



**Alan M.
Voorhees
Transportation
Center**



Land Development at Selected Hudson-Bergen Light Rail Stations

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Table of Contents

Executive Summary	i
Introduction.....	1
Part I.....	6
Update on Essex Street-Jersey Avenue Station Area, Jersey City	
Update on 9 th Street Station, Hoboken	
Part II	13
34 th Street Station, Bayonne	
Port Imperial Station, Weehawken	
Bergenline Avenue Station, Union City/West New York	
Findings and Recommendations for Next Steps.....	35
References.....	38

Note: Unless otherwise indicated all pictures and exhibits have been provided by VTC.

Background

More than a year-and-a-half ago, the most recent phase of the Hudson Bergen Light Rail (HBLR) line was completed. Opened in 2000, this 20.6-mile long, 23-station route was developed in multiple phases through a creative design/build/operate and maintain (DBOM) contract. A product of intensive planning, public participation and political cooperation, the HBLR is a testament to the value of investment in new transportation infrastructure. Not only has ridership been growing, but land development has been



intensifying at stations along the line at a scale beyond that which road network alone could have borne. Acres and acres of old, abandoned rail yards, piers, and industrial sites along the route have been transformed into compact residential, office and retail developments in pedestrian, transit-friendly environments. The project has become a showcase of “smart growth.”

New transportation options have been opened for thousands of people in northern New Jersey through the multiple

connections provided by the HBLR’s linkages. The HBLR serves as the north-south transit connector within Hudson County, complementing PATH’s role as northern New Jersey’s east-west transit distributor. The HBLR provides connections to the PATH service into New York City and Newark, suburban commuter rail at Hoboken, ferry service at many points, bus stops at most stations, a half-dozen park and ride lots, and an elevator connecting west Hoboken with the Jersey City Heights neighborhood. The proximity of housing and offices to stations – within walking distance – allows residents to leave the car at home for work, shopping and entertainment trips.



During the summer and fall of 2005, under grants from the U.S.

Environmental Protection Agency and NJ TRANSIT, the Voorhees Transportation Center (VTC) at the Edward J. Bloustein School of Planning and Public Policy, Rutgers University, studied the development around the HBLR’s Essex Street – Jersey Avenue Station corridor in Jersey City and its 9th Street Station in Hoboken. At that time the land development impacts of the HBLR were just beginning to be recognized, and these two case studies were

chosen because of the considerable amount of construction activity underway in each location. The description of these outcomes and potential for economic expansion along the line was published by Reconnecting America in June 2006 and for the first time brought national attention to the development momentum that was gathering along the line.

The purpose of this report is to continue to monitor and document the development progress at HBLR stations. To that end, we have updated the activity in the two locations studied previously; and, we have investigated three more station areas: 34th Street station in Bayonne, Port Imperial station in Weehawken, and Bergenline Avenue station in Union City. These case studies were selected for their development potential: In Bayonne, the redevelopment of the former Military Ocean Terminal (MOTBY) is slated to contain 6,000 new residential units; the Port Imperial planned community is well under way with over 3,000 new residential units already constructed; and, Union City, a long-time immigrant community, densely populated with households of very modest means, is contributing significant ridership.

Findings

The growth along the HBLR line has continued at a steady pace. The 10,000+ new units that we have documented at the five station areas is conservatively estimated at \$5.3 billion. These developments represent new riders, new ratables, new business creation and investment, new employment opportunities, environmental improvement and a fresh, engaging sense of place in station areas.

HBLR Total TOD Housing units Built or Under Construction* Major Projects			
	# of Units	Estimated Sale Value/unit	Total Estimated Sales Value
Hoboken 9th Street	2,230	\$400,000	\$892,000,000
Essex Street-Jersey Avenue	4,265	\$550,000	\$2,345,750,000
34th St Station, Bayonne	450	\$400,000	\$180,000,000
Port Imperial	3,142	\$600,000	\$1,885,200,000
Bergenline Ave.	52	\$300,000	\$15,600,000
Total	10,139		\$5,318,550,000

*Since 2000, the opening of the HBLR

The completion of many of the major projects, such as Liberty Harbor North and The Peninsula at Bayonne Harbor, will take years to complete. The cycles of the housing and office markets will have to be expected and endured. Nevertheless, the movement is forward looking. HBLR has set in motion a dynamic process that will continue, aided by demographics, environmental concerns and desire for a better live-work travel balance. The following is a summary of the effects that the HBLR has had on the Gold Coast of New Jersey, either directly or indirectly:

1. Development Outcomes

- Smart Growth is taking place: Large quantities of underutilized land around rail stations are being reclaimed for productive use and being replaced by compact, pedestrian-friendly, mixed-use developments with convenient access to public transportation at a scale beyond that which the local road network could borne
- Development demand is broad-based: housing, office, hotels, retail and recreational facilities are all being created
- An impressive amount of new housing units is being created within walking distance of transit stations studied; housing value for those areas studied in this report is estimated conservatively at \$5.3 billion
- Property values and ratables have grown exponentially
- Solid return on transit investment is unquestionable
- BUT given the cyclical nature of housing and office markets, full development will take many years to be realized, and expectations should be set accordingly

2. Transportation Outcomes

- Transit ridership increasing steadily – both weekday and weekend
- Quality of travel greatly enhanced:
 - Reduction in commuting time and use of auto
 - Expanded access to shopping, recreation and entertainment venues
 - North-south transit distributor role, complementing PATH's role as the east-west transit distributor
 - Convenient links to the Northeast Corridor and Newark Liberty International Airport
 - New connections: North Hudson to Newport shopping mall; Staten Island buses to Bayonne

3. Community Outcomes

- Line serves as an important asset to communities of all income levels
- Line has lifted expectations of municipalities, residents and businesses leading to improvement of public and private properties

Therefore, in light of these important findings, we strongly hope that resources can be found to:

- Continue to monitor the stations selected in this study
- Support study of other station areas in the Waterfront's commercial areas, such as Newport and Harsimus Cove

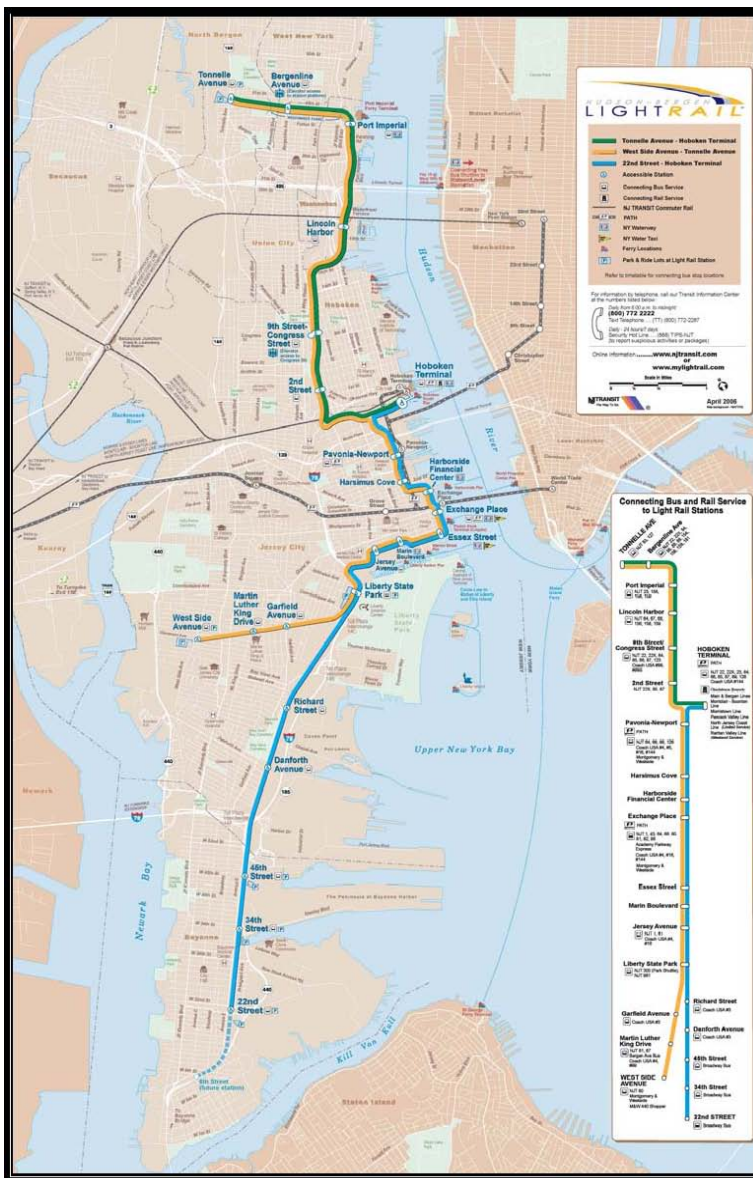
- Expand the station study to West Side Avenue, MLK Boulevard, and Garfield Avenue in Jersey City, and 2nd Street in Hoboken
- Support further study of the potential for new development in Jersey City Heights and southeast Union City
- Consider a more encompassing study of Bayonne to include the existing neighborhoods west of Route 440, and adjacent to the 22nd and 45th Street stations and the coming 8th Street station

Introduction

Two years ago, NJ TRANSIT’s Hudson Bergen Light Rail (HBLR) line was completed. Opened in 2000, this 20.6-mile long, 23-station route (see Exhibit A) was developed in multiple phases through a creative design/build/operate and maintain (DBOM) contract.¹ A product of intensive planning, public participation and political cooperation, the HBLR is a testament to the value of investment in new transportation infrastructure.

Land development along the line has exceeded most expectations; development around stations

Exhibit A: HBLR Route Map



Source: NJ TRANSIT

has been at a scale beyond that which the road network alone could have borne. Acres and acres of old, abandoned rail yards, piers, and industrial sites along the route have been transformed into compact residential, office and retail developments in pedestrian, transit-friendly environment. This development pattern exemplifies the policies of “smart growth” as promulgated in the New Jersey State Plan for Development and Redevelopment.

