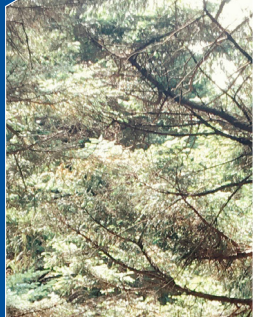
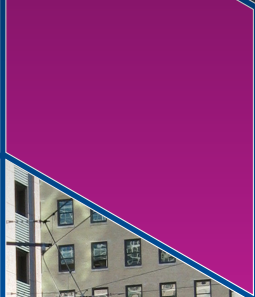


NJ TRANSIT's **LAND** Plan: Leveraging **A**ssets for **N**on-farebox **D**ollars

Beyond the Farebox: A Roadmap to Unlocking NJ TRANSIT's Revenue Opportunities



October 2025
Briefing Document

Non-Farebox Revenue Opportunity Plan

NJ TRANSIT has a unique opportunity to **generate essential funding by leveraging part of its 8,000 acre real estate portfolio for development**, as well as **enhancing its Customer Experience** with retail offerings and advertising.

This approach uses underutilized assets to **deliver housing, jobs, and recurring non-fare revenue**—while improving **experience** and **reliability**.

The plan’s proposed actions are presented as options for consideration - not mandates - to support the plan’s full revenue potential. NJ TRANSIT respects home rule in New Jersey and the legislative process, and looks forward to working collaboratively with the legislature, municipalities, and elected officials across the state to realize this revenue potential.

New Jersey is not only the most densely populated state in the U.S., but its population is growing faster than any other state in the Northeast. This reflects the state’s ability to create attractive and accessible places to live, but has also intensified New Jersey’s housing crisis, which will require more than 150,000 additional housing units by 2035. NJ TRANSIT, which has helped enable this growth by offering mobility choices, now has an opportunity to be part of the solution, by providing its land assets to support housing development.

Additionally, the revenue generated from these developments—whether residential, commercial, or industrial—will empower NJ TRANSIT to continue delivering lasting, reliable, and high-quality service, and further enrich the communities it serves across New Jersey.



Key Benefits

30 year revenue from execution over the next 5-10 years



\$1.2-1.9B
incremental revenue to NJ TRANSIT



\$10-14B
in economic impact to New Jersey



\$1.1-1.6B
increase in municipal revenues



14-20K
new housing units, including 2.6-4K affordable units



30-50K
New Jersey jobs created



Solar Power & Wetland Restoration



Why Now?

The Challenges

- Like most transit agencies in the United States, NJ TRANSIT faces reduced post-covid fare revenue and ridership, and uncertain federal funding
- New Jersey has a critical shortage of housing statewide
- As the nation's densest state, New Jersey has limited opportunities to site new development necessary for driving growth and creating new housing

The Opportunities

- NJ TRANSIT has underutilized assets, suitable for development
- Currently, NJ TRANSIT supports the delivery of 400-500 new housing units per year (including affordable housing) on average, generating revenue for NJ TRANSIT and local governments
- Accelerating development that aligns with existing and future capacity resulting from the Gateway program and other infrastructure investments can unlock additional revenue and positive impacts, fostering live and ride communities centered at transit facilities



Vision

Rapidly Transforming Assets into Community Value

The Actions Needed

- Enhance the Transit Village Initiative & refine the Local Redevelopment and Housing Law
- Reform Transit-Oriented Development (TOD) policy and processes to enhance NJ TRANSIT's land use authority
- Streamline legal and regulatory processes for NJ TRANSIT to realize market-driven products and revenue

Somerville

Constructed Project



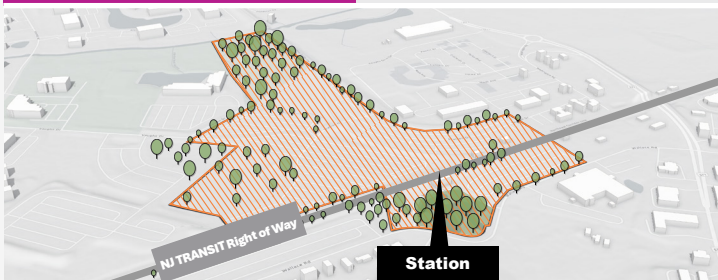
530
Residential Units



600
Parking Spaces

Princeton Junction

Illustrative Collaborative Opportunity



800-1.2K
Residential Units



800-1K
Parking Spaces

Scale of Opportunity

30 year revenue from execution over the next 5-10 years

Transit-Oriented Development

Walkable, mixed-use communities centered around transit hubs boost ridership and generate revenue through land leases or sales, with the best opportunities on underused land near stations.

Additional Revenue Potential: **\$780M-1.1B**

Housing Production Potential: **14-20K Units**

Industrial Hubs

Certain properties are ideal for warehousing and industrial uses, requiring large, flat parcels with good road access and utilities. NJ TRANSIT could develop approximately 50-100 acres of such land.

