



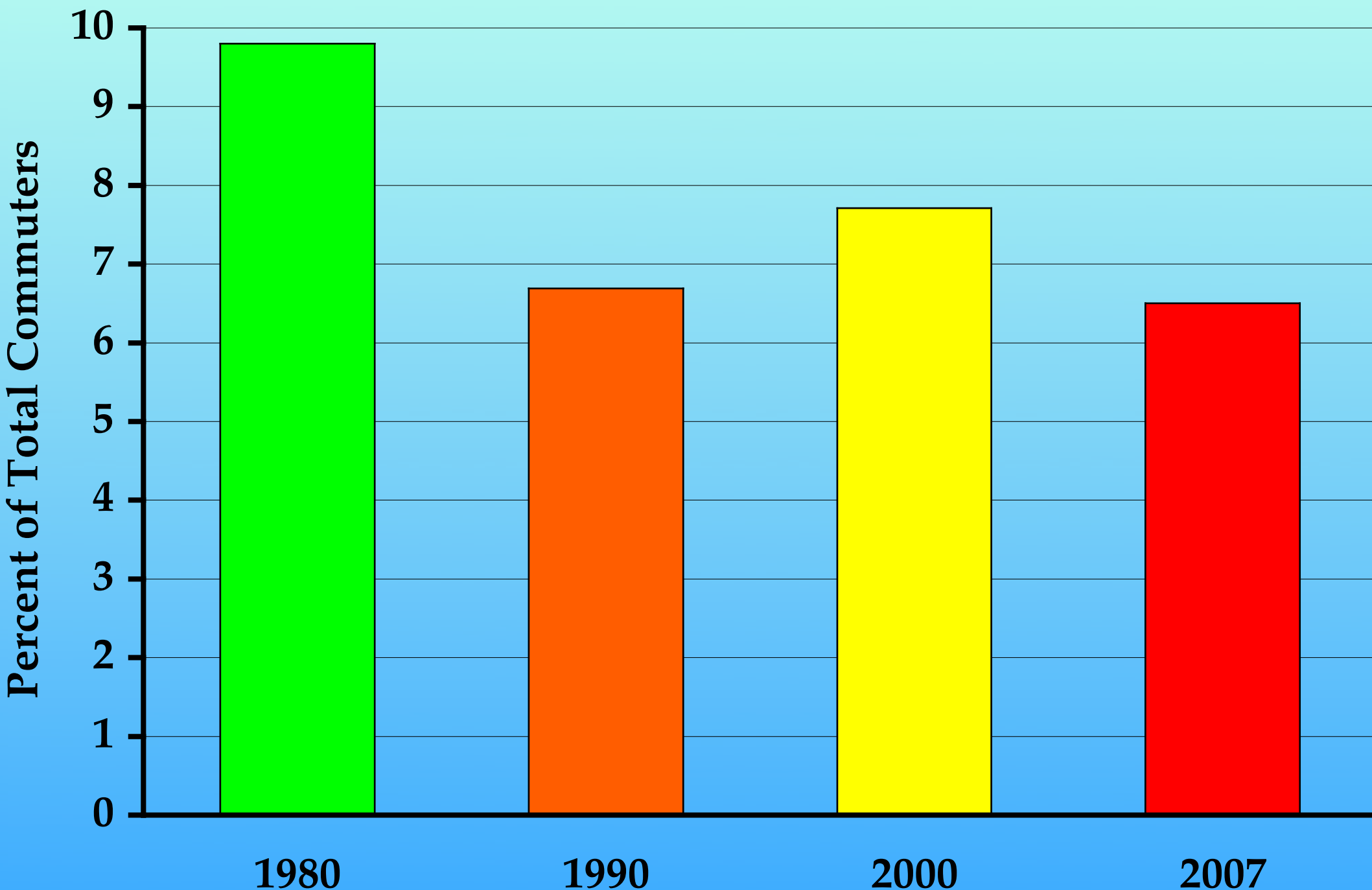
Since building its first modern streetcar line in 2001, the city of Portland has spread a number of myths about streetcars.

Myth #1: Streetcars Boost Transit



The city likes to claim that streetcars are a valuable form of transportation. But at an average speed of around 6 or 7 mph, they attract few riders.

