

New Rail Lines Spur Urban Revival

WHEN it was incorporated in 1913, Carrollton, Tex., was a thriving farm community. Three freight railroad lines intersected to help farmers get their grain, livestock and cotton to market. Today this city of around 123,000 people, just 14 miles north of Dallas, is again looking to the rail lines for its economic prosperity.



Matthew Staver for The New York Times

Light rail lines are helping to revitalize urban areas like Larimer Square in the historic district of downtown Denver.

In April, the Carrollton [City Council](#) approved a \$38 million mixed-use development next to a commuter rail station being erected downtown. The station is Carrollton's main gateway to the 28-mile Green Line, a \$1.8 billion expansion of Dallas Area Rapid Transit. After the line's scheduled completion in late 2010, it will link Carrollton with downtown and southern Dallas

"Rail is the catalyst for this new growth," said Peter Braster, whose title is transit-oriented development manager for Carrollton. "It's important for the long-term sustainability of Carrollton."

City officials hope the railway and new development — which will include four buildings with a total of 295 apartments, a parking garage, a public park and retail space — will breathe life into a city center that empties after dark.

The project in Carrollton is among many nationwide to be planned around new and existing light rail lines. These so-called transit-oriented developments, along with downtown revitalization plans, tap into a move toward more pedestrian-friendly, urban-style living.

While the [credit crisis](#) has halted

many housing developments — notably subdivisions and stand-alone condominium buildings — some projects that are going forward are linked to broader revitalization or transit-related efforts.

"People have rediscovered cities and urban living," said Shelley Poticha, the president of [Reconnecting America](#), a nonprofit organization focused on integrating transportation systems with communities they serve.

The use of public transportation has been rising. In 2007, Americans took 10.3 billion trips on public transit, the highest number in 50 years, according to the [American Public Transportation Association](#). And the Obama administration has pledged \$8 billion toward [high-speed rail](#) projects as part of its economic stimulus program.

But some communities have been taking matters into their own hands. Ms. Poticha's organization has tallied some \$250 billion worth of light-rail, streetcar or high-speed bus projects being planned nationwide.

Many cities are inspired by the success of Denver; Charlotte, N.C.; Portland, Ore.; Salt Lake City and others in combining transit and development to revitalize downtowns and suburbs.

This past week, Denver has been host to an annual gathering of the [Congress for the New Urbanism](#), a nonprofit that promotes alternatives to sprawl. When it last held its conference in Denver a little more than a decade ago, few people lived in the downtown core around the historic Union Station. Since then, Denver has embarked on a \$4.7 billion expansion of its transit system, funded by a 0.4 percent sales tax increase approved by voters in 2004. The program, [FasTracks](#), will add 122 miles of light rail, as well as new bus service, and is scheduled to be completed by 2017. The city is also overseeing a \$1 billion redevelopment of Union Station.

Along the rail line, mixed-use communities have sprouted, such as Stapleton, a \$5 billion development on the site of the former Stapleton

International Airport, which closed in 1995. Shops and restaurants in downtown Denver are lively long after the workday has ended, and neighborhoods like Central Platte Valley, just northwest of downtown, are still being developed.

"It's been transformative," said Tom Clark, executive vice president of the Metro Denver Economic Development Corporation. He anticipates 50 transit-oriented developments to be built around FasTracks over the next decade.

Urban-style development may be the brightest spot in a generally gloomy market. A recent survey of developers and investors by the [Urban Land Institute](#) for its annual Emerging Trends in Real Estate [report](#) found that urban redevelopment had the best prospects among all types of housing, while urban mixed-use properties and town centers scored high among niche property types. "These are the places that will be creating and holding value," Ms. Poticha said. She said proximity to public transit could raise property values significantly.

"It's moved from being an interesting idea to a core investment," said Jonathan F. P. Rose, the president of the Jonathan Rose Companies, a New York-based developer and investor.

The most successful projects do more than build housing near transit stations. They take pains to create livable neighborhoods, with parks, paths, retail stores and places for people to gather. "Place-making is key," Ms. Poticha said.

That often requires collaboration between local governments and private developers. Local governments might invest in transit, parks and infrastructure, revise zoning laws and offer financial incentives in return for a developer taking the risk of building in an unproven area.

Both sides can benefit: city participation may help developers raise funds in a tight market, while the investment can both raise tax revenue for the city and attract employers and young professionals.



Photo: Jacobs Engineering Group

A rendering of a planned development in Carrollton, Tex., where a commuter rail station is also being erected.

