

ULI Says Smart Growth Helps Consumers Save

Consumers looking to save on their housing and transportation costs will cheer recent findings announced by the Urban Land Institute (ULI). An analysis, conducted by ULI Senior Resident Transportation Fellow Robert Dunphy, concluded that, "metropolitan areas with more compact growth, a wide mix of land uses, plentiful transportation options, and which were mostly developed prior to the use of the automobile, are generally less expensive places to live, in terms of the combined costs for housing and transportation."

ULI's report—Housing and Traffic: Tightening the Connection, but Lessening the Burden—looked at consumer expenses in 28 metropolitan areas during 2001, using spending data released last year by the U.S. Bureau of Labor Statistics. Dunphy found that housing accounted for one-third of spending by U.S. households in 2001. That represents twice the amount spent in 1972, according to ULI, and reflects "higher homeownership and larger and lavish homes," Dunphy said.

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I-270 HOT Lane Experiment Studied

The Maryland State Highway Administration is studying the feasibility of conducting a small-scale test of "High Occupancy Toll" (HOT) lanes on I-270. HOT lanes manage congestion by allowing single-occupant vehicles to use High Occupancy Vehicle (HOV) lanes for a fee.

The fee, paid as a toll, allows solo drivers to take advantage of HOV lane time savings without carrying the required number of occupants. The toll amount is set at a level that prevents the HOV lane from becoming overloaded with additional vehicles, thus allowing traffic to remain free flowing. Revenue from the HOT lane tolls helps pay for additional travel improvements, especially for more efficient options, like transit, ridesharing, bicycling and walking.

The proposed I-270 HOT lane experiment would allow approximately 1,000 registered users to drive in the existing HOV lane, primarily commuters into Rock Spring Park. These drivers would be issued a special device and fare card to access the lane and pay the toll.

In preparation for this experiment, project leaders have been conducting a series of focus groups. Participants include Rock Spring Park-based employers and commuters, plus citizens' groups from the I-270 corridor. The focus groups gave potential participants and others a chance to discuss the pros and cons of

HOT lanes.

Three focus groups have been held, including one in December 2003 with employers, and two in February 2004 with Rock Spring Park commuters and stakeholders from the larger community, respectively. Transportation consultant Richard Kuzmyak facilitated the discussions.

The groups reacted to eight categories of questioning. The categories included:

- ✓ General reaction to the HOT Lane concept as a traffic congestion relief strategy, for providing more travel choices, and to charging for use of a public roadway.
- ✓ Is I-270 and Rock Spring Park a suitable setting for this test?
- ✓ Do you foresee major issues with

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equity in this test, and do you think the proposed strategy of directing toll revenues back to other commuters as alternative mode incentives is viable?

- ✓ Do you think the technology proposed for the demonstration will work, and fulfill the stated objectives—enforcement, toll collection, evaluation data?
- ✓ What should be done about enforcement?
- ✓ How should HOT lane use be priced?
- ✓ What type of support might be expected from employers for this concept?
- ✓ What will be the major challenges in earning acceptance for this concept?

Participants in these focus groups generally expressed cautious support for the basic concept of HOT lanes and for an I-270 HOT lane experiment. Employers found the concept interesting and felt it warranted further exploration. Drivers who have not been able or willing to conveniently commute in an HOV seemed to value the new option and "freedom of choice" a HOT lane would provide.

Some participants were concerned about how current HOV lane users might react to seeing non-HOVs using their lane. Making sure that traffic volume in the HOV/HOT lanes is managed so speeds and travel times don't suffer would be important.

After some explanation of how the special HOT lane access/payment devices would work, most participants said they could accept them—as long as the devices can be operated hands-free and remain out of the driver's field of vision.

An advisory group that includes representatives from county, state and federal agencies met March 2nd to review focus group results. The advisory group discussed moving forward with planning for the pilot project, but recognized that additional issues need to be addressed and an implementation plan would need to be developed.