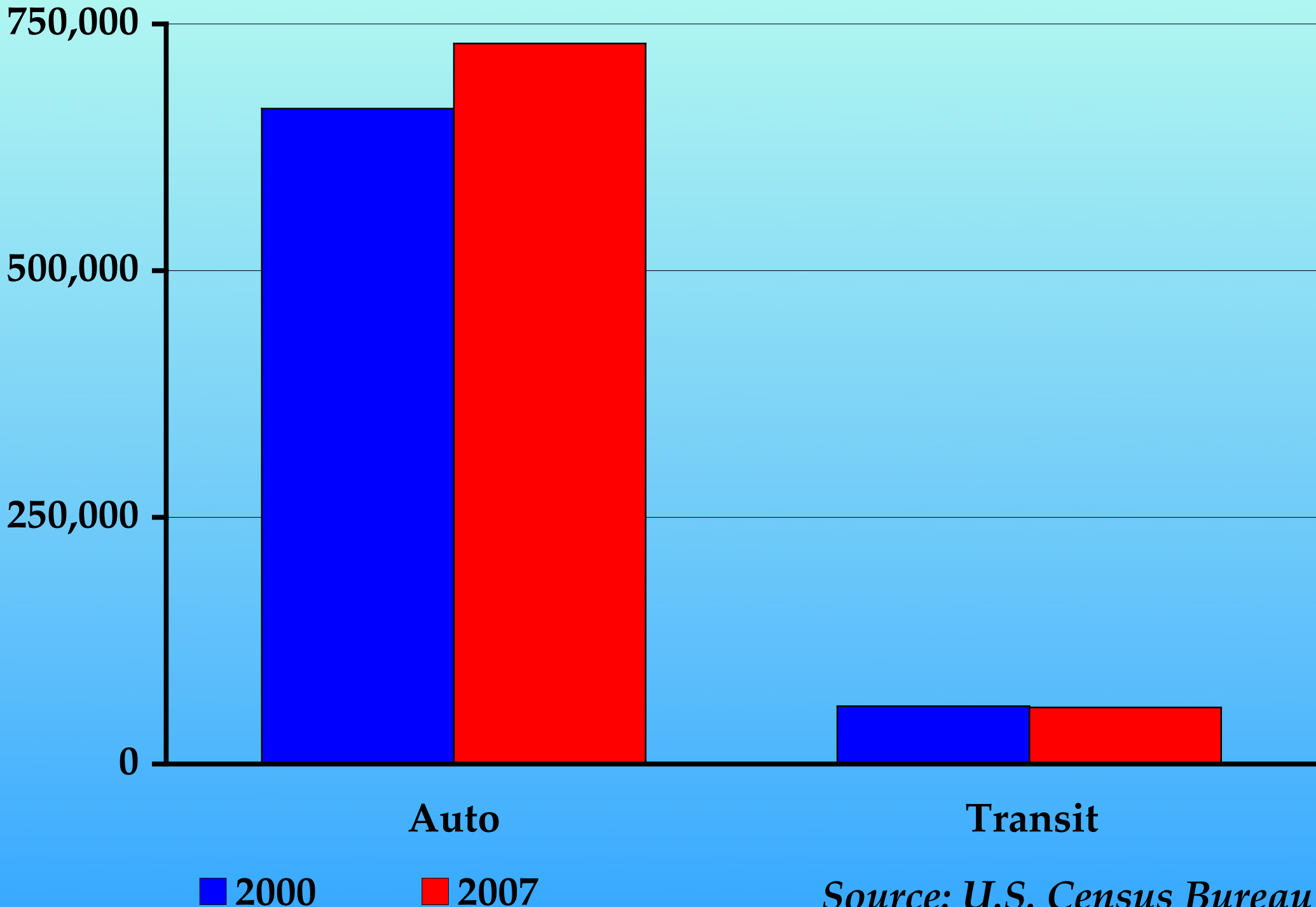
Portland-Area Commuters Using Transit



Source: Census Bureau

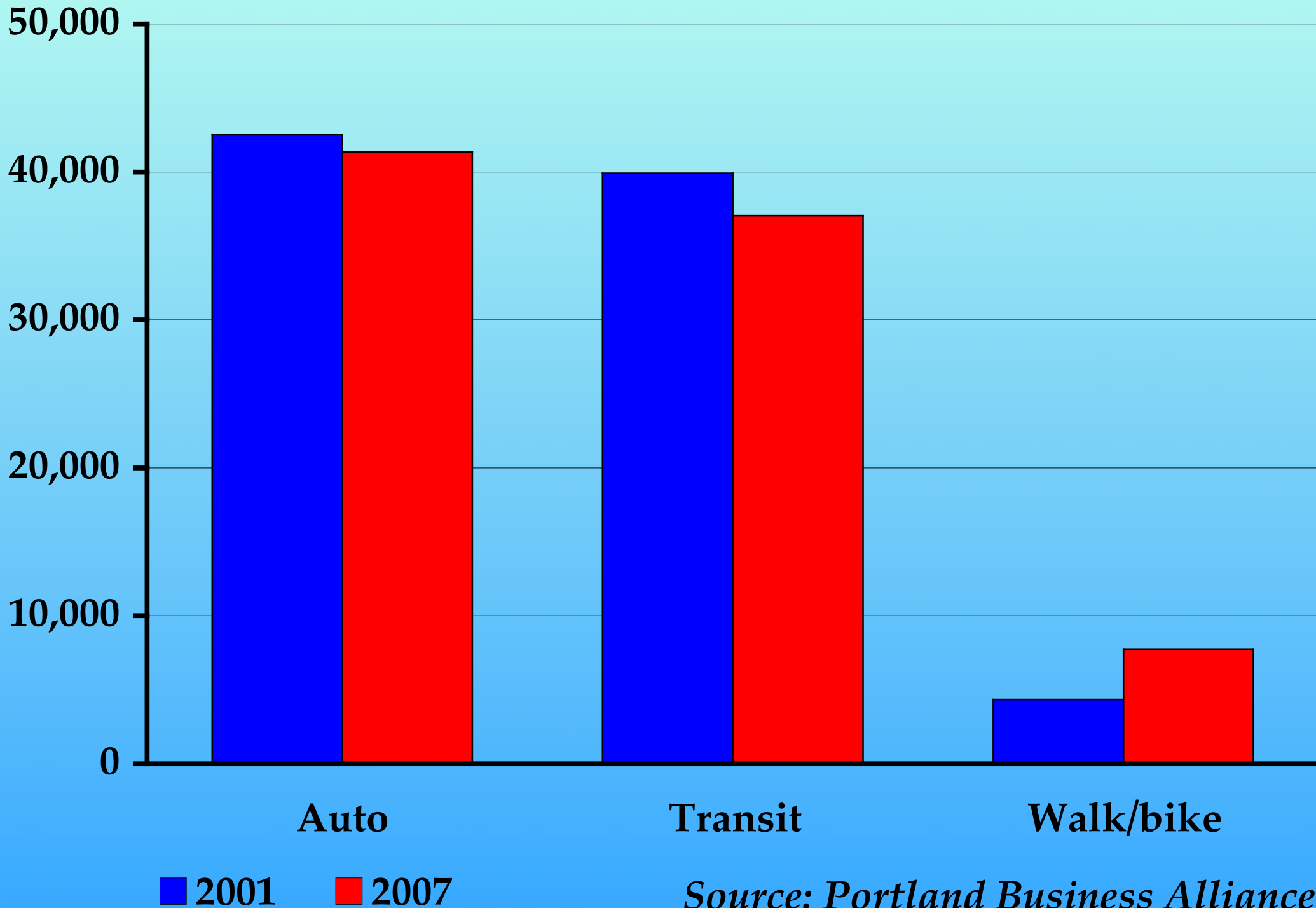
In fact, since light rail was built in the 1980s, Portland experienced a decline in the share of area commuters who ride transit to work, with a further decline since the streetcar opened in 2001.

Portland-Area Commuters



Moreover, between 2000 and 2007, the actual number of commuters taking transit to work declined, while the number of commuters driving to work grew by more than the total number of transit commuters.

Downtown Portland Commuters



The number of workers downtown, where the streetcar is located, taking transit to work has also declined since the streetcar opened.



“The purposeful degradation of downtown-centered bus service in favor of goofball streetcars and trains to nowhere marks a real decline in mass transit in Portland.”

*Jack Bogdanski,
law professor and
popular blogger*

One of Portland’s most popular bloggers, Jack Bogdanski -- bojack.org -- considers the streetcar to be a symptom of a corrupt network of elected officials and developers.

Myth #2: Streetcars Stimulate Development



Which leads to myth 2: the claim that the streetcar stimulated development. We know that light rail did not stimulate development in Portland.



When Portland's first light-rail line opened in 1986, the city zoned all the station areas along the line for high-density, mixed-use transit-oriented developments.



Ten years later, Portland planners sadly reported to the city council that not a single such development had been built along the line, and much of the land remained vacant.

“We have not seen any of the kind of development—of a mid-rise, higher-density, mixed-use, mixed-income type—that we would’ve liked to have seen” along the MAX line.