Additional Revenue Potential: **\$150-300M**

Temporary Uses

Short-term activities such as events, filming, and pop-ups utilize land, structures, and vehicles, which would generate another \$500K-1M annually.

Additional Revenue Potential: **\$15-30M**

Retail Concessions

Rental income is generated from retail tenants occupying concession spaces in NJ TRANSIT facilities, providing desirable customer amenities. These leases are often structured as a percentage of sales or minimum rent, providing an opportunity to add \$2.7-3.2M per year in revenue.

Additional Revenue Potential: **\$80-100M**

Advertising

Revenue streams include advertising on digital displays, within station facilities, on vehicles, and through naming rights arrangements, which would lead to an additional \$1.5-4.3M in annual revenue.

Additional Revenue Potential: **\$40-130M**

Parking Optimization

Parking fees collected at station lots, sometimes shared with municipalities or private operators, would provide additional revenue of \$5.5-7.5M per year, though some facilities offer free parking.

Additional Revenue Potential: **\$170-230M**

Wetland Banking

Restoring or preserving wetlands on suitable vacant land earns ecological credits, with the highest value in contiguous conservation areas and watershed management areas that service development impacts.

Restored/Preserved Land: **150-170 Acres**

Solar Power

NJ TRANSIT can provide opportunities for development of solar power generation projects across multiple redevelopment sites, including surface parking canopies and rooftop installations.

Power Generation Potential: **5 Megawatts**





Potential Collaborative Opportunities

Pennsauken

Illustrative Collaborative Opportunity



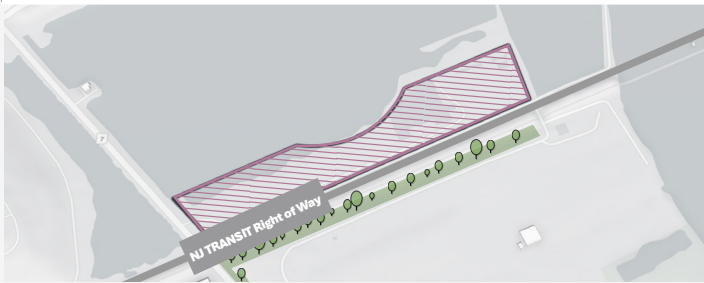
70-85
Residential Units



150-180
Parking Spaces

Kearny

Illustrative Collaborative Opportunity



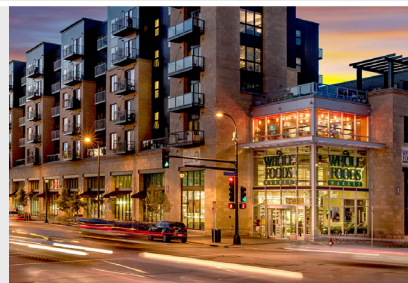
400K ft²
Industrial Space



90-100
Parking Spaces

West Side Avenue, Jersey City

Illustrative Collaborative Opportunity



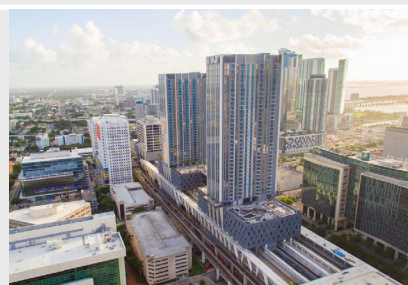
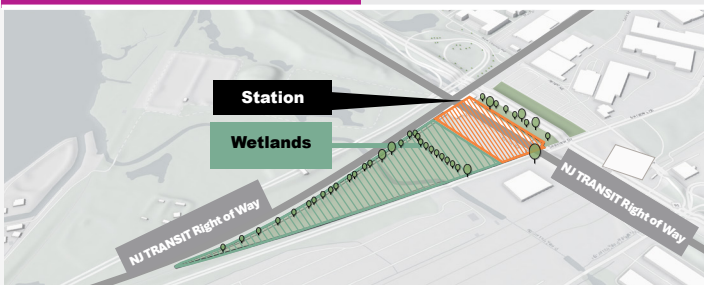
500-600
Residential Units



450-500
Parking Spaces

Secaucus

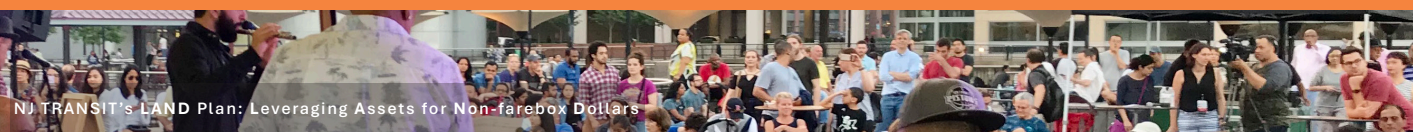
Illustrative Collaborative Opportunity



1.4K-2K
Residential Units



70-80
Parking Spaces



Proposed Revenue Acceleration Agenda

To unlock the full potential of this opportunity within 5 to 10 years, NJ TRANSIT must build on proven models and recent successes, while accelerating its pace tenfold. Achieving this will require bold action from NJ TRANSIT, the Legislature, state agencies, and local governments. The proposed actions reinforce NJ TRANSIT's mobility mission and support community needs, drawing on ideas successfully implemented in other states.

