

BEYOND THE TRACKS (2.0)

How can high-speed rail reshape
California's growth

Transit / Land Use Committee
Egon Terplan
March 15, 2017



Overview of Today

1. Update/reminder: Beyond the Tracks 2.0 report
2. Key challenges and barriers
3. Proposed recommendations

SPUR is updating a 2011 report on high-speed rail and land use.



Beyond the Tracks

The potential of high-speed rail to reshape California's growth



Our current report is focused on Bakersfield to Gilroy – the “intermediate stations” in the initial operating section.



We are asking three questions

- How will the **improved accessibility from high-speed rail impact land use and economic growth** in the cities and regions with stations?
- What are the **barriers to achieving the broader land use and development changes** from high-speed rail?
- What **policy and planning tools are necessary to shape the impact of high-speed rail** in a way that achieves more compact land use development?

Key lessons about land use from international high-speed rail systems

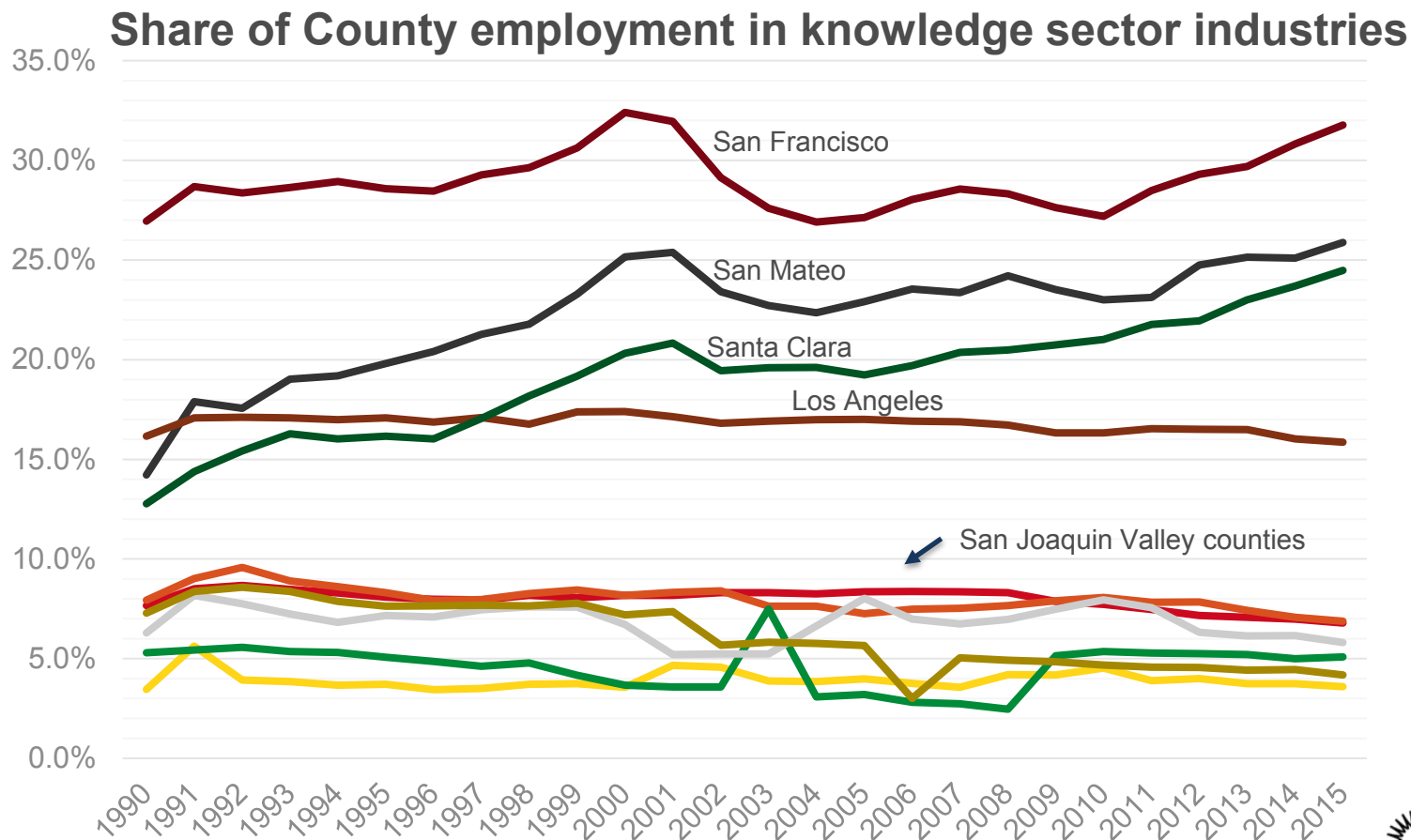
1. High-speed rail requires **different** planning approach **from traditional transit-oriented development**.
2. **Station locations** in or adjacent to the **downtown core** are most likely to spur development.
3. Effective station planning and **development** **requires an entity with long-term vision**, often the state.
4. Real estate **development** around high-speed rail stations can be a **revenue source**.
5. High-speed rail must be **well-integrated with other rail and local transit systems** as well as airports.