Complementing this land development activity is new transit connectivity. New transportation options have been opened for thousands of people in northern New Jersey through the multiple connections provided by the HBLR’s linkages. The Hudson-Bergen Light Rail serves as the north-south transit connector,

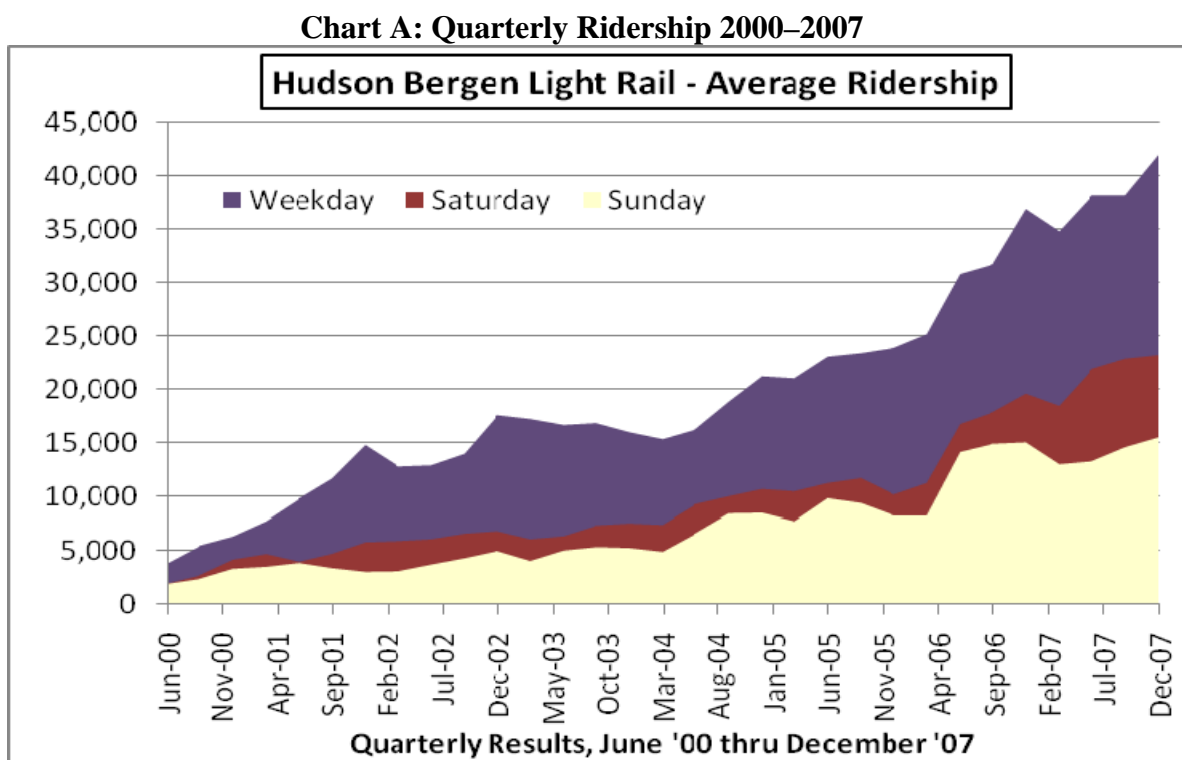
complementing PATH’s role as the east-west transit distributor.

The HBLR provides connections to the PATH service into New York City and Newark,

¹ Washington Group International is to operate and maintain the infrastructure improvements, stations and facilities for 15 years; Kinkisharyo International is responsible for providing all routine and periodic maintenance for the HBLR fleet over the life of the contract.

suburban commuter rail at Hoboken, ferry service at many points, bus stops at most stations, a half-dozen park and ride lots, and an elevator connecting west Hoboken with the Jersey City Heights neighborhood. The proximity of housing and offices to stations – within walking distance – allows residents to leave the car at home for work, shopping and entertainment trips.

The HBLR has had impressive ridership growth. Chart A below illustrates the steady increase in weekday and weekend boardings since the opening of the HBLR first stations in 2000. The large spike in ridership in March 2006 is due to the opening of the last three stations on the line (Port Imperial, Bergenline Avenue and Tonnelles Avenue). Daily boardings are now averaging more than 40,000 and weekend levels are also strong at roughly half that amount.



Source: NJ TRANSIT

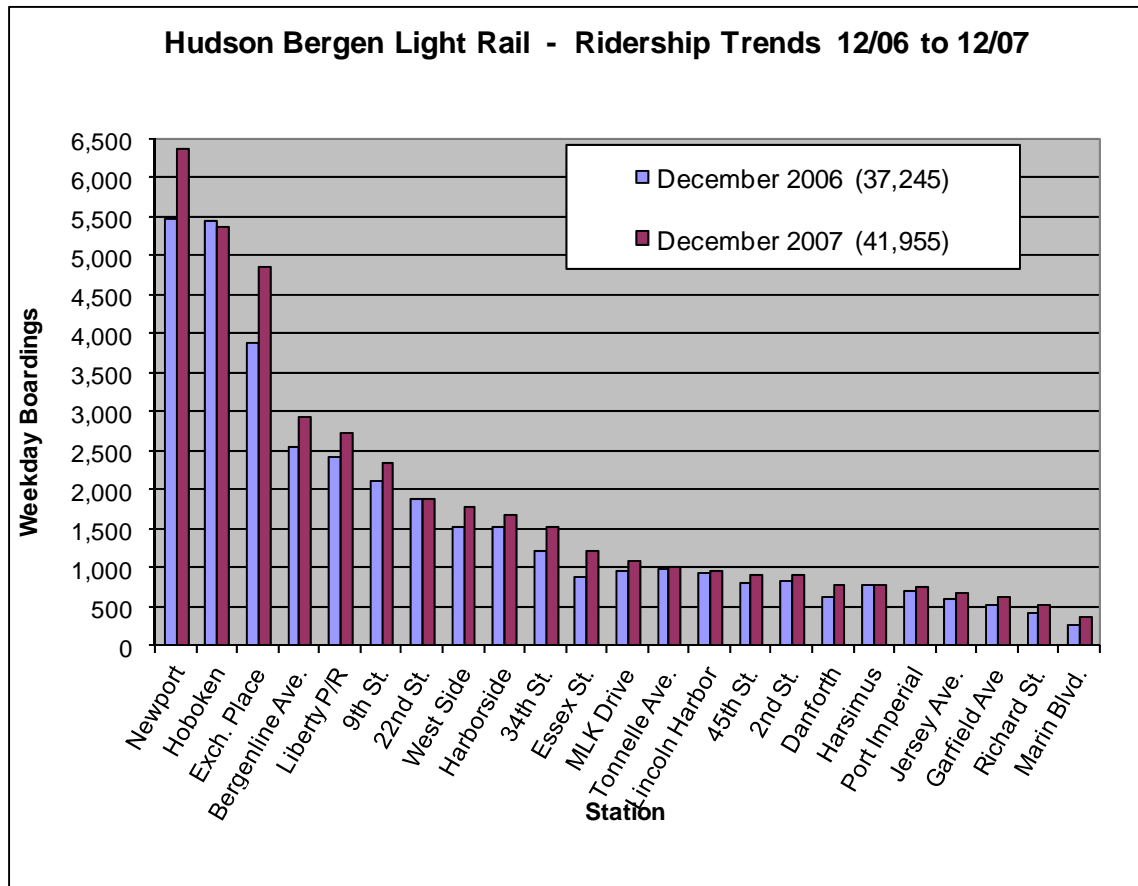
Regional Impact

The HBLR plays a larger role in the region's transportation than just serving the seven municipalities that host its route. The initial impulse for the project was to create public transit mobility and relieve vehicular congestion along the Hudson River waterfront.² However, in reality, the benefits of HBLR service reach much farther. A large segment of northern New Jersey can take advantage of numerous new transportation options through excellent connectivity at multiple points: PATH service into New York City and

² In 1992, the Hudson County Executive and the mayors of 12 municipalities in the County signed an extraordinary Intergovernmental Consensus Agreement in support of this transportation initiative.

Newark, suburban commuter rail at Hoboken, ferry service at many points, bus stops at most stations, a half-dozen park and ride lots, and an elevator connecting west Hoboken with the Jersey City Heights neighborhood. Most recently, the New York Metropolitan Transportation Authority (MTA) initiated Staten Island bus routes to the Bayonne 34th Street Station, so that passengers can board the HBLR for travel to the employment centers in Jersey City and beyond. This service has proven to be so popular, now 800–900 riders per weekday, that other Staten Island bus routes are being added.³

**Chart B: HBLR Weekday Boardings by Station
December 2006–December 2007 (in 2007 descending order)**



Source: NJ TRANSIT

The value of added connectivity is illustrated by three of the top five stations in boardings (Chart B above and Table A below): Newport, Hoboken⁴ and Exchange Place — all

³ MTA press release January 28, 2008: <http://www.mta.info/mta/news/releases/?en=080128-NYCT16>

⁴ Hoboken's boardings dropped with the opening of the final three stations. Express service has been inaugurated from the Tonnelle Avenue station that goes directly to Newport station, bypassing Hoboken.

PATH station links to New York City. The extension to Bergenline Avenue in Union City/West New York has helped to boost Newport to the system's busiest station (up 16.5 percent over the period) with the Newport Mall a particular shopping attraction for North Hudson County residents. Exchange Place usage has grown almost 25 percent, benefiting from the extension providing new access to the station for North Hudson County residents as well as ambient growth on the rest of the system. The fourth most popular station, recently-opened Bergenline Avenue, provides new mobility for the densely populated immigrant communities of Union City and West New York and is discussed in detail later in this report.⁵ The fifth most active station, Liberty State Park (park and ride), up almost 13 percent, is testament to the power of a conveniently located commuter parking area just off the NJ Turnpike Extension and its numerous limited access road connections to points south and west.⁶

Table A
HBLR Weekday Boardings December 2006–December 2007
(in 2007 descending rank)

Station	Dec 06 Ons	Dec 07 Ons	% Change
Newport	5,489	6,392	16.5%
Hoboken	5,453	5,380	-1.3%
Exch. Place	3,899	4,860	24.6%
Bergenline Ave.	2,549	2,940	15.3%
Liberty P/R	2,408	2,717	12.8%
9th St.	2,121	2,337	10.2%
22nd St.	1,873	1,884	0.6%
West Side	1,523	1,771	16.3%
Harborside	1,517	1,677	10.5%
34th St.	1,215	1,511	24.4%
Essex St.	868	1,202	38.5%
MLK Drive	948	1,073	13.2%
Tonnelle Ave.	985	993	0.8%
Lincoln Harbor	940	960	2.1%
45th St.	793	899	13.4%
2nd St.	818	894	9.3%
Danforth	627	779	24.2%
Harsimus	768	769	0.1%
Port Imperial	685	761	11.1%
Jersey Ave.	587	671	14.3%
Garfield Ave	504	627	24.4%
Richard St.	411	505	22.9%
Marin Blvd.	264	353	33.7%
Total	37,245	41,955	12.6%

⁵ In the spring of 2008, NJ TRANSIT will conduct an intercept ridership survey on the line's recently-opened northern segment. This data will provide a better understanding of this strong ridership response.

⁶ Liberty Science Center, within walking distance of the Liberty State Park Station, reopened July 19, 2007 after being closed for a 22-month renovation. The boarding numbers, particularly on the weekend, should increase accordingly.

All of this connectivity has encouraged commuters to get out of their cars. NJ TRANSIT data indicates that the HBLR has been successful in reducing peak-period auto trips.⁷ Jersey City planner Robert Cotter confirmed that people are taking public transportation to work. He observed that in fully occupied office buildings significant numbers of dedicated garage spaces are empty.

The Synergy of Transportation and Land Use

The HBLR was built amidst an office market, particularly in Jersey City, that had been intensifying since 1980. Anchored by the well-maintained PATH system which provides easy access to mid- and lower-Manhattan, Jersey City stimulated commercial growth by creating Urban Enterprise Zones (UEZ) and Redevelopment Zones. Over the past two decades Jersey City has risen to become the twelfth largest downtown office market in the nation. Residential, retail, restaurant, and marina projects followed commercial development along New Jersey's Hudson River Gold Coast, and the need for a north-south public transportation link to alleviate congestion was clear. In turn, municipalities, knowing that the HBLR was coming, had a comfort level to provide higher densities and lower parking requirements.⁸ As the HBLR began to take form, residential developers, motivated by a strong housing market and demographics favorable to urban living, responded with enthusiasm, creating thousands of units around the new stations and many new riders.

During the summer and fall of 2005, the Voorhees Transportation Center (VTC) at the Edward J. Bloustein School of Planning and Public Policy, Rutgers University, studied the development around the HBLR's 9th Street Station in Hoboken and its Essex Street – Jersey Avenue Station corridor in Jersey City.⁹ At that time the land development impacts of the HBLR were just beginning to be recognized, and these two case studies were chosen because of the considerable amount of construction activity underway in each location. The description of these outcomes and potential for economic expansion along the HBLR was published in June 2006 by the Center for Transit-Oriented Development and for the first time brought national attention to the development momentum that was gathering along the line.

