



NEWS RELEASE

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New Study: NJ/NY Homes Near Future ARC Stations Predicted to Rise in Value by \$19,000-on Average; \$29,000 if Within Walking Distance

Project Will Create \$18 Billion in Real Estate Value, Reducing Pressure for Property Tax Rate Increases

ARC Doubles the Number of People West of Hudson within a 50-minute Train Commute of Midtown

(New York, NY) A new groundbreaking study released today by Regional Plan Association shows how the Access to the Region's Core project (ARC), the new trans-Hudson passenger rail tunnel being built by NJ TRANSIT and the Port Authority of New York and New Jersey, will significantly increase New Jersey and New York home values near train stations on the NJ TRANSIT system and MetroNorth's Port Jervis and Pascack Valley lines by \$19,000 on average if homes are within two miles of train stations and by \$29,000 for homes within walking distance. Cumulatively, this increase in home value will be an astonishing \$18 billion, creating a higher tax base and relieving pressure to increase tax rates in communities across New Jersey and New York. The report also shows that, because ARC shortens commuting times, the number of people who live west of the Hudson River within a reasonable (50-minute) commute of Midtown Manhattan will double when ARC is completed, expanding the workforce for New York City's highest-value businesses.

"There is not a more clear-cut instance of a project with tremendous public benefits that will improve the region for decades to come," said Bob Yaro, President, Regional Plan

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Association.

The report, entitled, “The ARC Effect: How Better Transit Boosts Home Values and Local Economies,” is based on a statistical analysis of 45,000 home sales within two miles of train stations of three recent improvement projects to the NJ TRANSIT system: Midtown Direct Service on the Morris & Essex Line, the Montclair Connection for the Montclair-Boonton Line and Secaucus Junction, which serves the Pascack Valley and Main/Bergen/Port Jervis Lines. Cumulatively these projects increased the value of nearby homes by an average of \$27,000 per home; \$40,000 if the home was within walking distance of train stations.

A detailed comparison of the trip time reductions brought on by these three projects with the trip time reductions expected from ARC reveals that ARC could raise home values by a cumulative \$18 billion, generating \$375 million a year in new property tax revenue for municipalities. This growing tax base will relieve pressure for municipalities to increase tax rates.

The report also shows that ARC will double the number of west of Hudson residents who are within a 50-minute train ride to Midtown, where wages paid are significantly higher than in the suburbs. The number of people within 70 minutes of Midtown will increase by 25%. This extraordinary improvement in access will have significant positive economic impacts for families and municipalities across New Jersey and New York.

“Past NJ TRANSIT improvement projects, such as Midtown Direct, Montclair Connection and Secaucus Junction, have boosted local economies and home values, and ARC will too,” said Juliette Michaelson, report author and Senior Planner, Regional Plan Association. “The project will be a terrific economic boon to the region, providing better access to high-paying Manhattan jobs to New Jersey residents, and improving New York businesses access to the New Jersey labor pool. In fact, it is difficult to see how the region can grow without the improvement in access that ARC represents,” continued Michaelson.

“Property value increases is just one of the long-term economic benefits of ARC, which also include an overall increase in the region’s economy, new jobs on both sides of the Hudson, higher personal incomes, higher commercial property values, and reductions in driving, highway congestion and air pollution,” said Thomas K. Wright, Executive Director, Regional Plan Association.

Construction of ARC has already begun and is scheduled to be completed by 2018. Recently, hearings concluded on use of Eminent Domain for the project. Total expected cost

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is approximately \$9 billion dollars, with funding from the federal government, the State of New Jersey and the Port Authority of New York and New Jersey,. The project is currently fully funded.

ARC involves the construction of a second trans-Hudson commuter rail tunnel that will connect NJ TRANSIT's existing rail network and MetroNorth's Port Jervis and Pascack Valley Lines with a new terminal station at 34th Street in Manhattan. For several train lines that currently terminate in Hoboken or Newark Penn Station, ARC will provide new, direct service to Midtown. For those lines that already terminate at Penn Station-New York, ARC will significantly increase the frequency and reliability of service.

"ARC is New Jersey and New York's biggest investment in transit ever. It will double the number of trains that can travel every morning into Manhattan, the region's economic engine, from west of the Hudson River, the region's fastest-growing pool of commuters to Manhattan," said Robert Freudenberg, RPA's newly appointed New Jersey Director. "Going forward, NJ TRANSIT, Metro-North, municipalities, and the state of New York and New Jersey should work together to optimize ARC's benefits for the most residents possible. The economic development and quality-of-life potential that improved transit provides can best be harnessed by building new, transit-oriented, mixed use, and economically diverse development around train stations," continued Freudenberg.

The report findings were heralded by fellow transit groups.

"Not only will ARC add critical new capacity to New Jersey's rail system, this report shows that it will encourage walkable, transit-oriented development that will allow the state to grow and accommodate new residents sustainably. Though it will be years before the tunnel is completed, now is the time for the state and municipalities to plan for this tremendous opportunity," said Peter Kasabach, Executive Director of New Jersey Future.

"Commuters and businesses in this region want transit access because of its economic, environmental, and social value. ARC is one of the most important examples of how solid transit investment by federal and local agencies reverberates numerous benefits to the region," said Kate Slevin, executive director of Tri-State Transportation Campaign. "With transit use in the region projected to grow significantly, this report proves that ARC will keep our region's economy strong and robust."

Recent growth in the region has consumed most of the existing transit capacity and this growth is expected to continue. There is no capacity in the auto crossings, in the exclusive

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bus lane leading to the Port Authority Bus Terminal or in the existing century-old commuter rail / intercity rail tunnel leading into Penn Station. PATH and ferry capacity does exist but those systems are poorly positioned to attract many added riders.

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