What We're Up Against: **Key barriers and challenges that affect** **high-speed rail in intermediate cities**



Ideas + Action
for a Better City

The benefits of high-speed rail might accrue more to the core, not the intermediate cities (particularly due to existing agglomeration of knowledge sector firms)



Source: State of California Employment Development Department

<http://www.labormarketinfo.edd.ca.gov/geography/lmi-by-geography.html>

Note: The 8 San Joaquin Valley counties include Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare

Market leasing rates do not support new development in intermediate station city downtowns without a subsidy.



Office rents in
downtown
Fresno
average about
\$20 per year
per square foot
(\$1.66/month)

Local vision for station area development may limit the potential of high-speed rail and what is needed for statewide success.



Urban Plaza



Streetscape Palette



Cannery District



Birdseye View of the Downtown Historic District



Monterey Street

Current revitalization tools are limited

(Tax increment financing through an EIFD requires voluntary participation from taxing entities).

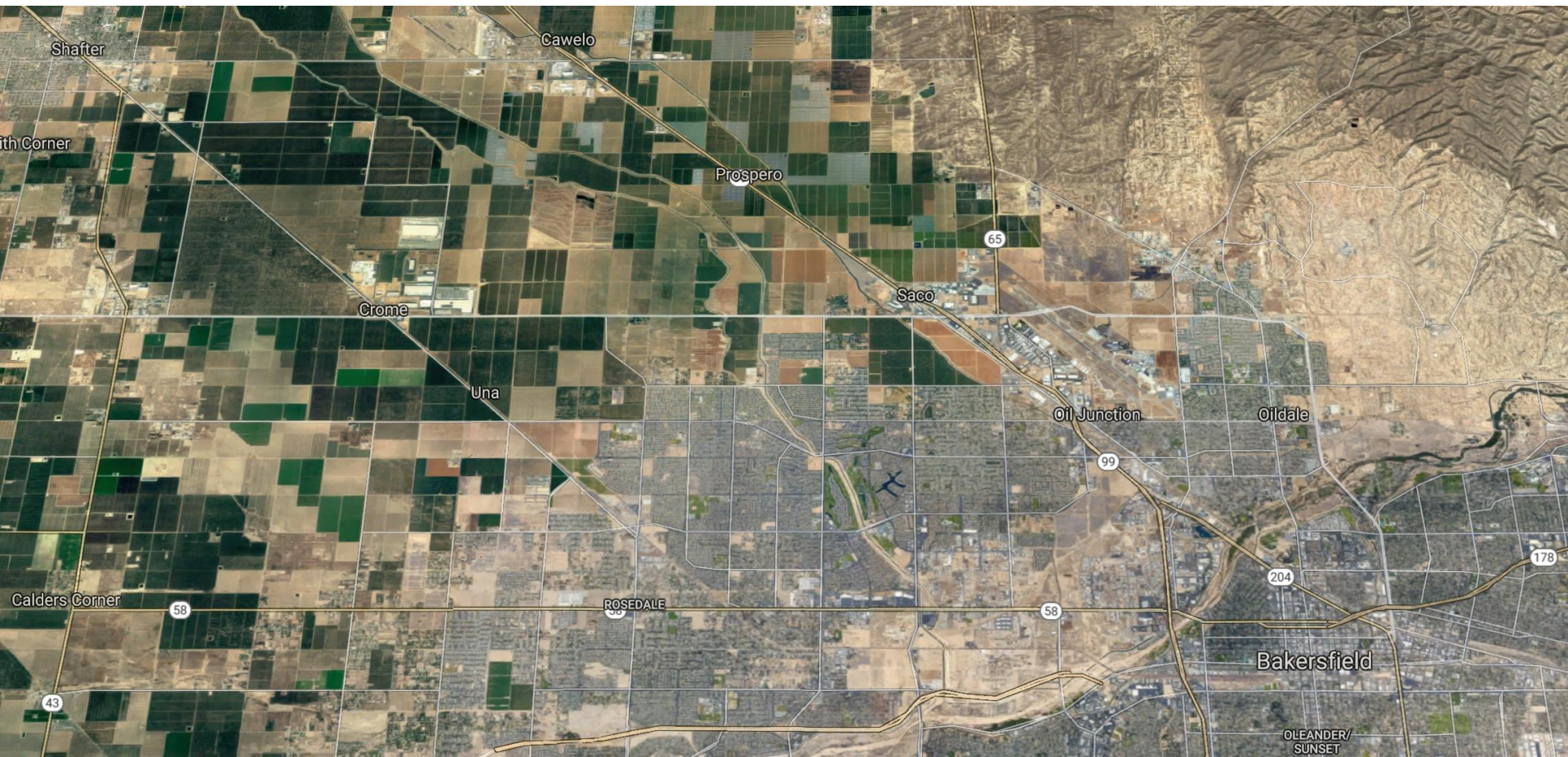


Key employment nodes are often outside the downtown / station area



Market pressures continue to push development to the urban edge, at the expense of infill areas.

Without restrictions, improved rail connectivity could impact natural and working landscapes.