—Mike Saba, Portland City Planner, 1996

The reason, developers told the city council, is that existing dense developments saturated the demand, and what was in short supply was single-family homes.

“We are in the hottest real estate market in the country,” yet “most of those sites [along the MAX line] are still vacant.”

— Charles Hales, City Commissioner, 1996



In response, city commissioner Hales proposed to subsidize developments with property tax break, tax-increment financing, below-market land sales, and other giveaways to developers.

10 year property tax exemption

“The primary reason for underbuilding in urban areas is the lack of financial feasibility. There is little evidence to support the conclusion that the high densities required in Urban Centers, in the absence of public assistance, are profitable under current market conditions, and that developers and property owners are either unaware that they could make more money by building denser, or prohibited from doing so by physical or policy constraints.”

from: *Metro Urban Centers: An Evaluation of the Density of Development.*

From Portland City Council Agenda:

1620 Grant a ten-year property tax exemption to Hoyt Street Properties, LLC for new multiple-unit housing on the block bounded by NW 11th, 12th, Lovejoy, and Marshall Streets (Second Reading Agenda 1587) Disposition: Ordinance No. 175047.



details: www.saveportland.org

Developments such as this one -- built by the construction company owned by the family of the general manager of Portland's transit agency, who funneled subsidies to his family company -- received ten-year property tax exemptions along with other support.