Details: Peggy Schwartz (301-770-8108)

Ride On Enables Bus Schedule Downloads to Palm PDAs & Pocket PCs

Montgomery County Ride On recently launched a pioneering use of pocket technology to make bus schedules more user-friendly. Bus riders can download their favorite Ride On routes directly into their Palm PDA or Pocket PC.

This helpful service enables riders to have bus schedules available at all times with the click of a button. No more fumbling for printed timetables, or last minute scrambling to Ride On's Web site to look at schedules.

Ride On began offering the Palm PDA version in September 2003. The Pocket PC software became available in late January 2004.

"I downloaded the software and bus schedule to my own Palm Pilot, and it works wonderfully," says TAP director Peggy Schwartz. "It was quick to install and simple to use."

To get started, visit <http://www.secondkiss.com/rideon/>. The site allows users to download and become familiar with the software. It also offers a free service to notify registered users by e-mail whenever the software is updated and/or new schedule data becomes available.

The two versions of the software—one for handhelds running Palm OS 3.1 or higher, and one for Microsoft



RIDE ON
HANDHELD
SCHEDULE
PLANNER

Pocket PCs—cover many of the most popular such devices. Some PDAs, although not made by Palm, nonetheless run with Palm OS software. Details specific to Palm vs. Pocket PC users are included at the software download site.)

The software is first downloaded from www.secondkiss.com/rideon to a user's personal computer. Then users can transfer the files to their handheld device via the cable/beam specific to their particular PDA.

Handheld technology is catching on for transit users elsewhere, as well. Arlington County, Virginia offers a wireless version, providing users with "up-to-date transit schedules delivered to your mobile device, wherever you are...," says CommuterPage.com's Web site. And TriMet, Portland, Oregon's public transportation system, uses the same secondkiss.com service as Ride On.

Getting Your Tax Credit?



Maryland employers can claim a tax credit for 50 percent of the eligible costs of providing commuter benefits. The **Maryland Commuter Choice tax credit** applies to a maximum of \$50 per participating employee per month (based on a \$100 monthly contribution). The tax credit can be taken against the state income tax, personal income tax, financial institution franchise tax, or the insurance premium tax.

Planning ahead is essential, however. Employers must register prior to the last day of the taxable year in which the credit will be claimed. Call 410-767-8750, or visit www.mdot.state.md.us/CommuterChoice/ for more details.

ULI Finds Smart Growth Saves - continued

He found that transportation costs ranked a close second to housing, at 19 percent of the average household budget, more than food and clothing combined. Dunphy reported that the average household spent more than \$7,600 annually on transportation, of which \$7,200 was for buying and maintaining cars and trucks. In comparison, an average of \$400 was spent on public transportation, including expenditures for air fares.

Together, said Dunphy, housing and transportation costs accounted for 52 percent of annual consumer expenditures nationwide, with lower-income households spending an average of 53 percent and higher-income households spending an average of 49 percent. The differences in metro area expenditures reflected local variations in housing and transportation costs, and area incomes.

“The price of location works two ways,” Dunphy said. “One way to cope with the high cost of housing is by moving to a lower cost location and commuting. Another way is to bite the bullet, pay the cost of a prime location, and enjoy the savings in time and transportation costs conferred by being closer to work and entertainment and having travel options. Urban housing markets are composed of both kinds of consumers.”

Dunphy noted that the top ten markets in which housing accounted for the highest share of household spending were: Los Angeles, San Diego, San Francisco, Atlanta, Washington, D.C., New York, Miami, Boston, Chicago and Denver, with the portion ranging from 36 percent in Denver to nearly 38 percent in Los Angeles. Markets in which housing accounted for the lowest share of household spending—between 29 and 32 percent—were St. Louis, Pittsburgh, Minneapolis/St. Paul, Kansas

City, Cincinnati, Houston, Dallas, Tampa, Anchorage and Honolulu.

ULI's survey showed nine metro areas in which transportation spending accounted for at least 19 percent of household spending. Tampa, with a share of 25 percent, led the list for cities with high transportation costs, followed by Phoenix, Dallas, San Diego, Cleveland, Houston, Seattle, Pittsburgh, Cincinnati and St. Louis. Cities rating on the lower end for transportation costs—17 percent or less of household spending—were New York, Boston, Washington, D.C., San Francisco, Philadelphia, Baltimore, Milwaukee, Portland (Ore.), Honolulu and Atlanta.