Proposed recommendations

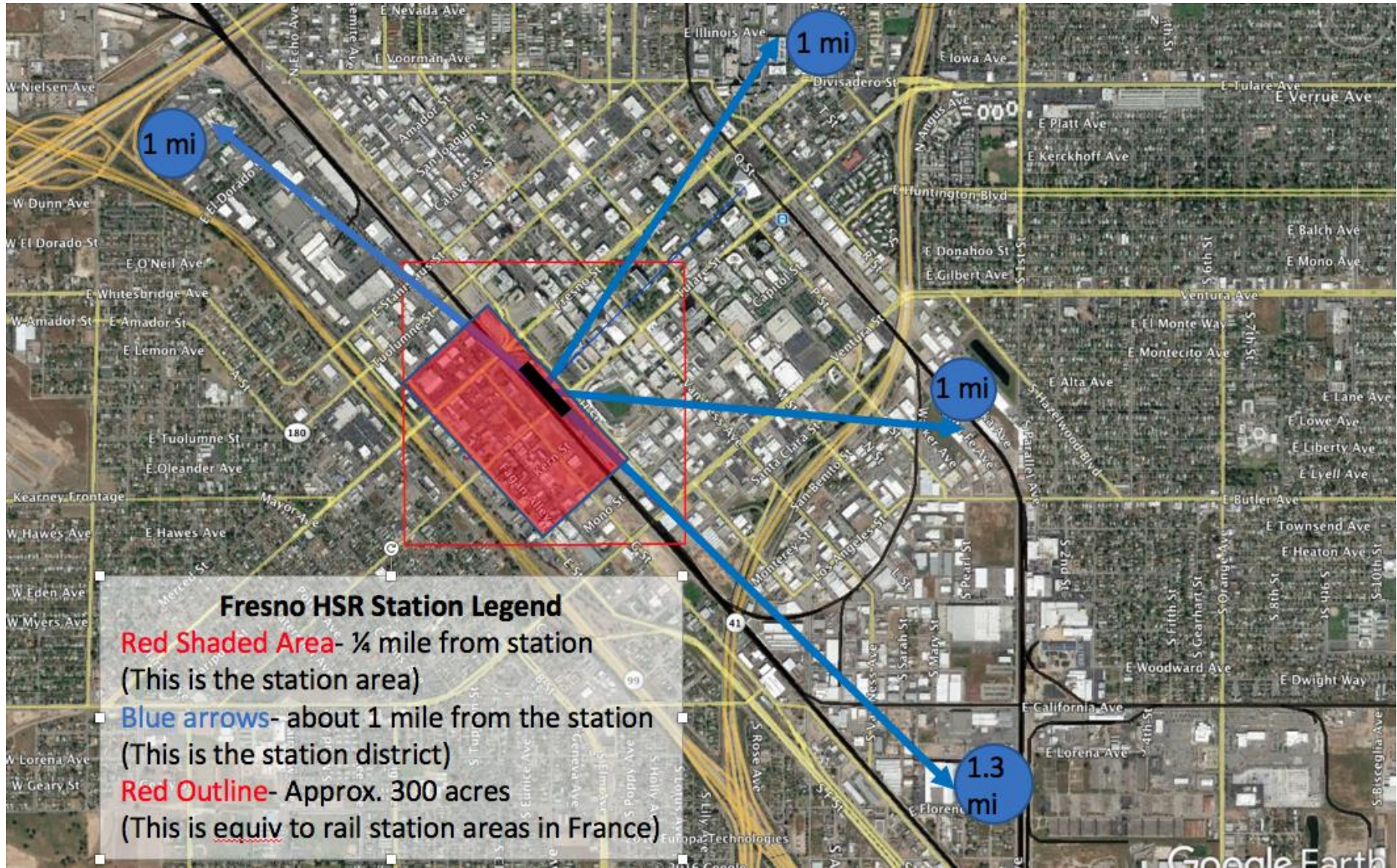


Ideas + Action
for a Better City

In November, we proposed the following initial recommendations

1. Establish state program for downtown revitalization and reinvestment for station cities.
2. Tie the creation of new state/local revitalization agencies with agreement for growth control at edge.
3. Establish clear statewide economic development priority for strengthening the economy of the San Joaquin Valley.