\$16,850,000.00 Exempt from Property tax (for 10

“The primary reason for underbuilding in urban areas is the lack of financial feasibility. There is little evidence to support the conclusion that the high densities required in Urban Centers, in the absence of public assistance, are profitable under current market conditions, and that developers and property owners are either unaware that they could make more money by building denser, or prohibited from doing so by physical or policy constraints.”

from: *Metro Urban Centers: An Evaluation of the Density of Development.*

From Portland City Council Agenda:

1226 Grant a ten-year property tax exemption to Hoyt Street Properties, LLC for new multiple-unit housing on the block bounded by NW 11th, 12th, Lovejoy and Kearney Streets (Second Reading Agenda 1179)



details: www.saveportland.org

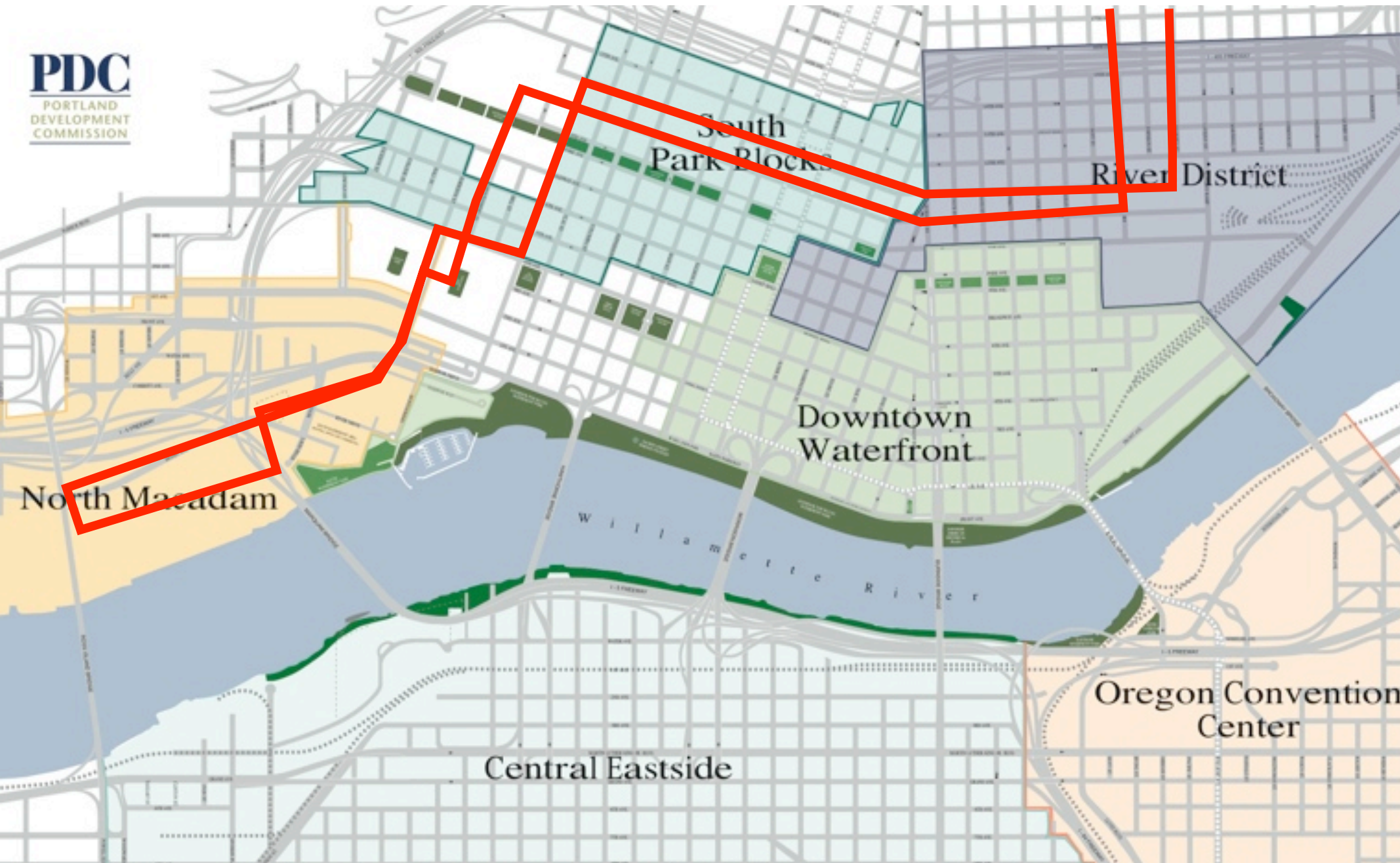
More than \$100 million of properties are exempt from taxes for being “transit-oriented.”

