vision42

AN AUTO-FREE LIGHT RAIL BOULEVARD FOR 42ND STREET

About the Economic Studies by Urbanomics, Inc. — Evaluating the Likely Economic and Fiscal Benefits of vision42, Relating These to the Project's Estimated Costs, and Examining Financing Mechanisms to Pay for Its Construction

Five economic studies of ***vision42*** have been performed:

Phase 1 Study (2004-5)

Based primarily on travel time savings via light rail, increases in property values and consequent City and State fiscal gains are projected. In this study, a *Land Use* classification of properties and the FY 2004 *RPAD Master File* were utilized, which yielded an estimate of $3.56 billion in increased land values as a result of improved access by light rail and the pedestrian street.

Phase 2 Study (2005-6)

Also based on improved access by light rail, and on a 35 percent increase in pedestrian space in a landscaped 42nd Street—major increases in restaurant and retail trade, as well as some increased business for theaters and hotels in the corridor are projected—yielding additional tax revenue for the City and State. The total economic and fiscal benefits should be sufficient to pay for the project's capital costs in six to nine months.

Phase 3 Study (2006-7) Financing Report

Compared with the Phase 1 Study, the Urbanomics ***vision42*** *Financing Report* produced a more conservative estimate of land value increases that were attributable to improved transit access ($1.0 billion). In this phase the estimate was based upon a building classification of *Office Properties, and* utilized parcel attribute data reported by the FY 2006 *PLUTO* file of the NYC Department of City Planning. The consultant believes that the reclassification of some properties as *Mixed Use*, together with improvements in parcel valuation data and use of the current equalization rate for New York, has produced a more reliable estimate of value capture potential. The consultant also finds that—assuming that ***vision42*** would be primarily privately, rather than publicly funded, and particularly in light of the potential substantial gains cited in these reports—the most feasible financing approach would be the formation of a Transit Improvement District, encompassing the area five blocks to the north and five blocks to the south of 42nd Street (excluding the Hudson Yards Tax Increment Financing District), to which a moderate levy would be applied to selected properties, based upon their current New York City tax rates.

Phase 4 Study (2010) Residential Property Value

Applying economic modeling and statistical analysis to over 5,000 recent condo sales in Manhattan, the study shows that one of the most important variables in determining the value of high-rise residential property is its distance to the nearest rail transit station. Applying this relationship to the full inventory of existing and projected high-rise residential buildings in the 16-stop ***vision42*** light rail line corridor, five blocks on either side of 42nd Street river-to-river, a gain of $2.55 billion (in 2010 dollars) is projected. This gain far outweighs the $1.03 billion increase in the value of residential property that would result, applying the same economic model, from the addition of a 10th Avenue station on the #7 subway extension. Estimates of the cost of constructing the new subway station are greater than the cost of building the full 2½-mile surface light rail.

Phase 5 Study (2011-12) Comparison of Relative Benefits of vision42 with a New 10th Avenue #7 Subway Station

Comparing the full river-to-river ***vision42*** proposal with one additional station at 10th Avenue on the #7 subway extension, this study finds that ***vision42*** produces far greater economic and fiscal benefits. The consultant Urbanomics used the same methodology developed in earlier studies to make detailed estimates of travel time savings and gains in property value in the corridor from either option. While the subway station produces substantial benefits, the river-to-river light rail line produces three times the gains in travel time, while having lower construction cost estimates. Given existing development, this will result in one-time property value increases for ***vision42*** that are 3.5 times greater than those of the 10th Avenue station, and 2.7 times greater at full build-out of development in 2030. The study concludes that the full river-to-river light line is a far more productive transportation investment.