4. Explore a larger role for the state in development in the immediate area around the station.

Different tools are needed in the immediate station area and the broader downtown district.

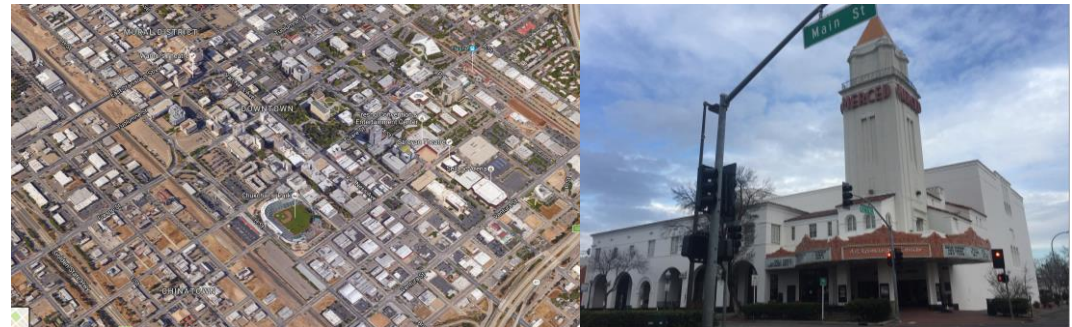


Framework: Focus on three geographic areas.

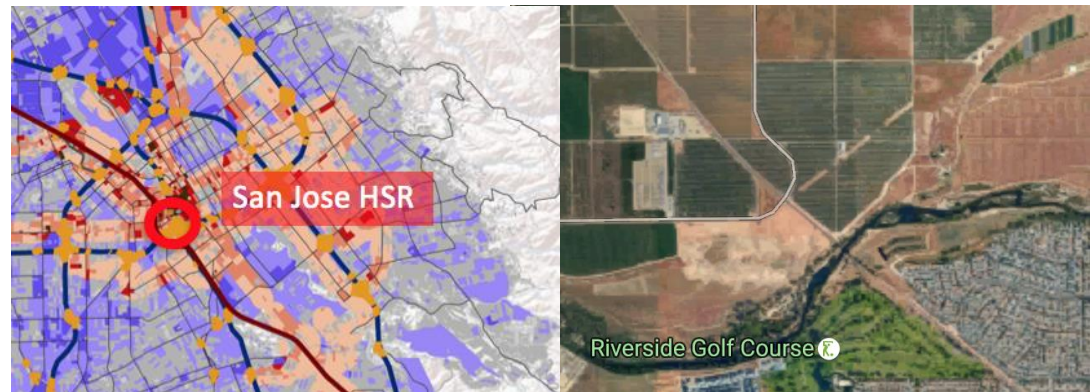
Station area
(Approximately 1/4 to 1/3 mile from the station)



Downtown district
(up to about 1 mile from the station)



