BANKER & TRADESMAN

A NEW WAY FORWARD

Getting The Green Line Back On Track

Reimagining The Green Line Extension

By William Lyons | Jan 24, 2016

Reprints | Print

William Lyons

Since last fall, when the MBTA announced that the Green Line Extension (GLX) Project was over budget by as much as $1 billion, the future of the project has been uncertain, at best. While there has been much discussion of the project's fate, every day that goes by further delays a much needed project that will generate significant economic and social benefits in the host communities – Cambridge, Somerville and Medford – as well as the whole region. To achieve the substantial benefits of the project as soon as possible, bold action is required to fundamentally reimagine the project.

There are two basic assumptions about this project that need to be completely reconsidered: how we accomplish its goals and how we pay for it. These two assumptions are so fundamental that to reopen them for discussion and debate feels like backtracking. However, I argue that those assumptions were premised on information that is no longer valid, and that all good decision-making constantly revisits and revalidates its assumptions and makes course corrections when assumptions no longer hold. That is where we are today.

Decisions about funding and transit modes were made decades ago and no longer reflect our current fiscal, political and social environment. Nor do they reflect current policy and technological trends. To continue forward with our current path would be akin to the transit emperor having no clothes – everyone would know we are getting a project that is out of touch with the times, but no one would have made the hard decision to change the project's trajectory.

The purpose of the GLX project is to provide a viable mobility option to the most dense population in the region, and thus open up economic and social opportunity for tens of thousands of residents who will be served by the project. Plain and simple. Yes, the project is required mitigation for the Central Artery project. Yes, the project will take thousands of cars off the roadways every year, and in so doing reduce congestion, improve air quality, and promote healthier transportation choices. But at the end of the day, this is a mobility improvement project. If there is a better, more affordable way to achieve the mobility objectives of the project, then it should be on the table. I submit that Gold Standard Bus Rapid Transit – or BRT – is the better way to achieve the goals of this project.

Done correctly, BRT can be faster, cheaper and more efficient than most transit lines. It is the mode of choice all over the world, from Brazil to China and from South Africa to Cincinnati. If constructed in the same proposed right-of-way as the light rail project, it will achieve the same or better travel times while avoiding the most vexing costs of the green line light rail system. In short, it would likely offer a better service at a fraction of the price.

Mode Of Choice

In fact, a study led by the Barr Foundation with the support and participation of many of the region's transit policy experts concluded that BRT is not just a viable alternative to traditional transit modes in Boston, but may be the mode of choice in some cases. While the Barr Foundation's BRT study did not specifically evaluate the GLX route for suitability as a BRT project, it is high time that it did. We may all be pleasantly surprised by what we learn.

In addition to reconsidering how we achieve the project's goals, we need to reconsider how we pay for it. Many studies published since the project was envisioned have examined the link between transit and land values. One such study, the Walkup Wakeup Call conducted by Smart Growth America, found that real estate values increased by 37 percent in walkable neighborhoods served by transit. These studies have demonstrated that transit projects increase land values along their route. Clearly, we need to capitalize on the increase in land value to pay for some portion of this project.

The concept of using increased real estate values to pay for transit projects is called "value capture." In principle, value capture works by using a portion of the increased real estate tax revenue that results from the transit project to pay for bonds issued to finance the project. It is fairly straightforward in concept, but challenging politically and bureaucratically because the real estate tax revenue goes to the host municipality and the bonds will be issued by the state. However, we must overcome these challenges if the project is to be successful.

There is currently a bill in the Massachusetts House of Representatives to enable value capture financing plans. It deserves our close attention. If it can be moved quickly, it may very well present a viable way forward to finance this very deserving project.

In the end, we must all take some risk if we feel the project is worth pursuing. To ignore outdated assumptions and advance the project as it is without changing course is to jeopardize the fate of the project. To expand our options and explore new alternatives based on leading research is the way ahead. As a community, let's be brave and chart a new course on mobility.

William F. Lyons Jr. is president of Fort Hill Cos. of Boston.

Related articles:

- As Expected, Feds Raised Rates In December
- A New Front In The Battle For Public Deposits
- Value Capture Not Enough To Offset MBTA's Shortfalls
- Keeping Your Home Deal On Track In The New Year