their workers (Google, Intuit).