Urban Renewal (TIF) Districts



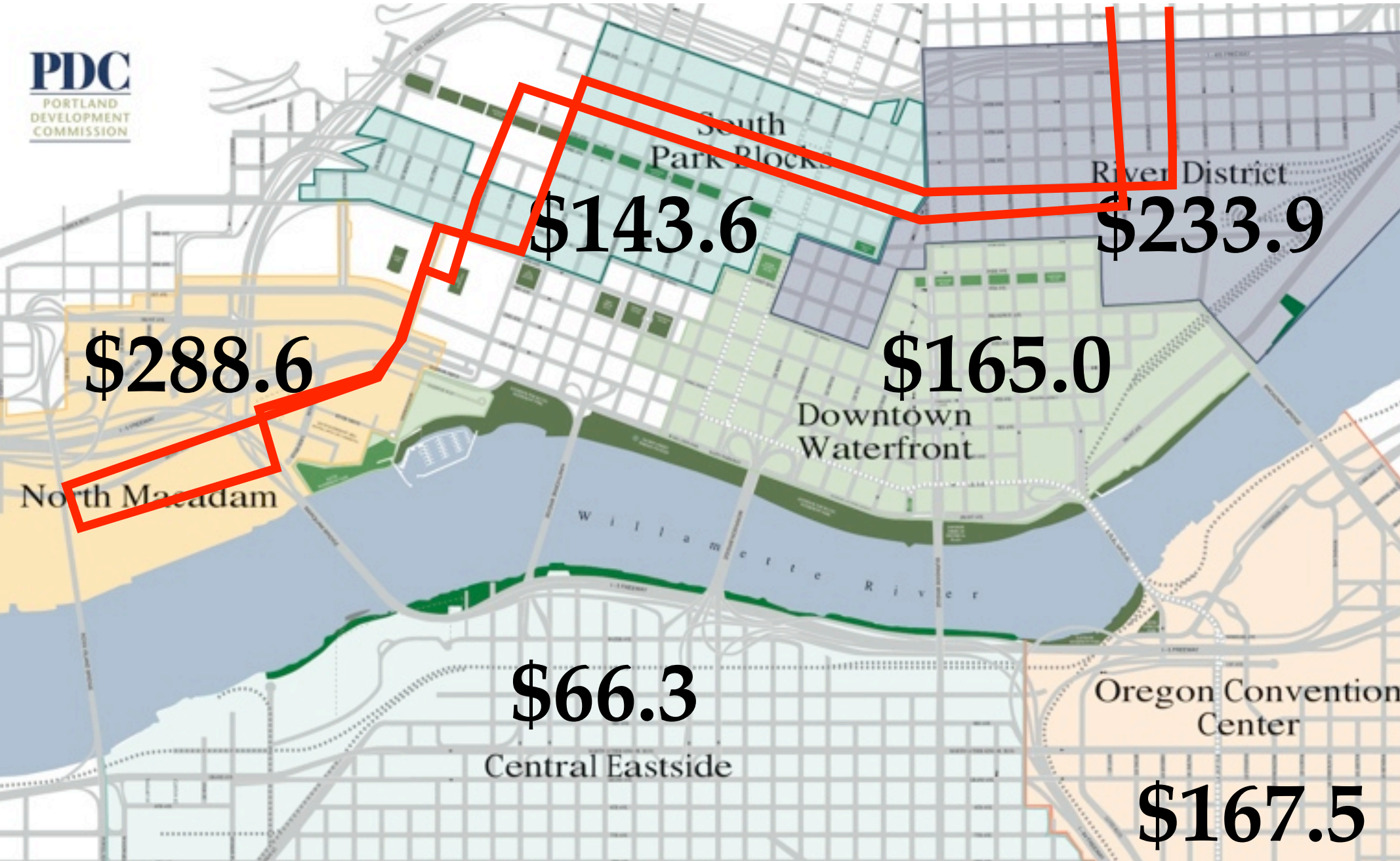
On top of that, Portland created numerous urban-renewal districts along the route of the streetcar and light-rail lines.

Urban Renewal (TIF) Districts



Here the streetcar line is shown crossing through three urban-renewal districts.

Urban Renewal (TIF) Districts (subsidies in millions)



Together, those three districts offered \$665 million worth of tax-increment financed subsidies to developers. Other urban-renewal subsidies went to developments along the light-rail lines and a proposed extension of the streetcar line.

“It is a myth to think that the market will take care of development along transit corridors.”

— Charles Hales, City Commissioner, 1996



In 1996, Commissioner Hales admitted that rail transit by itself did not stimulate development.

“The \$55 million streetcar line has sparked more than \$1.5 billion (and growing) in new development.”

*— Charles Hales, 2006,
now with HDR*



But in 2002, Hales quit his job mid-term and went to work for consulting firm HDR, where he sells streetcars to other cities based on the claim that the Portland streetcar stimulated development.

Transit Cooperative Research Program

Sponsored by the Federal Transit Administration

RESEARCH RESULTS DIGEST

June 1995--Number 7

as: IA Planning and Administration and VI Public Transit Responsible Senior Program Officer: Dianne S Schwager

An Evaluation of the Relationships Between Transit and Urban Form

This TCRP Digest summarizes the results of Phase I of TCRP Project H-1, "An Evaluation of the Relationships Between Transit and Urban Form." The objectives of this phase were to 1) review the existing literature on transit and urban form relations, 2) develop a framework to synthesize this knowledge, 3) identify gaps in current knowledge and the research plan for the balance of the project. This Digest, which brings together the results of more than 30 theoretical and practical examinations of transit and urban form relationships, provides a base of knowledge for future planning and decision making. The research plan will be implemented in Phase II. The Digest was prepared by Robert Cervero, University of California, Berkeley and Samuel Seskin, Parsons Brinckerhoff Quade & Douglas, Inc.