The purpose of this report is to continue to monitor and document the development progress at HBLR stations. To that end, we have updated the considerable new activity in the two locations studied previously; and, we have investigated three more station areas: 34th Street – 45th Street stations in Bayonne, Port Imperial station in Weehawken, and Bergenline Avenue station in Union City. These case studies were selected for

⁷ See Table D, p. 17.

⁸ Per conversation with Robert Cotter, Planner for Jersey City. He also mentioned that companies were comfortable locating on the west side of the Hudson due to the strong transportation links.

⁹ VTC did this work under a grant from the U.S. Environmental Protection Agency (EPA) in conjunction with Reconnecting America and the Center for Transit-Oriented Development, and supplemental funding from NJ TRANSIT. See <http://www.reconnectingamerica.org/html/TOD/news.htm> or http://policy.rutgers.edu/vtc/tod/Communicating_Benefits_TOD.pdf

their development potential: in Bayonne, the redevelopment of the former Military Ocean Terminal (MOTBY) is slated to contain 6,000 new residential units; the Port Imperial planned community is well under way with over 3,000 new residential units already constructed; and, Union City and West New York, long-time densely populated immigrant communities, with households of modest means, are contributing significant new ridership.

Part I: Update on the Essex Street –Marin Boulevard-Jersey Avenue Station Corridor and the 9th Street Station in Hoboken

Essex Street Station to Jersey Avenue Station Corridor

In 2005, VTC documented 3,000 housing units that had been built or were under construction since 2000 between the Essex Street and the Jersey Avenue stations (see Exhibit B). Today that number has risen to 4,265, as shown in Table B.

Exhibit B: Essex Street-Marin Boulevard-Jersey Avenue Corridor



Source: NJ TRANSIT

Table B**New Housing Units, 2000-2007****Major Projects****Essex Street--Jersey Avenue Station Corridor, Jersey City***

Project	# Units	Type	Tenure	Status	Price Range
Liberty Towers	648	R&C	rental	Complete	\$1895-\$2605+/mo.
Liberty Terrace	120	R	for sale	Complete	\$675k-\$1.15 million
Essex Commons	70	R	rental	Complete	\$2100-\$3900/mo.
Sugar House	74	R&C	for sale	Complete	\$500k-\$1.5 million
Windsor at Liberty House	324	R	rental	Complete	\$2000-\$3580/mo.
Majestic Theater Condos	48	R/C	for sale	Complete	\$450k+
The Gotham	220	R/C	rental	Complete	\$1,565+/mo.
K Hovnanian at Paulus Hook	68	R	for sale	Complete	\$470k-\$760k+
Fulton's Landing	105	R	for sale	Complete	\$400k+
Hudson Point	181	R	rental	Complete	\$1630-\$2650/mo.
Pier House	180	R&C	for sale	Complete	high \$400k+
Liberty Point	32	R	for sale	Complete	\$516k-\$593k
Morris Street Terrace	19	R	rental	Complete	\$1800-\$2050/mo.
61-63 Sussex & 60 Morris	13	R	for sale	Complete	not available
Grandview	40	R	for sale	Complete	not available
Bright and Grand Townhouses	10	R	for sale	Complete	not available
Montgomery Green Condos	113	R/C	for sale	Complete	not available
Gull's Cove	432	R	for sale	UC	\$300k+
Liberty Harbor North	667	R	for sale	UC	\$450k-\$1.75 million
77 Hudson Street	420	R&C	for sale	UC	\$450k+
	481	R&C	rental	UC	\$1,775+/mo.
Total	4,265				

Type R=Residential, C=Commercial**Status** UC=Under Construction

Source: Jersey City Economic Development Corporation

*1/4-mile from Essex Street, Marin Boulevard and Jersey Avenue stations

Much of the attention in this area is currently centered on the bottom three entries. Liberty Harbor North is the product of noted designer Andrés Duany, who has employed New Urbanist principles in this development. The project will eventually host between 9,000 and 10,000 new homes, 250,000 square feet of retail/office space, parks, and civic uses. The long awaited start of this award-winning transit-oriented development (TOD) project, spanning 28 blocks in Jersey City along the north bank of the Morris Canal, is finally a reality.¹⁰ The HBLR bisects the project area and is anchored on both ends by the Marin Boulevard and Jersey Avenue stations. The Grove Street PATH station with service to Manhattan and Newark is only a 5-minute walk from some of the sites.

¹⁰ The land was purchased by the developer in the mid-1980s but remained undeveloped until recently.

Construction and marketing of the first phase, 667 condominium residences, is in full swing. The first closings began in July 2007 at prices from \$300,000 to \$1.75 million.¹¹ Peter Mocco, the developer, recently reported that 223 completed units were sold.¹² This new community features a variety of housing types and styles that merge seamlessly into the bordering historic Paulus Hook and Van Vorst Park neighborhoods.



Liberty Harbor North development under construction in Jersey City

Source: Liberty Harbor North

Liberty Harbor North is not only designed to be compact, walkable and transit-friendly, it features state-of-the-art “smart home” living. During pre-construction the entire site was embedded with fiber to generate virtually unlimited bandwidth at all points. From a



Gull's Cove under construction at Marin Boulevard Station

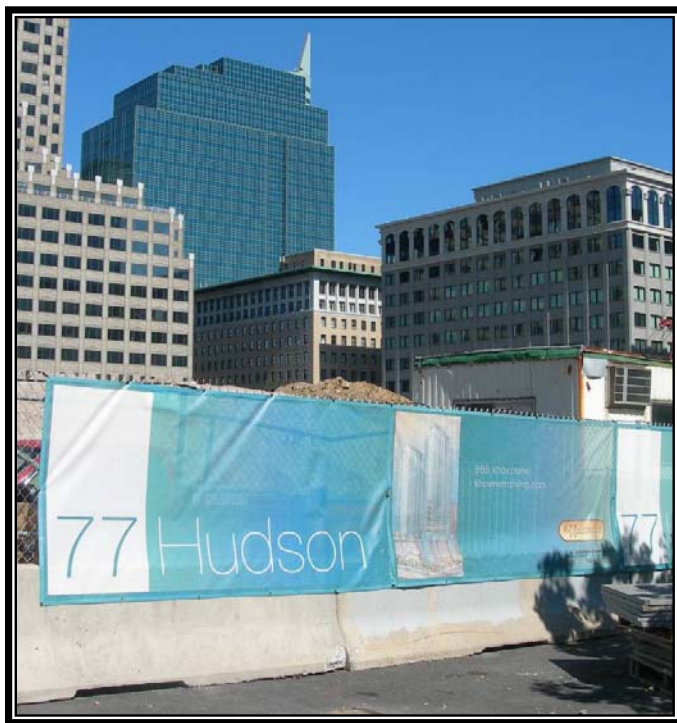
touch screen computer in each unit the owner can set controls for lighting, thermostats, security, appliances, etc. And, through the internet these settings can be monitored from within or outside the home. For the convenience of residents and visitors, wireless capability will be available in all public areas throughout the site.

Also nearing completion is Gull's Cove, originally part of Liberty Harbor North but now being developed by Metro Homes, LLC. This project features 431 luxury condominium units located adjacent to the

HBLR Marin Boulevard station. Occupancy is scheduled for late 2007.

¹¹ See www.libertyharbor.com.

¹² *Jersey Journal*, 8/29/2007.



Construction site of 77 Hudson, Paulus Hook, Jersey City

The newest addition to the growing list of development projects is 77 Hudson Street, a site immediately to the west of the Goldman Sachs office building.¹³ Ground was broken in July 2006 for two 500-foot towers (48 stories), one to contain 420 condominiums marketed by K. Hovnanian Homes and the other to feature 481 apartments operated by Equity Residential.¹⁴ Occupancy is not expected until 2009.¹⁵ This 1.76 acre site, part of the original Colgate redevelopment master plan, was previously owned by Hartz Mountain Industries and had been slated to become an office building. When the office market softened in 2003 and

the housing market soared, plans changed and the property was approved for residential use in February 2006. This magnitude of units (901) will have a dramatic impact on the Paulus Hook downtown neighborhood shops, restaurants and street life. Residents of these units will have easy access to New York or Newark via the PATH, or to destinations along the Gold Coast using the HBLR. The project is only one block from the HBLR Essex Street station and 2 ½ blocks from the Exchange Place PATH station. This is an important project to watch.¹⁶

9th Street Station, Hoboken

Development around the 9th Street Station in Hoboken (see Exhibit C and Table C) also continues, but at a moderate pace compared to the Essex Street–Jersey Avenue corridor in Jersey City. However, the 9th Street station now ranks sixth in ridership, a 46.2 percent increase in the past year (Table A). No doubt new development projects have contributed to increased boardings, but the value of the station elevator to Congress Street at the top of the escarpment should not be overlooked. This connection provides the Jersey City

¹³ This is the firm's signature skyscraper, designed by Cesar Pelli, which is now the tallest building in New Jersey at 821 feet with 1.36 million square feet of space.

¹⁴ Equity Residential is a large real estate investment trust (REIT).

¹⁵ A high-rise fire broke out in the Hovnanian tower on October 8, 2007. *Jersey Journal*, October 9, 2007. The projected occupancy date of summer 2009 will have to be reassessed.

¹⁶ News reports indicated that 50 out of 100 units released for sale in August were purchased. *Jersey Journal*, October 9, 2007.

Heights and southeastern Union City neighborhoods, at Congress Street, with immediate access to points along the Gold Coast and New York City via the HBLR (and PATH or ferries).¹⁷ This dynamic is unfolding as lower priced properties atop the Palisades adjacent to Hoboken with convenient public transportation options are being noticed by developers.

Exhibit C: HBLR 9th Street Station Area



Source: NJ TRANSIT

Construction activity at 9th Street station has focused on the overhaul of the Monroe Center industrial building complex, creating new retail and gallery space on the first and second floors with artist studios on the third, fourth and fifth levels. The Monroe Center is adjacent and south of the HBLR station. In January 2007, the new upscale restaurant, Shades, opened in a portion of the ground level space.¹⁸ According to Barry Campbell, Director of Real Estate Development, there will four or five more retailers on Monroe Street; a 10,000 square foot theater scheduled to open in September; and, a child care center taking 8,000 to 10,000 square feet of space which will include a drop-off area and a play area.

¹⁷ The elevator also gives these residents access to a suburban-style grocery store (Shop-Rite) which is located in the immediate 9th Street Station area.

¹⁸ On a recent site visit (9/07) VTC staff found the restaurant closed “for renovation work”.



Retail space at the Monroe Center, Hoboken

Monroe Center continues to sponsor a high number of art activities, believing that a “program-rich” approach drives traffic and attracts the retail tenants. Campbell indicated that management of the Monroe Center had decided to re-examine the plan for the high rise residential buildings, but will be proceeding. He noted that a foundation had been poured at 800 Monroe Street which will be the first of four Monroe Center high-rise buildings.¹⁹



Velocity development project, 9th Street Station, Hoboken

The development to the south of Monroe Center, Velocity by REMI Companies (shown above), has experienced some financial and building problems. This project with 128 units is located two blocks from the 9th Street HBLR station. Earlier this year, sales were slow and, in May 2007, an auction was held. However, after nine units were sold, the auction was cancelled due to low bidding prices.²⁰

This development suffers from two disadvantages stemming from its

location: it abuts a public housing complex to the south near the 2nd Street HBLR station; and, as it is just outside the designated redevelopment zone, it is not eligible for reduced tax benefits known as payments-in-lieu of taxes (PILOT).