When looking at consumers' combined spending on housing and transportation, the most expensive markets were San Diego, with a share of 58 percent; Tampa, 56 percent; Los Angeles, 55.7 percent; Miami, 55.1 percent; Denver, 54.9 percent; Atlanta, 54.7 percent; Phoenix, 54.3 percent; San Francisco, 54.1 percent; and Cleveland, 54.0 percent.

New York and Washington are prime examples of trading high housing costs for affordable transportation, Dunphy reported. That moves those areas from the high housing cost category to middle-cost markets for combined housing/transportation costs.

However, Houston and Dallas—both of which rank high for transportation costs but relatively low for housing costs—are characterized by the commuting or “drive to qualify” option, Dunphy said.

“The study documents the pocket-book benefits of smart growth. The

large cities with concentrated growth, mixed-use development and transportation options are places where high housing costs are somewhat offset by more affordable transportation, helping to bring down the combined

location costs,”

Dunphy said.

“Moreover, homeowners in these higher priced housing markets have the advantage of building wealth through home equity, rather than buying cars, which only depreciate.”

Dunphy high-

lights several strategies that have either been implemented or proposed to lower combined location costs:

- ✓ More affordable housing in accessible locations—Using financial incentives, tax advantages, special mortgage products and other programs to create more affordable housing opportunities in close-in locations.
- ✓ Pay at the pump insurance—Including the cost of car insurance in the price of gasoline, making drivers more cognizant of their total driving costs and possibly encouraging them to economize by driving less.
- ✓ Gap transportation—Reducing the need for two cars by increasing the availability of car sharing services for occasional driving needs. “Once purchased, people tend to find uses for their vehicles,” Dunphy notes.
- ✓ Increasing the cost of “drive to qualify”—Having road extensions into new suburbs paid by users.

“Smart growth helps lower consumer ‘location’ costs for housing, transportation...”
— Urban Land Institute

The full study was published as “Housing and Traffic” in the February 2004 issue of Urban Land magazine. Learn more at www.uli.org.

“Metro Matters” Coalition Seeks Additional Transit Funding

The Washington Metropolitan Area Transit Authority (Metro) reports that it is facing serious funding challenges caused by a combination of its aging infrastructure and growing ridership. Metro says the under-investment must be addressed in order to meet the public’s service and reliability expectations.

To garner broad support for Metro’s urgent capital needs, the agency launched “Metro Matters,” a regional coalition and outreach program. Metro Matters seeks \$1.5 billion in additional funding over the next six years for rail cars and support systems, buses and bus facilities, and for infrastructure improvement and replacement.

For more details, contact Metro at 202-637-7000, or read about Metro Matters on its Web site: http://www.wmata.com/about/metro_matters/metro_matters.cfm.



is published by the Transportation Action Partnership of North Bethesda and Rockville, Inc., a nonprofit group of local businesses working to improve traffic conditions in North Bethesda and Rockville.

TAP pursues a wide range of transportation improvements essential to the area’s continuing prosperity. Focusing on traffic mitigation programs, transportation information exchange, advocacy for local highway and public transit improvements, and long-term policy leadership, TAP offers the business community a voice in local transportation decision making and provides a forum for public-private discussion on issues related to transportation planning, financing, and implementation.

For information about participation in TAP, contact the TAP office at:

TAP, Inc.
5640 Nicholson Lane, Suite 224
North Bethesda, Md. 20852
301- 770-8108

President: Charles Camalier III

Upcoming TAP Meetings

General Membership (First Wednesday of designated months at 9:00 a.m.)

Community Relations Committee (Selected Fridays at 9:30 a.m.)

Program and Services Committee (Selected Mondays every month at 9:00 a.m.)

If you would like to participate in one of the committees, call Executive Director Peggy Schwartz (301-770-8108) for dates, times, and locations.

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