

## The Business Impact of Light Rail Once Service Begins

*A survey of seven cities with recent light rail construction projects*

In a survey of key individuals in six cities with recently implemented light rail service, it is clear that once construction is over and service begins the difference in impact on business is the choice that was made between serving relatively non-commercial areas, as opposed to running through dense areas with existing businesses. Further, in Houston it appears that light rail service has been generally helpful to business.

Respondents have been disappointed about the lack of business in places where the lines run through less dense areas, such as parts of the San Diego line that were built along existing rail right of way. Those lines that were built in existing thriving corridors along the line, such as Portland's Interstate Avenue Line, have yielded revitalized existing businesses and establishment of new ones.

**Houston** Surveys of businesses along Houston's Main Street line found six businesses that closed during or after construction of the light rail line. As METRO has maintained, it is unclear that light rail service caused these businesses to close. Cultural Institutions report a strong positive effect of light rail on their ticket sales, especially with Rice University students being able to ride the line directly to the heart of downtown. Some restaurants and bars are thriving along the line, although they have reported changes in clientele in the revival that followed major construction. Hospitals and pharmacies in the Medical Center, where a dense city of health workers and patients has rejuvenated street level businesses, report that employees are now able to quickly move throughout the center on light rail.

**Minneapolis** Existing businesses along the Hiawatha rail line report more customers and increased revenues. One dental business renamed itself for the rail station. One restaurant owner reports that people on the train see the restaurant filled with "happy customers" and fill an extra 10-15 tables each week. Another restaurant reports "tremendous impact" on business, with a gain of about 75-100 customers during Minnesota Vikings games. Also, a new rail line has been realigned in order to take it through a more commercial area.

**Dallas** One report says that DART offers half-price fares to lunchtime riders and restaurants in the historic West End reported increases up to 40% in lunchtime business.

**Salt Lake City** Removal of a left turn lane that was used heavily by morning commute customers getting coffee has reportedly resulted in the loss of 25% of that business but the owner is having success with the specialty food store he has replaced it with. Some were less able to make similar adaptations. But now that the TRAX line connects downtown to the University, some restaurants are seeing five-fold increases in the number of customers, others report 25%-30% increases. Still others have made a variety of business decisions including relocating or selling their properties as new businesses show interest in the newly revitalized area and are willing to pay higher prices for property.

**Portland** The Interstate Avenue light rail line serves long established neighborhoods that have a mix of commercial and residential properties, and the businesses took a proactive role before and during construction to work together to revitalize the area, which is now more visually appealing and reportedly thriving. It is noteworthy that the businesses that utilized loans made available during construction claim they are better able to compete with 54 new businesses along the line because of the efforts made during construction to improve these businesses.

**San Diego** Track for the new Green Line was largely elevated or below ground, so there was little business impact. The exception was a cluster of small businesses adjacent to the San Diego State University campus that have seen a slight increase in walkable traffic, but are still mostly dependent on their regulars from the University. One business owner notes that students can now easily reach downtown for lunch so campus area eateries will face new competition.

**Los Angeles** The newest addition to LA's transit system, the Gold Line, does not run through already populous areas, so there has been little business impact, positive or negative, although there are many developments in the works.