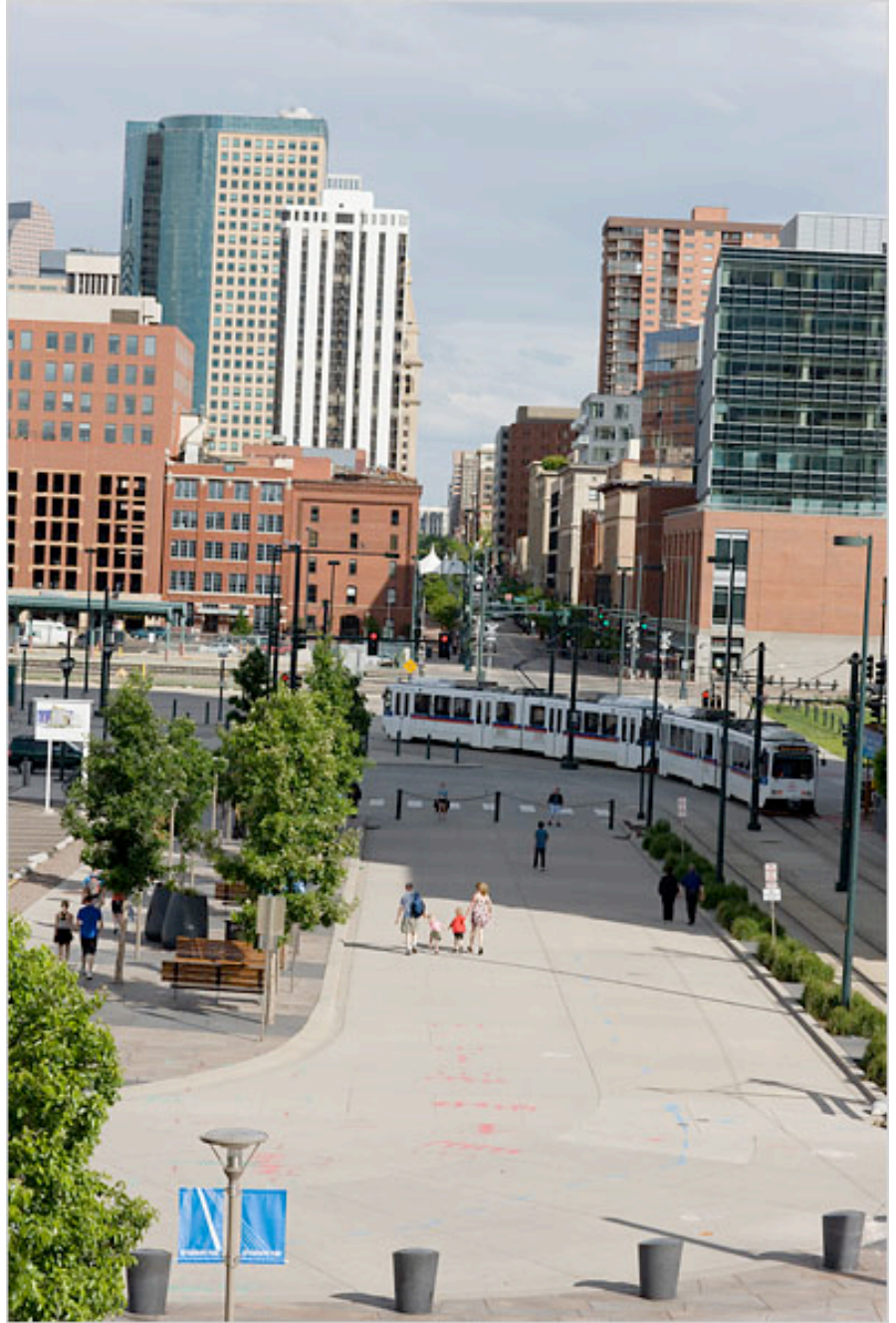
In 2002, the government of Columbus, Ohio, began a sweeping effort to remake its downtown. It raised \$800 million in city, county, state and federal funds for infrastructure improvements. That helped attract \$1.5 billion in private investment, mainly for housing and commercial development.

Lifestyle Communities, based in Columbus, is one of those developers. It is building a \$25 million rental and condo project, the Annex at RiverSouth. Without the public investment in area roads and infrastructure, "it would have been difficult," said Michael DeAscentis Jr., the company's chief executive.

In [Los Angeles](#), the Downtown Center Business Improvement District arranged weekly bus tours for people interested in living downtown, according to Rhonda Slavik, sales and marketing director for the South Group, a company that has built residential buildings in the emerging South Park neighborhood.

Of course, many municipalities are feeling pinched these days. Increased costs have forced Denver to look for additional funding for its ambitious plans, while in Charlotte, city officials may delay construction of one of two planned rail lines.

For Carrollton, which the project manager, Mr. Braster, says "runs very lean," the issue was how to avoid a tax hike. Over the years, the city set aside about \$13.5 million for development of a parking garage, park and various infrastructure. High Street Residential, a unit of the Trammell Crow Company



Matthew Staver for The New York Times

Central Platte Valley, a neighborhood near downtown Denver. Its development was spurred by light rail lines.

that focuses on the development of urban villages, is assuming the rest of the \$38 million tab and construction.

The city also waived many standard fees associated with the project. The city's investment, according to Art Lomenick, president of High Street Residential, helps keep rents down. (The firm is in negotiations with lenders

to secure financing for the project).

Carrollton, too, will gain. It will lease the parking garage back to Trammell Crow and get a 7 percent slice of profits. It also estimates that the new development, along with two other transit stations being built in other parts of town, will represent \$1.3 billion in increased value to the city.