¹⁹ On a recent site visit (9/07) VTC found no evidence of activity at 800 Monroe. Also, much of the new retail space was still vacant.

²⁰ <http://radar.planetizen.com/node/46506>; www.newyorkssixth.com/2007/05/hobokens-velocity



800 Jackson under construction at 9th Street Station, Hoboken

Fortunately, other developers are moving ahead. Metro Homes is in full construction mode for 800 Jackson (113 units, at left) which abuts the station to the east;²¹ and Fields Development has completed 601 Ninth Street (54 units), which is directly east across the street from the station and 800 Jackson.

Table C
New Housing Units, 2000-2006
Major Projects
9th Street Station, Hoboken

Project	# Units	Tenure	Status	Price Range	Other Info
The Huntington	110	for sale	Complete	\$450k+	
Prospect Hill	80		Complete	not available	2 com. units
Charles Court	45	for sale	Complete	\$189,900-\$394,900	
Monroe Center	435	for sale	UC	not available	125k sq ft retail
Fields Crossing	53	for sale	Complete	not available	
Velocity	128	for sale	UC	\$500k+*	
West Fields	55	for sale	Complete	\$400k-\$600k	
729 Madison	30	for sale	Complete	\$438k-\$678k	
Columbus	87	for sale	Complete	\$300k-\$700k	
Cypress Point	53	for sale	Complete	not available	
Pembroke Place	34	for sale	Complete	not available	1 com. unit
Madison Place	15	for sale	Complete	not available	
800 Jackson	113	for sale	UC	not available	
900 Monroe	114	for sale	UC	not available	3 com. units
800 Madison	218	undecided	UC	\$430k-\$500k/\$2,200 per month	
1200 Grand	159	for sale	Complete	\$425k average	
1300 Grand	118	for sale	Complete	\$400k average	
1118 Adams	90	rental**	Complete	\$600-\$800 per mo.	
1100 Adams	76	for sale	Complete	\$559k average	3 com. units
1000 Jefferson	217	rental	UC	\$2,200-\$3,700	
Total	2,230				

Status UC=Under Construction
 Shaded area represents "Upper Grand" development by USRA/Tarragon
 *9 units were auctioned off in May 2007 at slightly less
 **subsidized below market rent, a requirement by the town
 Source: VTC field inspections, Schoor DePalma (Zoning Board consulting engineers), Monroe Center, and Tarragon Development Corp.

In addition, URSA Development with Tarragon Development is laying the foundation for 900 Monroe St, part of the "Upper Grand" project (eight blocks of the Northwest

²¹ This property was the subject of a bitter fight with local residents. The site was originally to be open space, leading to the station. The new building will be only 10 feet from the station platform.

Redevelopment Zone).²² There are close to 1,000 units that have either been completed or are under construction in the seven buildings that make up this development (see Table C). All are within walking distance (three to eight blocks) of the 9th Street station. The three completed for-sale buildings are sold out, a total of 353 units. Currently, the only project being marketed is 1000 Jefferson, 217 rental units. As seen in Table C, the 9th Street station TOD area now represents at least 2,230 units finished or in process since 2000.²³ No doubt the growing supply of housing along the HBLR will impact prices and absorption rates of projects coming on line.

The Union City neighborhood atop the Palisades within walking distance of the Congress Street entry to the elevator connecting to the Ninth Street Station is seeing development activity. Union City Planner David Spatz reports that there is developer interest in the Yardley building, an old industrial property on Palisade Avenue above 14th Street in Hoboken that could yield 300-400 units. Another rumored project on the cliffs nearby is a modernistic 18-story, 40-unit condo building by famed architect Daniel Liebeskind. So far, no concrete steps have been taken on either project.

We turn now to other station areas where substantial new development is taking place (34th Street station in Bayonne and Port Imperial station in Weehawken) or are beginning to experience increased demand for tear downs and renovation of existing residential and old industrial structures (Bergenline Avenue station, Union City/West New York).

Part II: 34th Street Station Bayonne, Port Imperial Station Weehawken, and Bergenline Avenue, Union City/West New York

34th Street Station, Bayonne

Background

The southern anchor of the so-called “Gold Coast” of New Jersey along the Hudson River is the City of Bayonne. Its urban riverfront was home to vibrant industry (particularly refineries), port activity and rail yards prior to World War II. Bayonne, at first glance, seems an unlikely candidate for Gold Coast membership.

The city is geographically isolated. It is cut off from the rest of Hudson County by the elevated New Jersey Turnpike Extension on the north. It is separated from Newark’s port and airport by Newark Bay and connected to the Newark area by the Turnpike Extension

²² Crain’s New York Business.com reported on August 9, 2007 that Tarragon, a publicly traded national development company, retained investment bank Lazard to help the company explore strategic options amid an ongoing decline in real estate credit markets. Tarragon said it was unable to finance transactions worth about \$50 million that had been under negotiation. The developer cited the deterioration of the home building industry, along with its inability to obtain anticipated loan modifications, as causes for its financial problems. Based on the changing market, some of the Upper Grand buildings in Hoboken may be shifted to rentals, according to discussions with Tarragon management.

²³ As pointed out in the previous investigation, there are many smaller projects within this compact area. Some are new construction, but many are substantial renovations of existing buildings.

bridge. Bayonne ends in the south at the Kill van Kull spanned by the Bayonne Bridge which connects it to Staten Island.²⁴ (See map on Exhibit D, below).

According to the 2000 Census, Bayonne's current population is approximately 62,000 persons and its land area is 5.6 square miles. The racial/ethnic mix is 70 percent white and almost 18 percent Hispanic. The city has a substantial senior population, 16.6 percent. The median household income in 1999 was a modest \$41,566, well-below the state level of \$65,270. Not surprisingly, the homeownership rate was only 40 percent compared to 65.6 percent for New Jersey.

Exhibit D: HBLR Bayonne Stations



Source: NJ TRANSIT

Founded in 1861, Bayonne's early farms and fisheries rapidly gave way to industrialization in the late 19th Century. In 1877 Standard Oil Company set up shop and by 1920 it employed over 6,000 workers, many of them immigrants. Bayonne had become one of the largest oil refinery centers in the world.²⁵ The Central Railroad of New Jersey built significant infrastructure in the city, including its main line along the city's east side connecting with its Jersey City Ferry Terminal and Yard. Today, while

²⁴ The Bayonne Bridge is an icon in bridge lore. Opened in 1931, it is one of the longest arch bridges in the world. It has a spectacular mid-span clearance of 150 feet that permits ocean-going vessels to use this entrance to the Port Authority of New York and New Jersey's Port Newark docks and Port Elizabeth Marine Terminal. See <http://www.bayonnenj.org/bridge.htm>.

²⁵ City of Bayonne website: <http://www.bayonnenj.org/history.htm>

the remnants of that heavy industry and railroading are still evident — rusting iron infrastructure and land contamination — major redevelopment efforts are in process. And, a key to much of this revitalization is the presence of three current HBLR stations in Bayonne.

HBLR

The history of the development of the HBLR, starting in 1984 under then Governor Thomas H. Kean until the opening of the first stations in 2000, has been described at length in VTC’s previous report. But, it is interesting to review how Bayonne came to be part of this extraordinary transportation link.

Originally, the line was proposed to end in Jersey City. Planners had first rejected an alignment into Bayonne along the Bayonne Industrial Track (former CNJ main line)²⁶ located on the city’s far east side, because it was so remote from most of the peninsula’s population and much of the surrounding open land nearby was occupied by the massive Military Ocean Terminal at Bayonne (MOTBY). (For a further description of MOTBY, see below). Therefore, the economic development prospects near any far east side HBLR station seemed limited. However, in February, 1993, after 43 months of planning and negotiation, NJ TRANSIT’s Board of Directors adopted the Locally Preferred Alternative (LPA). In an effort to build the critical local consensus needed for federal funding, the plan included a provision to study an extension to Bayonne.²⁷ In the spring of 1993, preliminary findings showed that the Bayonne extension on the far east side right-of-way was feasible:



34th Street Station looking south

Officials reported that constructing the light rail line 5.2 miles south to the tip of the Bayonne peninsula would boost potential ridership by about 15 percent, or by more than 8,350 passengers per day.²⁸ The study showed that the overall cost of the extension could be as low as \$60 million, or less than ten percent of the estimated \$657 million [projected] cost of the rest of the project (Marks, 36).

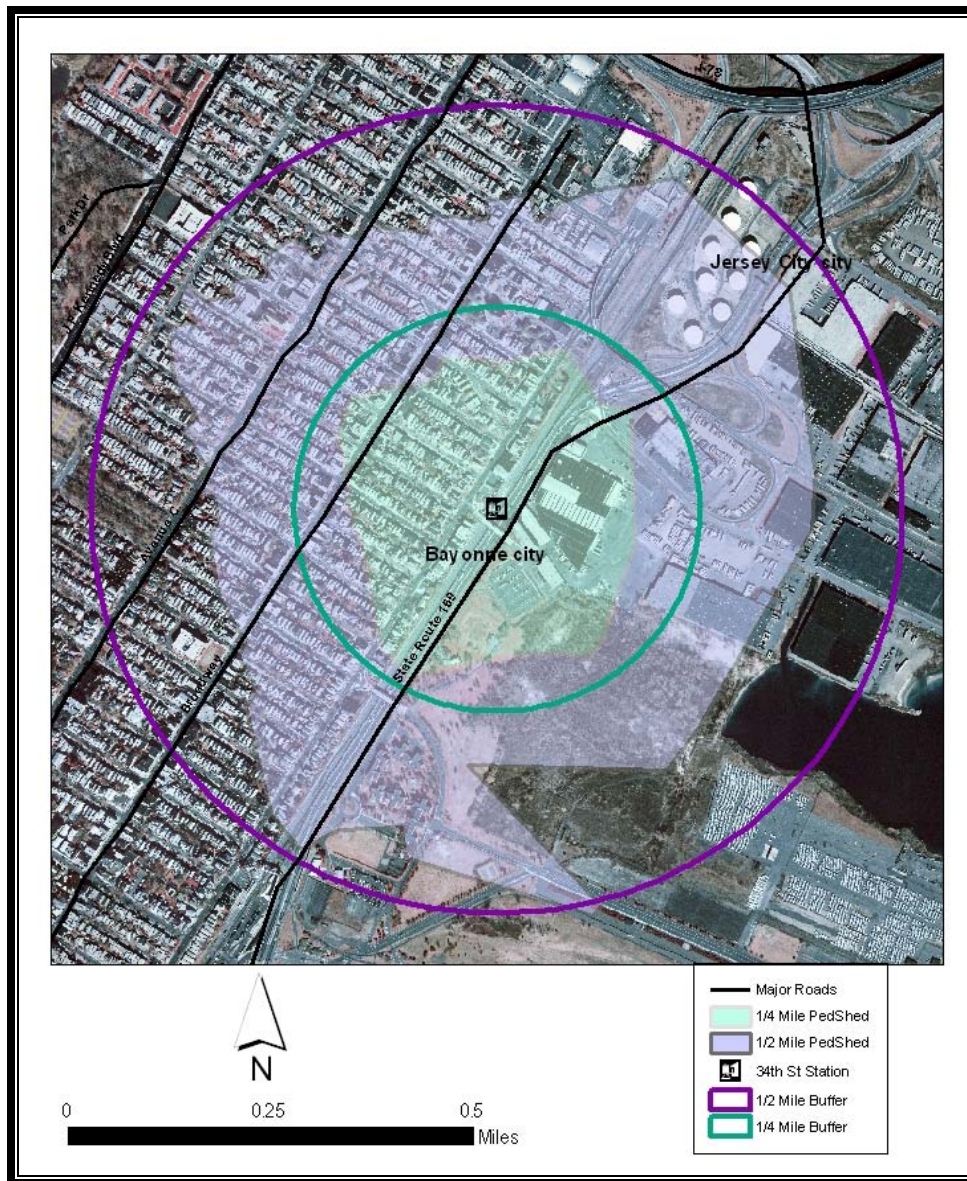
²⁶ NJDOT had purchased this right-of-way under the so-called “900-Day Option” in 1978.