INTRODUCTION

Study of transit and urban form relationships is getting wide attention in the 1990s. Transit operators, urban and land-use planners, real estate developers, and others are interested in the relationship between transit and urban form. In fact, research sponsored by the Federal Transit Administration concludes that rail transit does not spur economic development.

of the densities and mix of uses that they must encourage to ensure system viability.

■ Some transit agencies are rethinking transit development as a strategy for enhancing revenue and ridership. Staff need formulas and guidelines for transit development.

“Urban rail transit investments rarely ‘create’ new growth, but more typically redistribute growth that would have taken place without the investment.”

Cervero & Seskin, FTA Report #TCRP-7

At best, it leads development that would have taken place anyway to locate in one part of town instead of another -- which makes it a zero-sum game. But it is actually a negative-sum game because of the subsidies that everyone has to pay for a few property owners to gain.

Myth #3: Portland TODs Are Successful



A third myth is that Portland transit-oriented developments are working.



Here is a failed transit oriented development in the former East German city of Halle-Neustadt.



Here is a similar development in Portland.



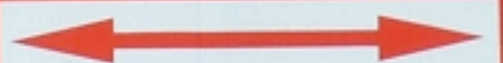
Once East Germans got their freedom, they moved out -- many to single-family homes -- and this development is slated for destruction.



Portland's urban-growth boundary has driven up the cost of land and housing and forced people who would otherwise buy a single-family home to live in places like this. But how transit-oriented is it?



**NO
PARKING
FIRE LANE**



VEHICLES WILL BE
IMPOUNDED AT
OWNERS RISK AND
EXPENSE 24 HOURS A DAY

Retriever Towing
222-4763

This particular development has only .65 official parking spaces per dwelling unit. So the cars you saw parked in the last slide are parking in a fire lane.



These cars are parked on the sidewalk marked by the red line. The managers of this development know that if they enforce the parking rules people will move out.



Another transit-oriented development was planned on the light-rail line to the airport. Nothing was built for years after the line opened, but the light-rail cars dutifully stopped at the stations every day.



One day, a passenger boarded the train at this station. I don't want to say no one rides the light rail, but coyotes like to go where they know they can find solitude from people.



Finally, after years of nothing happening, Portland rezoned the area for big-box stores



Including an IKEA. The development has well over 1,000 parking spaces, as few shoppers are likely to carry their IKEA furniture home on the light rail.



This is supposed to be a mixed-use development with apartments on the upper floors and shops on the ground floor.

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However, almost all the ground-floor shops are vacant because planners didn't provide parking to support retail shops.



There is a large parking lot for the light-rail station, but parking is reserved for light-rail riders.

Drugs are on the move on MAX

Police note that dealers have latched onto Fareless Square stops and the rides between them as fruitful places for sales

By JOSEPH ROSE
THE OREGONIAN

The dealer lingered in the shadows of a MAX platform under the Burnside Bridge. In one of his jeans pockets, \$7 packets of heroin rubbed against a trading card-size picture of the Virgin Mary.

Finding a buyer for the drugs was as easy as waiting for trains to stop and unload riders every few minutes.

Busting the seller was just as easy for an undercover cop posing as a street kid on a recent night. Step off the MAX. Make eye contact. Within two minutes, the dealer was in handcuffs.

"The frustrating thing is there are three more guys in the wings, ready to take his place," said transit police Sgt. John Harrison as he watched a patrol car take the dealer away.

Every day, from just before sunrise to several hours after dark, the same frustration waits at MAX stops along Fareless Square, say officers who patrol the free-



Light rail and streetcars are actually good for some businesses, but they aren't the kind of businesses you want in your neighborhood.



Myth #4:

Streetcars Are Affordable

Another myth is that streetcars are inexpensive. In fact, they are only inexpensive compared with light rail or other more expensive rail; compared with buses, streetcars are extremely expensive.



Portland's streetcar and nearby developments are partly paid for out of tax-increment financing, which means money that would otherwise have gone to fire, police, schools, and other urban services goes to developers instead.



Portland fire and police have seen numerous budget cuts.



Portland's school district has major shortfalls in its annual budget and is closing 4 to 6 schools a year.