Major Action 1

Enhance the Transit Village Initiative & refine the Local Redevelopment and Housing Law

NJ TRANSIT & Partners

- Strengthen and enhance the technical assistance provided by the Transit Village Initiative Task Force, and incentivize municipalities to appropriately develop land centered at transit facilities
- Secure local community agreement to utilize context-sensitive station area typology standards to guide future development

NJ Legislature

- Categorize NJ TRANSIT-owned parcels within walking distance of transportation facilities as areas in need of redevelopment

Major Action 2

Reform TOD policy and processes to enhance NJ TRANSIT authority and capability

NJ TRANSIT

- Prioritize potential development initiatives
- Strengthen internal governance and project delivery processes
- Expand and modernize agency capabilities

NJ Legislature

- Establish authority for NJ TRANSIT-supportive land use on its property and related financing tools in facilitation of its projects
- Establish consistent, transit-supportive densities and parking standards for properties within walking distance of transit stations

National Best Practices

Land Use Authority

Empire State Development's longstanding land use powers provide it the discretion to implement TOD.

Maryland's TOD Reform Act of 2025 exempts state land use for transportation at transit stations from local zoning.

Zoning Reform

The Massachusetts Bay Transportation Authority Communities Law (2021) requires each MBTA-served municipality to create a zoning district that allows multifamily development near transit stations.

Washington State HB 1491 (2025) bars cities from requiring off-street parking requirements for residential or mixed-used development within station areas.

Wetlands Banking

Virginia, North Carolina, and Pennsylvania DOTs have authority to restore wetlands and produce compensatory mitigation credits.

Implementation Targets

Major Action 3

Streamline legal and regulatory processes for NJ TRANSIT to realize market-driven products and revenue

NJ TRANSIT

- Digital advertising displays on stations and bus shelters as default build
- Market-driven parking pricing at levels that still offer incentive for transit use

NJ Legislature

- Allow NJ TRANSIT to create and run its own wetland bank
- Streamline commercial and retail-related regulatory processes on NJ TRANSIT land
- Digital advertising in bus shelters

Parking Reform and Revenue Optimization

Maryland TOD Reform Bill (2025) eliminates minimum parking requirements near rail stations.

Washington State HB 1491 (2025) eliminates parking minimums in TOD zones.

Washington Metropolitan Area Transit Authority's market-based parking fee structure adjusts parking rates based on location, and time spent parked, maximizing parking revenue.

Years 1-2

\$80-150M  \$700M-1.35B  \$110-230M 

- ✓ Implement all NJ TRANSIT actions in Major Action 2 to accelerate TOD **housing units from 500 to 1K per year**
- ✓ Secure **legislative authority for NJ TRANSIT** land use decisions, financing powers, and designation of NJ TRANSIT parcels as areas in need of redevelopment
- ✓ Expand and enhance the Transit Village Initiative and **partner with 10-15 local communities**
- ✓ Deploy digital advertising at the **top 10 highest-ridership stations**, pilot digital advertising on commuter rail cars and offer naming rights for 5 stations
- ✓ Phase in market-based parking pricing at top **20% revenue-generating stations**

Years 3-5




\$210-400M  \$2-3.5B  \$310-620M 

- ✓ Accelerate development of **TOD housing units from 1K to 2K per year**
- ✓ Scale industrial hub development to **25-50 acres for warehousing/logistics**
- ✓ **Generate \$10M in additional annual commercial revenue** including retail, advertising, and permits
- ✓ **Fully optimize parking revenue** through dynamic pricing across entire portfolio
- ✓ Working with partners
 - Establish consistent, transit-supportive densities and parking standards near transit stations
- ✓ Secure legislative authority to **establish a wetland banking program** to monetize wetlands by generating mitigation credits

Years 5-10

\$950M-1.35B  \$7.5-9B  \$740-760M 

- ✓ By year 10 complete **additional TOD projects to total 14-20K new housing units**
- ✓ **Generate \$20M in additional annual commercial revenue**

NJ TRANSIT  New Jersey  Local municipalities 

Report Notes:

1. Dollar values are expressed in 2025 dollars. Revenue for future years is adjusted for inflation at an annual rate of 3%, and discounted at a 3% rate to reflect the time value of money.
2. Economic impact and jobs supported include both one-time and permanent (over a period of 30 years) impacts.
3. The contribution to municipal budgets assumes the equivalent of payment in lieu of taxes (PILOT) agreements averaging 10% of annual gross revenue of future transit-oriented developments.
4. Wetland banking revenue pending additional assessment.
5. Implementation metrics represent the incremental 30-year revenue from actions of the corresponding period.