²⁷ The details of the development of the HBLR are well documented in a paper by Stephen D. Marks (now the Planning Director for Hudson County) entitled “Implementing an Urban Mass Transit System” presented at the 2000 APA National Planning Conference. He points out that had not Bayonne officials pushed to influence the route selection, the southern extension would not have been possible (p. 36).

²⁸ Today, 13 years before the end of the planning horizon, approximately 4,000 passengers per day use the Bayonne stations.

As a result, the first 9.6 mile section phase of the HBLR (Minimum Operating Segment 1 (MOS-1)) reached the 34th Street station in Bayonne in 2000 using the existing Bayonne Industrial Track and included the 45th Street station.²⁹ Both stations originally had parking facilities associated with them. Exhibit E illustrates the actual ¼ and ½ mile walking distance (pedshed)³⁰ from the 34th Street train station. It shows that the station is reachable by foot from a substantial portion of the existing city settlement to the west. The 22nd Street station and associated parking was added under MOS-2 and opened in 2002. Last year, NJ TRANSIT added to its capital budget a light rail line extension to another Bayonne station at 8th Street. It is slated to open in 2009.

Exhibit E: 34th Street Station Pedshed



²⁹ This was one option; the other was placing the line down the center of the peninsula on densely populated Avenue C, which city officials rejected.

³⁰ Pedshed indicates the actual walking distance from the station.

The 34th Street and 22nd Street stations currently have commuter parking.^{31, 32} The parking at the 34th Street and 22nd Street stations is often used by commuters from Staten Island who work at offices along the Gold Coast. It's been estimated that 70 percent of the autos at those park and rides have New York license plates. To serve this Staten Island market better, NJ TRANSIT and the New York Metropolitan Transportation Authority (MTA) recently reached a historic inter-agency agreement to allow NYC Transit buses to carry passengers from Staten Island over the Bayonne Bridge to the 34th Street station. The MTA has recently reported that ridership has reached 800 to 900 passengers per day and that three more bus routes in Staten Island to Bayonne will be added to serve this increasing demand.

NJ TRANSIT data indicates that the HBLR has been successful in reducing peak-period auto trips from Bayonne and Staten Island to downtown Jersey City employment centers. In Table D it can be seen that auto work trips originating in Bayonne and Staten Island, benefiting by the opening of the HBLR from Bayonne to downtown Jersey City, recorded a startling 68 percent reduction from 2000 to 2004.

CORRIDOR	2000 Census Vehicle Trips	2004 Rte 139 Survey Vehicle Trips	Change in #	Change in %
Bayonne/Staten Island	1,349	426	-923	-68%

The Peninsula at Bayonne Harbor

Unknown in the early 1990s, at the time decisions were being made about the alignment of the HBLR, was the near future decommissioning of the Military Ocean Terminal in Bayonne (MOTBY), as a result of the 1995 federal Base Realignment and Closure (BRAC) process. MOTBY was once the largest dry-dock on the Eastern seaboard³³ and the location of a vast naval supply center. This 430-acre, two mile long man-made peninsula is located directly east of the 34th Street and 45th Street stations and is separated from the rest of Bayonne by Route 440, a busy four-lane highway with heavy truck use. MOTBY was phased out over the period 1997 to 1999, when it was transferred to the City of Bayonne.

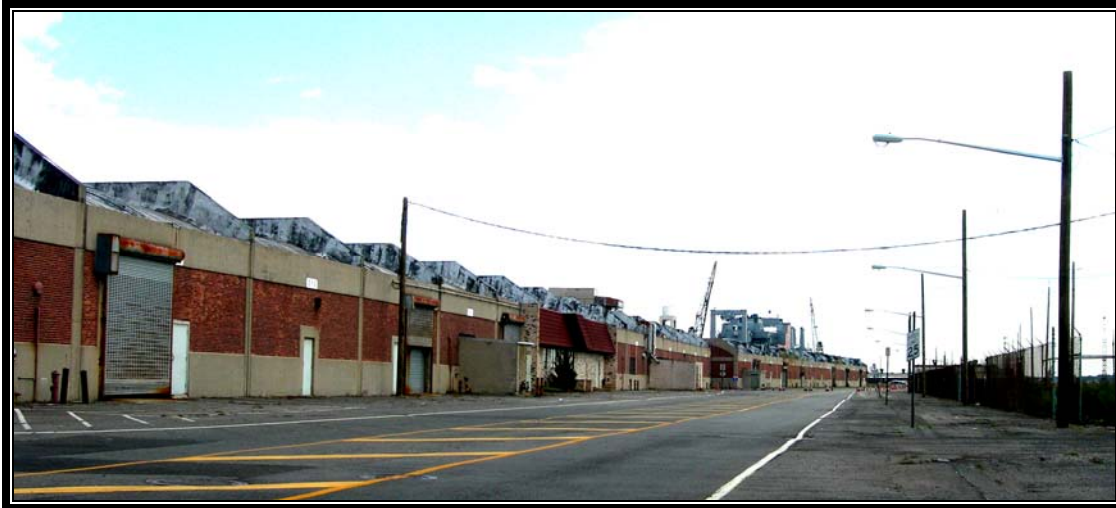
Understandably, Bayonne regretted the loss of defense-related jobs but quickly saw an opportunity for reuse. The Bayonne Local Redevelopment Authority (BLRA) was

³¹ At 34th Street station there are 397 standard and 9 ADA spaces; at the 22nd Street station there are 159 standard and no ADA spaces. See the NJ TRANSIT website for station details: www.njtransit.com

³² Customers must purchase monthly or daily parking and light rail transit tickets together from Ticket Vending Machines (TVMs). Parking is not offered without purchasing transportation and is only valid for the lot where purchased.

³³ In 1932, some Bayonne businessmen made a basic plan to build a Port Terminal off the east coast of Bayonne into New York Bay to create additional industrial space. The plan was completed in 1939 and they began dredging and filling. The Navy, however, took possession and the Bayonne military base was opened in 1942 as a logistics and repair base. In 1967, the Army assumed control of the property. See <http://www.bayonneira.com/history.htm> and <http://www.globalsecurity.org/military/facility/bayonne.htm>

created to negotiate the transition from military to city ownership and redevelop the property for short- and long- term use. In 2002, MOTBY was formally renamed The Peninsula at Bayonne Harbor.



Old MOTBY buildings to be redeveloped

The Peninsula at Bayonne Harbor

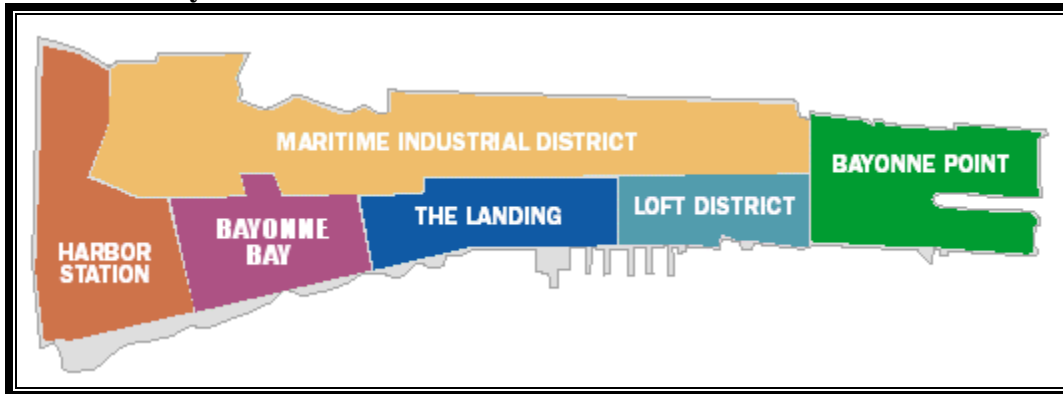
The BLRA commissioned a master plan which resulted in the property being divided into six distinct districts, each offering different land uses as well as varying housing and commercial types, amenities and lifestyles as shown in Exhibit F:³⁴

- Harbor Station (North and South) — will consist of low-to mid-rise housing, office space, commercial space and civic facilities (closest to both the 34th Street and 45th Street HBLR stations).
- Bayonne Bay – will feature low- and mid-rise housing with views across the water to the Bayonne Golf Club.³⁵
- The Landing – will have a water transit docking facility surrounded by a commercial and entertainment area with shops, stores and restaurants as well as a residential section with mid-rise housing.
- The Loft District – will be converted to hip loft-style housing units adjacent to the ferry landing with views of lower New York Harbor, the Verrazano Bridge and golf course.
- Bayonne Point – features the Cape Liberty cruise port, plus planned uses such as marinas for private boats to dock, seaside entertainment, cultural and retail venues and high-rise residential and office buildings.
- Maritime Industrial District – will be transformed into a state-of-the-art deep-sea port. (See more recent developments, below).

³⁴ See <http://www.bayonnela.com/districts.htm>

³⁵ Bayonne Golf Club, a private Irish/Scottish-links style golf course opened in 2006 on a former city dump. See <http://www.bayonnegolfclub.com/#>

Exhibit F: Bayonne Peninsula Master Plan



Source: BLRA

The Peninsula Master Plan indicates that there is a potential for:

- 6,700 new residential units
- 655,000 square feet of cultural space
- 1.5 million square feet of commercial space
- 260,000 square feet of retail
- 750 rooms of hotel capacity

Developers have now been named for four districts. See Table E below:

Table E				
34th Street Station, Bayonne				
Current Development at the Peninsula at Bayonne Harbor				
<u>Developer</u>	<u>Section</u>	<u>Number of Residential Units</u>	<u>Tenure</u>	<u>Commercial Space</u>
Trammel Crow	Bayonne Bay District	540	Rental	Club House
	Total to date	540		
Fidelco/Roseland*	Harbor Station North	450	For Sale	10,000 sq. ft.

*Preliminary Site Plan Approval
Source: Bayonne Local Redevelopment Authority

BLRA has finally received approval of its environmental clean-up efforts from both the State of New Jersey (No Further Action Letter) and the United States Army (Comprehensive Environmental Response, Compensation, and Liability Act Covenant). Therefore, the agency can begin to transfer property to developers. Fidelco/Roseland has

received preliminary site plan approval but has not broken ground.³⁶ Trammel Crow, however, has started construction on 540 residential rental units and a club house in the Bayonne Bay District. Meanwhile, BLRA continues to invest in public amenities, such as roads and recreation areas within the Peninsula of Bayonne.

There has been substantial movement in the Bayonne Point and Maritime Industrial District as well. In 2004, Royal Caribbean Cruise Lines signed a long-term agreement and established a homeport at The Peninsula's Bayonne Point—a move that brought the cruise ship industry back to New Jersey for the first time since the 1960s. After two years of operation, Bayonne/Cape Liberty Cruise Port is now ranked second among northeast and mid-Atlantic ports in passenger volume.