**“Who needs
police precincts
and housing
inspectors in
times like these,
anyway?”**

*Jack Bogdanski,
law professor and
bojack.org blogger*

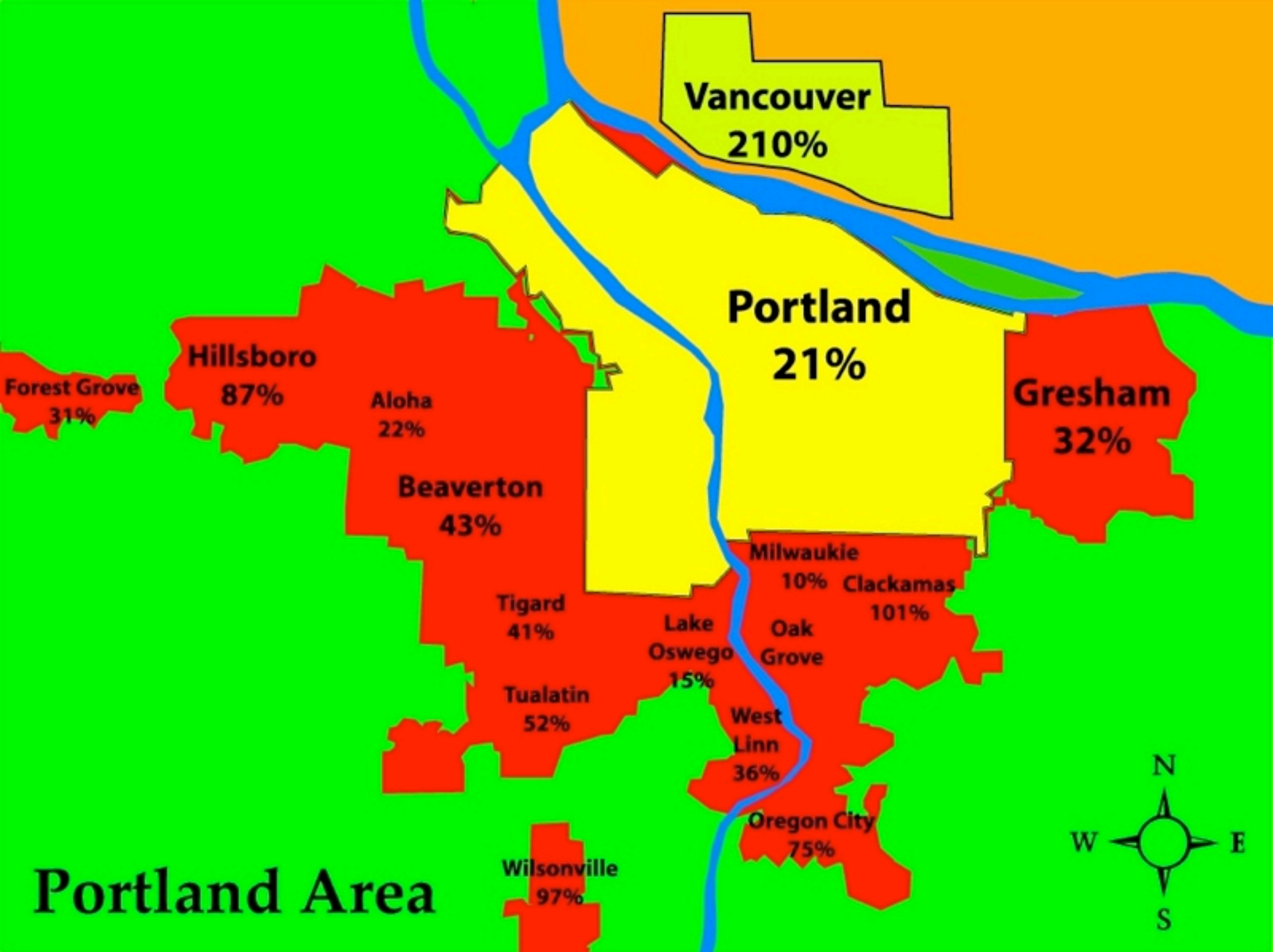
Even Portland’s building inspection department has been cut. But, as bojack suggests, the city’s priorities are to support developers rather than police and other urban services.



Myth #5:

Portland Has Great Restaurants

The New York Times has written much about Portland, including reports about what great restaurants Portland has.



Portland Area



The reason for this is that Portland's urban-growth boundary has driven families with children to suburbs such as Vancouver (which between 1990 and 2000 grew ten times faster than Portland), Salem, and other distant cities.



Portland has become a “childless city,” with a low rate of under-18 population. Most households are singles or childless couples who eat out a lot, thus leading to a high number of restaurants per million people.

