Local Economic Activity around Rapid Transit Stations: The Case of Chicago’s Orange Line (Julie Cooper – University of Chicago Harris School of Public Policy)

The positive relationship between improved transit access and economic growth is highly promoted by planners and administrators across the country and the world. While the primary focus is on improving the connection between workers and jobs, there is an assertion that transit can improve the economy of the neighborhoods it touches. This impact is often measured through resulting changes in land values, but there is also an interest in understanding how the presence of transit—particularly transit stations—affects local economic activity and development.

Through a case study of Chicago’s Orange Line train route, this project explored the potential for transit stations to impact the level of local economic activity near transit stations, using quantitative and qualitative means. The quantitative analysis suggested that the stations were not unequivocally good for the vibrancy of the local economy. The qualitative analysis identified certain policies and actions that may have held back economic growth, and considered how different approaches may have lead to different outcomes. The lesson of the project is that cities that see economic development as a goal of transit projects need to consider early on how planning decisions around the project may hurt or hinder that goal, and incorporate supportive actions and policies into their plans from the start.