Also, at Bayonne Point is Zurab Tsereteli's monument (at left), "To the Struggle Against World Terrorism," given as an official gift of the Russian government and placed as a memorial to those who died in the September 11th terrorist attacks.

The Maritime Industrial District, on the other hand, was the center of a debate that pitted longshoremen against developers. The union wanted the land to be used as a deep-draft container port; the developers in the adjacent districts felt that such a facility would have a negative effect on proposed residential projects.³⁷ The BLRA has made it clear that it prefers residential and commercial development and that a terminal for handling auto shipments would be placed on the site.^{38,39}

Conclusion

A fortuitous chain of events has created a dynamic synergy around the HBLR 34th Street station, as well as the 45th Street station. No doubt the MOTBY facility would be tantalizing fare for developers in any event. However, having public transit so well connected to downtown Jersey City, Manhattan, and other destinations is certainly going to make development there more desirable. Cognizant of the importance of accessibility to the HBLR, BLRA officials noted that until a pedestrian overpass is

³⁶ There was a parking lot at the 45th Street station, but it was closed August 31, 2007, so that the construction of the Harbor Station North development could start, according to BLRA staff.

³⁷ One of the factors complicating the port's future is the Bayonne Bridge, which is too low for some giant container cargo ships that are being built. Ships need to go under the bridge and through the Kill Van Kull to get to four of the harbor's six main shipping terminals in Elizabeth and Newark. (*The Sunday Star Ledger*, 6/17/2007). Container ships would be able to bypass the Bayonne Bridge to reach this proposed container port.

³⁸ *Star Ledger* 9/20/2007.

³⁹ An original sale of a portion of the Maritime Industrial District to the Port Authority of NY & NJ has been rescinded. *Star Ledger* 11/3/2007.

built across busy Rt. 440, developers are required to provide shuttle service for residents to the station.

While the Peninsula redevelopment is only getting started, the potential is clearly there for great increases in population, ridership, ratables and commercial activity. The build-out may take many years given the inevitable swings in the economy and housing market. However, the role of HBLR has already been established: ridership is growing and workers are using their cars less in Bayonne to destinations accessible to public transit. The MOTBY development will some day magnify and spread these effects.

Port Imperial Station, Weehawken

Background

There was never any doubt that Weehawken would be a stop on the HBLR (Exhibit G). The reason: the vision of a trucking magnate named Arthur Imperatore, Sr. In 1981, he purchased 350 acres along the Hudson River, the site of abandoned rail yards and old ferry slips that encompassed parts of Weehawken, West New York and Guttenberg. His goal was to develop the property, to be known as Port Imperial, with both commercial and residential projects. However, it became apparent that a transportation link to New York City would be a necessity. So, he took a cue from history.

The Weehawken portion of the property had been the site of ferry activity since 1700, when “under a charter granted to one Samuel Bayard, a primitive ride could be had from Weehawken to Manhattan that could take anywhere from 15 minutes to three hours depending on the tide.”⁴⁰ This operation lasted 100 years until the steam ferryboat out of Hoboken captured the market. In 1871, however, the New Jersey Midland Railway purchased the property and created five ferry slips to serve its sixteen-track passenger terminal. Under the auspices of the New York Central Railroad, this grew to be one of the largest ferry operations on the Hudson: “The peak year for traffic was 1927, when about 27 million passengers were carried between New Jersey and Manhattan”. Three years later the Holland Tunnel opened, followed by the George Washington Bridge in 1931 and the Lincoln Tunnel in 1937.⁴¹ Bus and automobile became the favored transportation modes across the Hudson River. The last railroad owner, New York Central, closed down operations in 1959, ending 259 years of ferry service from Weehawken.

⁴⁰ See *The History of Hudson River Ferry Service* by Lenore Person for this discussion of the ferry service out of Weehawken, <http://www.hudsonriver.com/ferry.htm>

⁴¹ This was the center tube (12/22/37). The north tube was opened 2/1/45 and the south tube on 5/25/57. See <http://www.panynj.gov/CommutingTravel/tunnels/html/lincoln.html>

Exhibit G: HBLR Port Imperial and Bergenline Avenue Station Areas



Source: NJ TRANSIT

Imperatore reinstated the ferry with brand new, high-speed passenger boats that needed a mere 5 to 8 minutes to cross the Hudson to Midtown Manhattan at West 38th Street. He also created a makeshift terminal with commuter parking on the New Jersey shore,⁴² plus a marina and a first class restaurant.⁴³ At West 38th Street, free buses waited to pick up passengers and take them to destinations within Manhattan. From its inception in 1986, the service, known as New York Waterways, was embraced by the public.⁴⁴

After the terrorist attacks in 2001, both New Jersey and New York decided that it was critical that ferry service, which proved to be a godsend in the evacuation of terrified people from Manhattan, be more permanently supported.⁴⁵ To that end, the aging, undersized terminal used since 1986 by New York Waterways was replaced in May 2006 with a new 31,000–square foot intermodal facility. The \$44 million cost was provided by

⁴² Currently, there are about 1,800 spaces on surface lots at Port Imperial. As these lots are developed for new residential units, structured parking is anticipated to be created (per conversation with NJ Transit).

⁴³ Arthur's Landing restaurant was built adjoining the original ferry terminal. When the new ferry terminal opened in 2006, New York Waterways instituted a free shuttle service to the restaurant from the terminal.

⁴⁴ In 2005, New York Waterways suffered financial setbacks due to over-investment in boat inventory and competitors (NY Water Taxi and Sea Streak) entering the market. An agreement brokered by the Port Authority transferred half the operations to a new investor. See *The New York Times*, 2/15/2005.

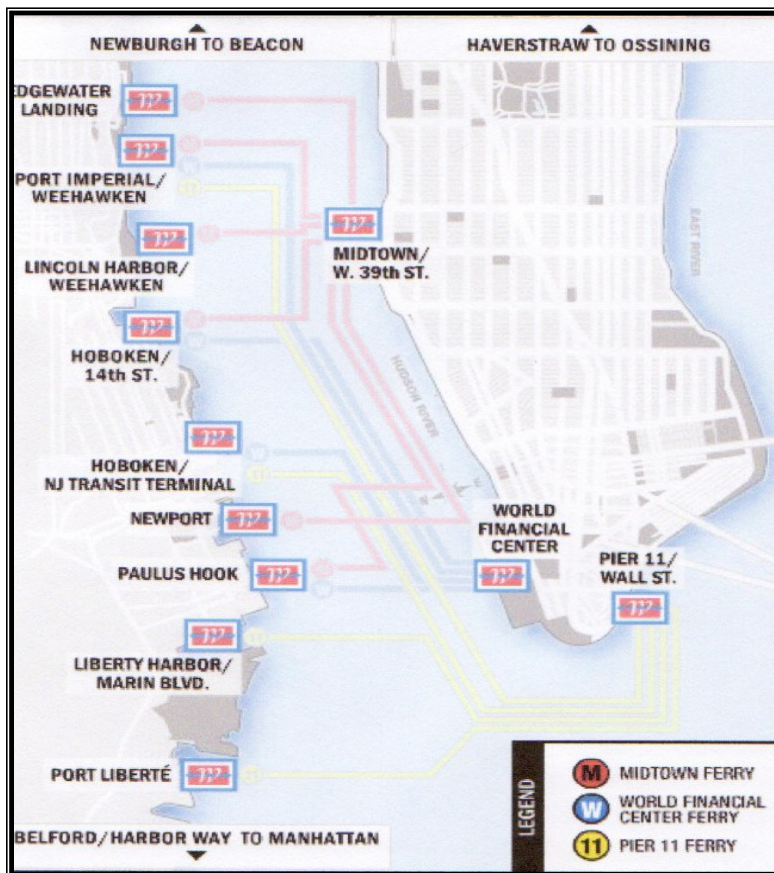
⁴⁵ Privately-operated ferries in the NY-NJ area do not receive operating subsidies.

federal and state money.⁴⁶ NJ TRANSIT owns the terminal and has given a 32-year operating lease to New York Waterways.⁴⁷



New Port Imperial Ferry Terminal

Exhibit H: New York Waterways Ferry Map



Source: New York Waterways

Likewise, in October 2005, New York City officials opened the West Midtown Ferry Terminal on the Hudson River at 39th Street. New York Waterways has a 10-year lease on that new \$56 million facility. The two-story glass structure has seven boat slips and 30,000 square feet of interior space.⁴⁸ The Federal Emergency Management Agency provided funding for needed dredging. Of the \$56 million total, \$38.4 million came from federal agencies, \$12.3 million from New York City, \$3.3 million from New York

⁴⁶ This project is one of five approved by the NJ DOT under the Public/Private Partnership Act of 1997, which provides funding for demonstration projects involving the private sector that enhance public transportation and related services in New Jersey. NJ TRANSIT Press Release 7/11/2001.

⁴⁷ *The New York Times*, 5/23/2006 and NJ TRANSIT press release, 5/22/2006.

⁴⁸ The facility was designed to handle as many as 20,000 passengers an hour should the need for another emergency evacuation occur.

State and \$2 million from New York Waterway.⁴⁹

Today ferry service covers the New Jersey Gold Coast, connecting from points in Edgewater in the north to Port Liberte in Jersey City in the south to midtown and lower Manhattan (see Exhibit H). From Port Imperial New York Waterways operates three ferry services to Manhattan: West 38th Street, World Financial Center and Pier 11 on the east side of lower Manhattan. In addition, New York Waterways offers a variety of Hudson River and New York Harbor sightseeing tours, as well as trips to theatrical, sports and cultural events.⁵⁰