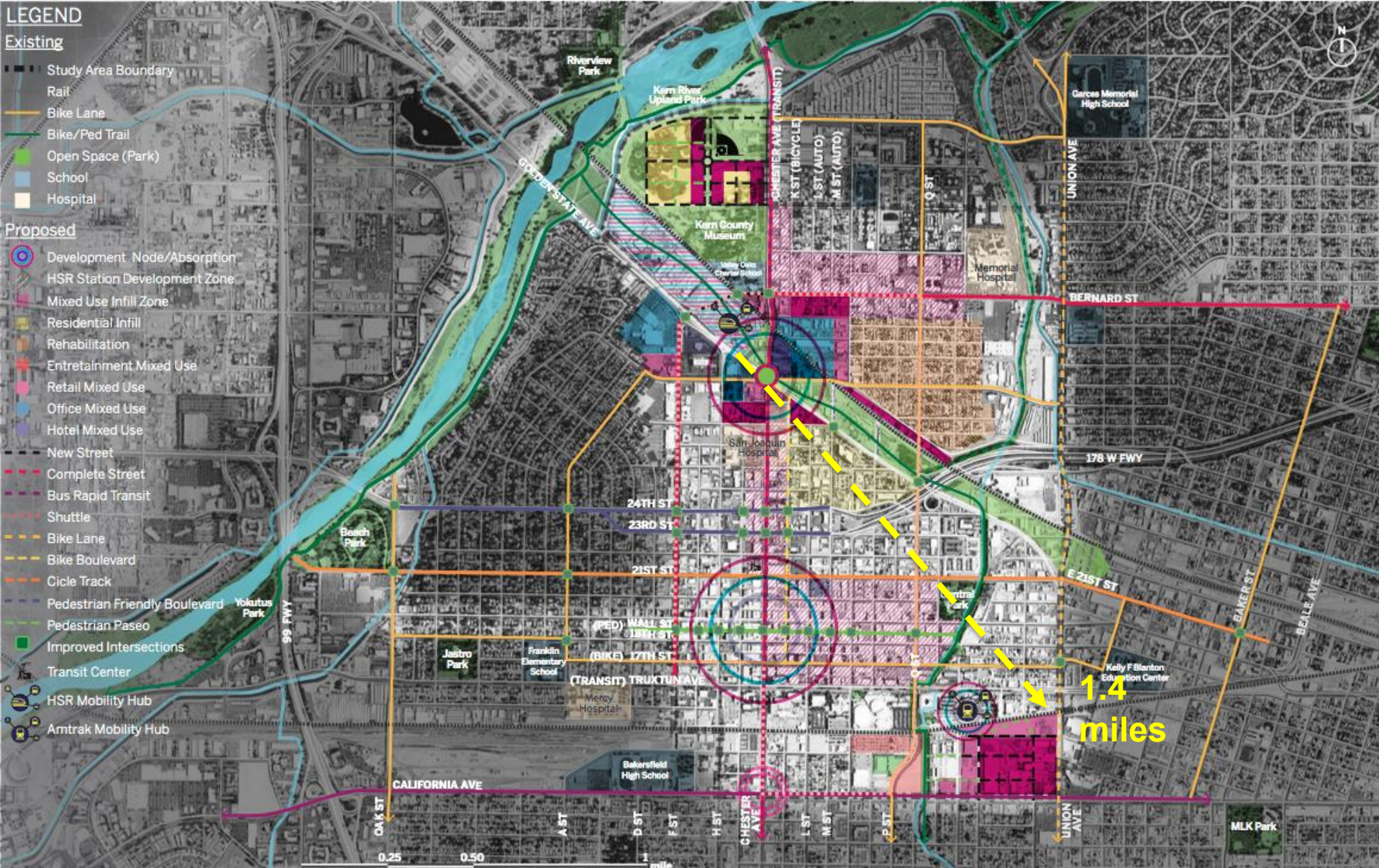
Citywide / edge
(about 1 to 10 miles from the station)



Station area recommendations

- Establish **development corporation** or other entity to manage long-term development and implementation of station area.
- The entity could carry out **land purchase and land banking strategies** in the several block area around the station (~ $\frac{1}{4}$ mile and/or 300 acres).
- Explore a larger role for this entity in **joint development** (e.g. hotels/office/retail) with revenues supporting system operations.
- Consider giving the entity **land use control** over private parcels not already taken for state purposes.
- **Pilot these concepts** in one or more station areas (e.g. Fresno and San Jose).

Plan for phased implementation across downtown.



Downtown Revitalization recommendations

- Establish a **High-Speed Rail Hub Revitalization District** in the one mile area around the station. Board of the district would include state and local representatives.
- Strengthen revitalization tools for district. Example: **Modify Enhanced Infrastructure Financing District (EIFDs)** to bring capital funds earlier and also include other taxing entities (e.g. county) in the tax increment financing.
- Better **align state investments** by focusing funding in downtown revitalization districts, so long as the areas meet certain performance criteria (like OBAG in Bay Area)
- Establish **special focused CEQA procedures** for district (if development meets certain performance standards).
- Set **statewide planning and development guidelines** for local station area plans and/or create overlay zoning district on top of existing downtown plans.

Citywide and efficient growth recommendations

- Create regional **“Priority Conservation Areas”** based on Greenprints to identify where growth is not projected to go.
- If the community accepts the downtown revitalization district and modified EIFD, they should **include some form of regional growth management** (easements, growth boundaries) that match Greenprint.
- Provide **state funding for drafting/updating** General Plans and specific plans that are consistent with the region’s Sustainable Communities Strategy.

...



SPUR

Ideas + Action
for a Better City