Policy Analysis

No. 596

July 9, 2007

<i>Routing</i>

Debunking Portland The City That Doesn't Work

by Randal O'Toole

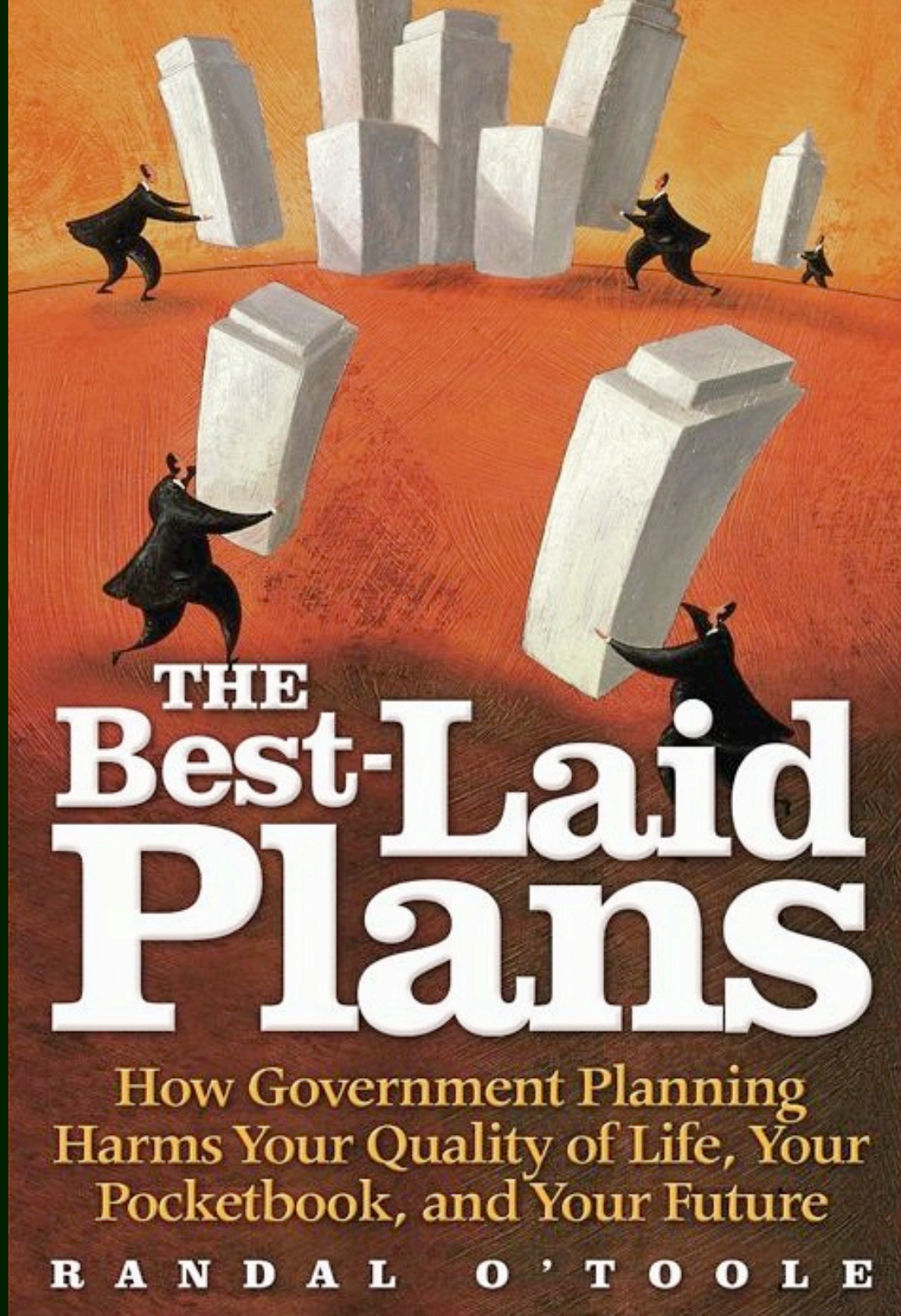
Executive Summary

Though many people consider Portland, Oregon, a model of 21st-century urban planning, the region's integrated land-use and transportation plans have greatly reduced the area's livability. To halt urban sprawl and reduce people's dependence on the automobile, Portland's plans use an urban-growth boundary to greatly increase the area's population density, spend most of the region's transportation funds on various rail transit projects, and promote construction of scores of

move to Vancouver, Washington, and other cities outside the region's authority. Far from reducing driving, rail transit has actually reduced the share of travel using transit from what it was in 1980. And developers have found that so-called transit-oriented developments only work when they include plenty of parking.

Portland-area residents have expressed their opposition to these plans by voting against light rail and density and voting for a property-rights

You can read more about Portland and Portland's streetcar in this report downloadable from cato.org.



THE
Best-Laid
Plans

**How Government Planning
Harms Your Quality of Life, Your
Pocketbook, and Your Future**

RANDAL O'TOOLE

You can also read more about transportation planning in this book published by the Cato Institute.



The Antiplanner

Welcome to the Antiplanner

Home

About

RSS

About the Antiplanner

The antiplanner has more than forty years experience critiquing plans written by a wide variety of federal, state, and local government agencies.

Calendar

December 2006						
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25	26	27	28	29	30	

Welcome to the Antiplanner

posted in [Mission, Why Planning Fails](#) | [Edit](#) |

They say someone starts a new blog every second, so let me present one of the first 80,000 blogs of 2007. *The Antiplanner* is the public face of my new mission: to promote the repeal of all federal and state planning laws and the closure of all state and local planning offices.

While people often blame social problems on politicians or lawyers, I have concluded that many of our problems are due to planners and the elected officials who support them. In a nutshell, planners do two things: they create shortages of things that people want and surpluses of things that people don't want.

Of course, everybody plans. We plan our work day, our vacations, our education and careers. But these plans tend to be short term, flexible, and affect mainly ourselves and our families. To distinguish this from the planning I criticize, I prefer to call such activities *organizing*: we organize our time and resources as efficiently as we can based on what we know. If

1st
January
2007

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My daily blog also frequently comments on Portland and rail transit. Just Google "antiplanner" and I'll be the first thing on the list.

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E-mail: rot@cato.org

Or go to any of these web site for more information.