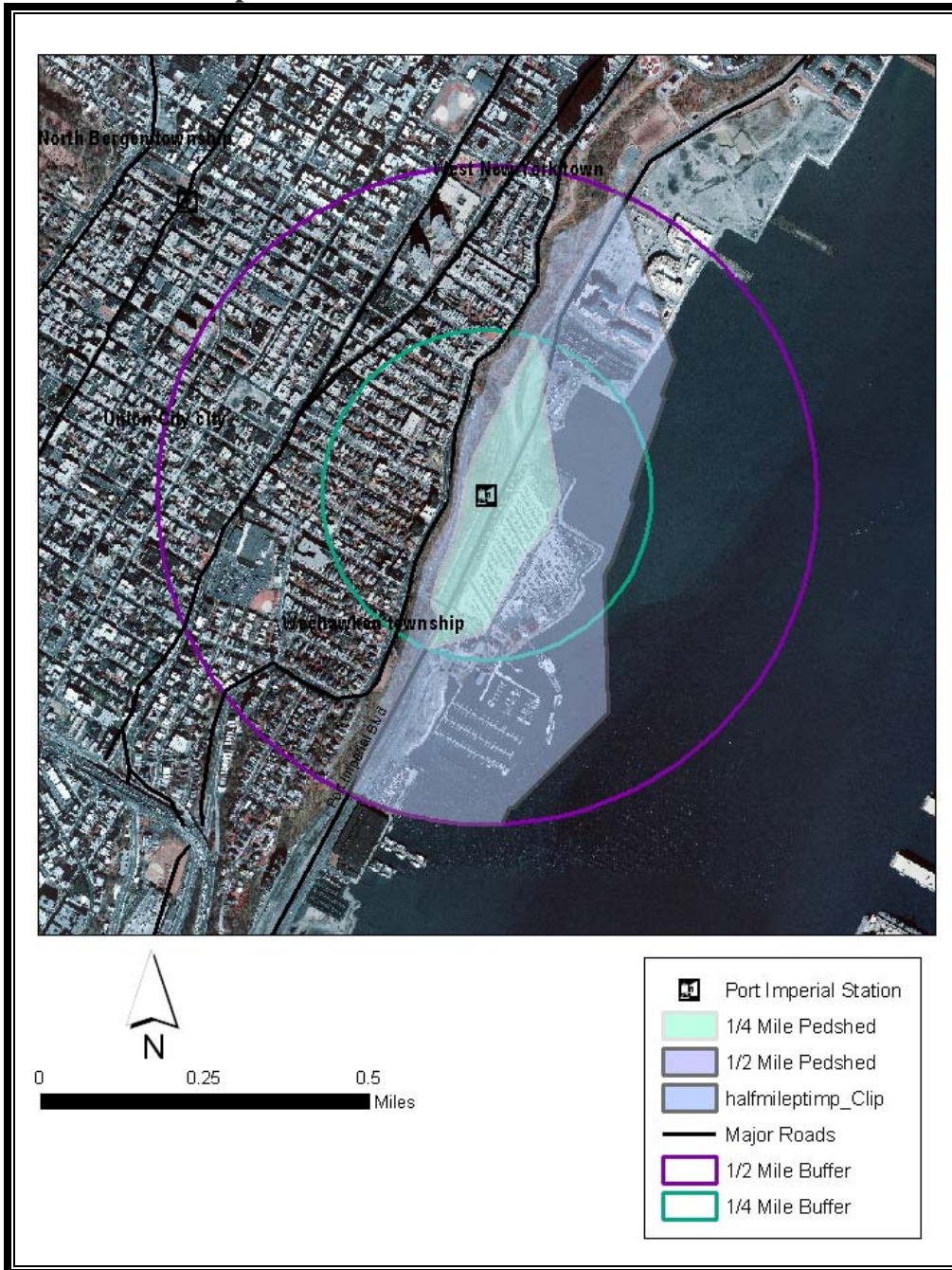
With the arrival of the HBLR, Port Imperial has finally become an integrated multi-modal center complementing the extensive new development that followed the creation of the ferry service. Full service to the HBLR Port Imperial station commenced in February 2006, when the final phase of the HBLR North Hudson extension was completed (this was three months before completion of the new ferry terminal). The Port Imperial Station is directly across the street from the new ferry terminal, and it will be connected by a 194-foot pedestrian overpass.⁵¹ The station is also served by NJ TRANSIT buses #23, 156, 158, and 159. Walkability to and from the station is limited to the west because of the 150-foot Palisades escarpment. Thus, the actual pedestrian access is severely curtailed from areas other than at river level. See Exhibit I.

⁴⁹ *The New York Times*, 10/21/2005

⁵⁰ <http://www.nywaterway.com/>

⁵¹ The overpass is not complete at this time. Pedestrians currently cross at street level.

Exhibit I: Port Imperial Station Pedshed



Development

While the ferry service was a success and provided sufficient transit access to key destinations to make the adjacent property marketable, the recession of the early 1990s proved to be a blow to development plans. Under financial pressure, in 1995 Imperatore passed ownership of 150 acres in West New York and Guttenberg to Roseland Company, a large New Jersey-based development company. Roseland, in turn, sold off northern acreage to K. Hovnanian Companies which, starting in 1999, has built a variety of luxury for-sale units.

The first units Hovnanian constructed were town home developments known as Jacob's Ferry in West New York and Bulls Ferry in Guttenberg. In between these old ferry slips is a small piece of land marketed as Harbor Place, which features 15 mini-mansions that sold for \$1 million plus, an unheard of price for the area at the time. These first three projects sold out quickly. Resale prices for Jacobs and Bulls Ferry are currently listed at \$500,000 and up.⁵² Bull's Ferry, in Guttenberg, is the most northern point of Port Imperial, approximately a mile from the HBLR station. Being that this is beyond walking distance to the terminal, New York Waterways has always provided a shuttle service to these developments for commuters.



Entrance to Bull's Ferry and Jacob's Ferry developments

Roseland, initially focused on lavish rental units closer to the ferry terminal, but more recently has offered high-end units for ownership. It should be pointed out that both Roseland and Hovnanian took advantage of the New Jersey 1998 Brownfield and Contaminated Site Remediation Act, which offers innocent purchaser protection and partial compensation for remediation costs in cleaning up the property.

⁵² <http://www.newjerseygoldcoast.com/33858>



Riverbend rental complex at Port Imperial, Weehawken
Source: Roseland Properties



View of The Brownstones development at Port Imperial from the HBLR

To date, the two developers have produced just over 3,100 units (see Table F). And, there are still more to come. Original plans by Roseland alone called for almost 6,000 units; however, because of the towns' concerns about height and density that would block views from atop the Palisades, the number may only reach 4,000.⁵³ There are also 500,000 square feet of office space and a 300-room hotel and conference center planned.



Port Imperial from the New York Waterway Ferry

⁵³ Roseland agreed to reduce the number of proposed units to 4,080 from 5,800; in return Weehawken agreed to slash the property's assessment by half and West New York exempted any new rental construction from rent control. See *The New York Times*, 4/21/1996.

Table F**Port Imperial****New Housing Development - Completed or Under Construction**

Roseland Properties

(Master Developer)

	# Units	Type	Tenure	Munic.	Status	Price Range
The Brownstones	42	R	for sale	W	Completed	\$1.5 million
Henley-on-Hudson	158	R	for sale	W	UC	\$965k+
Hudson Club*	344	R	for sale	WNY	Completed	\$350k+
55 Riverwalk	348	R & C	rental	WNY	Completed	\$1,700+/mo
Riverbend I, II and III	500	R	rental	WNY	Completed	\$1,750+/mo
The Landings at Port Imperial**	276	R	rental	WNY	Completed	\$1,700+/mo
Total	1,668					

K. Hovnanian

	# Units	Type	Tenure	Munic.	Status	Price Range
The Lofts at Riverwalk	268	R	for sale	WNY	UC	\$500k+
Vista Pointe I at Imperial Walk	61	R	for sale	WNY	UC	\$900k+
Vista Pointe II at Imperial Walk	89	R	for sale	WNY	UC	\$1million+
Four Seasons at Imperial Walk	311	R	for sale	WNY	UC	\$400k+
Grandview I At Riverwalk	132	R	for sale	WNY	Completed	\$300k+
Grandview II At Riverwalk	168	R	for sale	WNY	Completed	\$600k+
Jacob's Ferry***	276	R	for sale	WNY	Completed	\$500k+
Bull's Ferry***	154	R	for sale	G	Completed	\$500k+
Harbor Place****	15	R	for sale	WNY	Completed	\$1million+
Total	1,474					

Port Imperial Total 3,142

Location: W - Weehawken

WNY - West New York

G - Guttenberg

*Formerly Riverside West

**Built by Roseland Properties and sold to Equity Residential REIT

***Completed by 2002; these are resale prices.

Source: Roseland Properties and K. Hovnanian Companies

HBLR

The principal transportation draw at the HBLR Port Imperial station is the ferry service to Manhattan. Average weekday HBLR boardings, as of June 2007, were 799 (Table B).

While this is at the lower end of station usage on the HBLR, it has risen 22 percent over June 2006. One purpose of the station is to connect riders from the west (Bergenline Avenue, Tonnelle Avenue park and ride) and from the south to the Port Imperial ferries. In addition, those with access to the station (walking, bus, HBLR) can also use it to reach jobs at Lincoln Harbor and downtown Jersey City, or to connect to PATH to Manhattan points, to commuter rail at Hoboken for points south or west or shopping at Newport Mall. However, as the residential, office, retail, hotel and restaurant components of Port Imperial are realized, additional commuters, workers and visitors should boost ridership at the Port Imperial HBLR station.



Port Imperial HBLR Station

Conclusions

Housing development, with excellent ferry service to Manhattan and other points, has been well under way at Port Imperial for some time. The complex now represents not only a whole new living environment that sports luxury amenities with fabulous views of Manhattan, it enjoys the presence of a modern, multi-modal public transportation system. Residents have easy access to employment, shopping and entertainment in both New York City and Hudson County, New Jersey. In effect, the HBLR station is the icing on the cake. It complements the existing ferry operations and clearly enhances the marketability and value of the completed and ongoing projects.

Bergenline Avenue Station, Union City

Background

The Bergenline Avenue station serves the densely populated communities of Union City and West New York which sit atop the Palisade escarpment (see Exhibit G in the previous section). Prior to the HBLR, residents of this area could only access shopping, jobs and other opportunities along the Gold Coast by taking local, time-consuming buses or private shuttles.⁵⁴

⁵⁴ Frequently referred to as “dollar vans”



Bergenline Avenue Station platform level

The Bergenline Avenue Station is unique among all the stops on the HBLR. It is situated deep in a tunnel (the former Weehawken freight tunnel), 160 feet below Bergenline Avenue in Union City. High-speed elevators whisk passengers in seconds to the above-ground transfer complex at 48th Street and Bergenline Avenue, near the borders of West New York and North Bergen. Here buses create an easy connection for passengers by pulling into a new depot area adjacent to the elevators and small public plaza.



Bergenline Avenue Station in Union City surface entrance

Source: NJ TRANSIT

Demographics drive the ridership at the Bergenline Avenue station. Union City and West New York are densely populated immigrant communities. With each town having a land area of about one square mile, together they hold an estimated 2003 population of nearly 113,000 persons.⁵⁵ According to the 2000 Census, 58.7 percent of the Union City populace is foreign born and the level is 65.2 percent in West New York. Not surprisingly, median 1999 incomes of both communities, at around \$31,000–\$32,000, were far below the state level of \$55,146. Poverty rates were high: 21.4 percent in Union City and 18.9 percent in West New York. The need for affordable, efficient public transportation is a priority in these neighborhoods.

HBLR

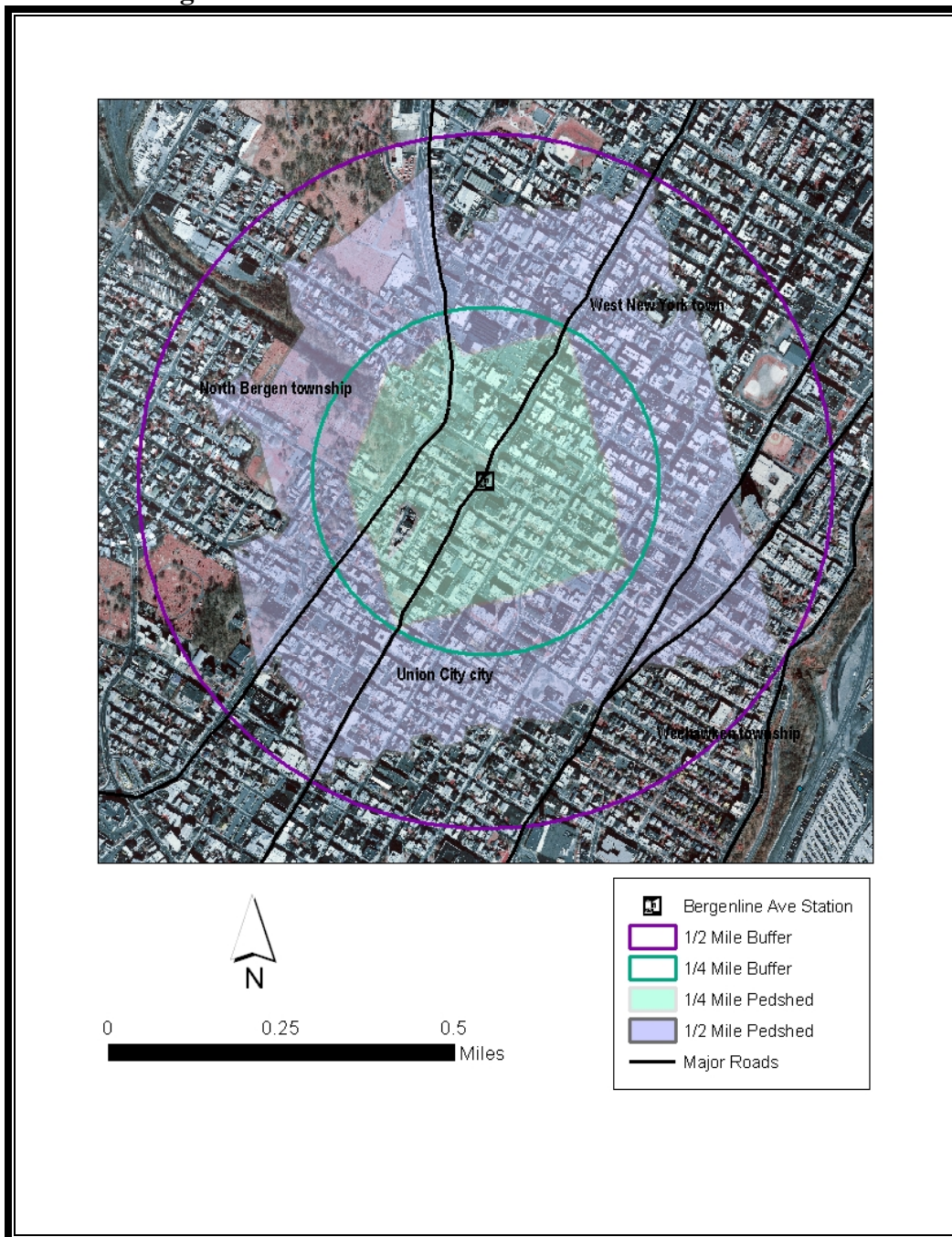
As with Bayonne, the Bergenline Avenue station was not in the original alignment: the line was to pass through the Weehawken freight tunnel going directly to a large park-and-ride at Tonnelle Avenue in North Bergen. But, after pressure from Hudson County municipal and county leaders, NJ TRANSIT agreed to study the possibility of adding another station, within the tunnel, under 48th Street and Bergenline Avenue in Union City. The proposed station posed an engineering challenge. In order to create a platform in the tunnel, contractors would have to dig 160 feet straight down, and the cost would add tens of millions of dollars to the project.⁵⁶ But, after studying the station's potential and the engineering issues, NJ TRANSIT concluded that the station could be built and would generate substantial ridership. In August 1996, NJ TRANSIT amended the Locally Preferred Alternative (LPA) to include the Bergenline Avenue station.

The station opened for service on February 25, 2006. Those forecasts of high ridership proved to be provident: boardings at Bergenline Avenue are currently more than 2,000 per day, the fifth highest in the system. The pedshed around the Bergenline Avenue station is fairly large (Exhibit J), because both Union City and West New York are laid out in a traditional grid street pattern which provides good connectivity for pedestrians. On weekends this station has also contributed substantially to the noticeable spurt in travel on the HBLR to Newport Mall.

⁵⁵ <http://www.fedstats.gov/>

⁵⁶ Marks, p. 38.

Exhibit J: Bergenline Avenue Station Pedshed



Development

The Bergenline Avenue station area is built-up with considerable density. The avenue is the main commercial corridor for both Union City and West New York. The neighborhood's buildings can be characterized as older, mid-rise, and mixed-use. New development, in general, means demolition of an existing structure or adaptive reuse of an industrial property.



Bergenline Avenue in Union City



Bergenline Avenue in West New York



Park City Condominiums, Union City

Union City's development potential is adversely affected by the fact that it is has no waterfront property, a key attraction for developers.⁵⁷ One development that is within walking distance of the station is Park City Condominiums (at left). This is a townhouse gated community on 38th Street that has views of the Meadowlands from the western slope of the Palisades. The price point for these units is exceptionally attractive (\$160,000 – \$345,000). Realtor Robert DeRuggiero, whose firm handles the sales and marketing for the project, indicated that buyers priced out of Hoboken are buying in Union City. With the HBLR and ferry service, plus easy access to the Lincoln Tunnel by car and bus, there are good transportation options.

⁵⁷ Union City has fabulous views of Manhattan along the town's eastern edge at the cliffs, a location beyond walking distance from the Bergenline Avenue station. In this area two new projects, Mountain Road Lofts and Park City Grand, are selling their penthouse views for \$1 million plus. Residents of these projects rely on bus service to take them to either the ferry in Weehawken or the main Hoboken station. (See Table G).

Developer	Project	Number of Residential Units	Tenure	Price Range
612 Associates	Park City Condominiums	52	For Sale	\$160k-\$345k
	Total to date	52		
Eshaghoff and Khaghan	Mountain Road Lofts*	19	For Sale	\$300k-\$1million+
Park Hudson Group	Park City Grand*	70	For Sale	\$280k-\$1.2 million

*New projects, but not within 1/2 mile of the Bergenline Avenue Station
Source: Project websites, DeRuggiero Realtors and Union City officials

When asked about the pace of development as a result of the HBLR service, Union City Planner, David Spatz, remarked that “The HBLR is spurring ‘talk’, if not action, of development.” He said he’s heard much about project proposals, but has not seen them come before the planning board and that there has been little new development near the 48th Street site of the HBLR station. Spatz estimated that there are probably 100 units approved for development, but there has been no action due to the slowing housing market or the developer is holding the property hoping to “flip” it for a substantial profit.⁵⁸ To be sure, there are smaller Union City projects (renovations, conversions and tear downs) that have also contributed new units, but the numbers are small (see Table H, below).

Spatz did mention that the town is considering designating as a redevelopment zone the block on which the station is situated, including vacant land behind the station, and the adjacent block to the north, containing underutilized properties. He indicated that this designation would provide the basis for a possible future Transit Village proposal, when market conditions improved.

The Bergenline Avenue station also serves the south end of West New York. The streetscape there mimics that of Union City with no major development as yet. Permit data for 2006 and 2007 (Table H) reflect the relative lack of activity in Union City and the West New York construction (except in Port Imperial). There is one approved development for 70 condominium units at Polk St. and 52nd Avenue within walking distance of the Bergenline Avenue station. This 1.1 acre- project by developer Dean R. Mon has been created out of 13 properties and will consist of mostly subsidized units. The last six months have been devoted to environmental clean-up. Prices will range from

⁵⁸ An example of this is 1300 Manhattan Avenue, a five-acre site with an impressive view of Manhattan. The developer has received approval for 55 units and has it listed for \$14.5 million. See <http://www.loopnet.com/xNet/MainSite/Listing/Profile/ProfileSE.aspx?LID=15047393&linkcode=10850&sourcecode=11ww2t006a00001>

\$65,200 for a one-bedroom low income unit to \$299,000 for a three bedroom market-rate unit. \$5.6 million in subsidies is being provided by NJHMFA, Balanced Housing Funds, and county HOME funds. Property tax abatements to the buyers are being given by the municipality. Ground breaking is expected in spring 2008.

<u>2006</u>	<u>Total</u>	<u>5 units or more</u>
Union City	30	26
West New York	413	381
<u>1/2007-7/2007</u>		
Union City	28	13
West New York	174	157

Source: New Jersey State Data Center

Conclusions

The Bergenline Avenue station is a success—at least from a ridership perspective. It provides a transportation lifeline to hundreds of residents who rely on it for getting to work, school, shopping, etc. However, its impact on new development to date is modest. Still, Union City and West New York can expect continued interest by developers and buyers as this area, with its increased accessibility from the HBLR station, becomes seen as an affordable alternative to Hoboken.

Findings and Recommendations

The growth along the HBLR line has continued at a steady pace. The value of the 10,000+ new units that we have documented is conservatively estimated at \$5.3 billion (Table I). These developments represent new riders, new ratables, new business creation and investment, new employment opportunities, environmental improvement and a fresh, engaging sense of place in station areas.

Table I			
HBLR			
Total TOD Housing units Built or Under Construction*			
Major Projects			
	# of Units	Estimated Sale Value/unit	Total Estimated Sales Value
Hoboken 9th Street	2,230	\$400,000	\$892,000,000
Essex Street-Jersey Avenue	4,265	\$550,000	\$2,345,750,000
34th St Station, Bayonne	450	\$400,000	\$180,000,000
Port Imperial	3,142	\$600,000	\$1,885,200,000
Bergenline Ave.	52	\$300,000	\$15,600,000
Total	10,139		\$5,318,550,000

*Since 2000, the opening of the HBLR

The completion of many of the major projects, such as Liberty Harbor North and The Peninsula at Bayonne Harbor, will take many years. The cycles of the housing and office markets will have to be expected and endured.⁵⁹ Nevertheless, the movement is forward looking. HBLR has set in motion a dynamic process that will continue, aided by demographics, environmental concerns and desire for a better live-work travel balance.

The following is a summary of the effects that the HBLR has had on the Gold Coast of New Jersey, either directly or indirectly:

1. Development Outcomes

- Smart Growth is taking place: Large quantities of underutilized land are being reclaimed for productive use and being replaced by compact, pedestrian-friendly, mixed-use developments with convenient access to public transportation at a scale beyond that which the local road network could have borne
- Development demand is broad-based: housing, office, hotels, retail, and recreational facilities are all being created

⁵⁹ Developers reported that new buildings coming on line had sold a high percentage of their units; but, somewhat consistent with the national housing slump of late 2007, overall sales volume in Jersey City is half of the level in 2004 and 2005, and realtors report developers have changed course and are now seeking their help in finding prospective buyers. *Sunday Star-Ledger*, 11/04/07.

- An impressive amount of new high-density housing units is being created within walking distance of transit stations studied; housing value for those areas studied in this report is estimated conservatively at \$5.3 billion
- Property values and ratables have grown exponentially
- Solid return on transit investment is unquestionable
- BUT given the cyclical nature of housing and office markets, full development will take many years to be realized, and expectations should be set accordingly

2. Transportation Outcomes

- Transit ridership increasing steadily – both weekday and weekend
- Quality of travel greatly enhanced:
 - Reduction in commuting time and use of auto
 - Expanded access to shopping, recreation and entertainment venues
 - North-south transit distributor role, complementing PATH as the east-west transit distributor
 - Convenient links to the Northeast Corridor and Newark Liberty International Airport
 - New connections created: North Hudson to Newport shopping mall; Staten Island buses to Bayonne

3. Community Outcomes

- Line serves as an important asset to communities of all income levels
- Line has lifted expectations of municipalities, residents and businesses leading to improvement of public and private properties

Therefore, in light of these important findings, we strongly hope that resources can be found to:

- Continue to monitor the stations selected in this study⁶⁰
- Support study of other station areas in the Waterfront's commercial areas such as Newport and Harsimus Cove
- Expand the station study to West Side Avenue, MLK Boulevard, and Garfield Avenue in Jersey City, and 2nd Street in Hoboken
- Support further study of the potential for new development in Jersey City Heights and southeast Union City
- Consider a more encompassing study of Bayonne to include the existing neighborhoods west of Route 440 and adjacent to the 22nd and 45th Street stations and the coming 8th Street station

⁶⁰ The findings from the NJ TRANSIT intercept survey currently being carried out at the northern section HBLR stations should be anticipated and incorporated into future research.

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