

Regional Streetcar Policy Discussion

Research on Economic Impact of Streetcars

October 19, 2016

Metropolitan Council



Background

- Streetcar Policy Peer Region and Survey Research Presented to Met Council in January 2015
- Three Follow Up Topics:
 1. Economic Development and Regional Competitiveness Impacts of Streetcars
 2. Experience of Coordination/ Interoperability of Streetcars and LRT in other Cities
 3. Operating Streetcars in Inclement Weather

Metropolitan Council
Streetcar Policy
Development

Case Study Report

January 2015



**PARSONS
BRINCKERHOFF**



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The Economic Development Impact of Streetcars: A Summary of Findings

- National Research

- Cato Institute
- Center for TOD
- Congressional Research Services
- Econ. Dev. Research Group
- Institute for Transportation and Development Policy
- Mineta Transportation Institute
- Transportation Research Board and Transit Cooperative Research Program

- Local Studies

- Albuquerque
- Arlington County VA
- Charlotte
- Cincinnati
- Little Rock
- Los Angeles
- Memphis
- Portland
- Providence
- Sacramento
- Salt Lake City
- Seattle
- Tampa
- West Saint Paul/Saint Paul
- Washington DC

Some modern
Some vintage

Three Questions



1. What are the potential economic development impacts of streetcars?
2. How do streetcar analyses estimate or measure economic impacts?
3. What are the incremental economic impacts of streetcars as compared to other transit modes?

1. What are the economic development impacts of streetcars?

- Difficult to Measure!
 - No standard definition of economic development
 - Difficult to distinguish development impacts of streetcars vs other public policy measures.
 - Difficult to quantify outcomes such as “quality of life,” “placemaking,” walkability, etc.
- 3 Types of Impacts
 - Generative Impacts
 - Redistributive Impacts
 - Transfer Impacts



1. What are the economic development impacts of streetcars?



Three potential measures of impacts:

- New and Increased Development
- Land Value Premiums
- Tourism and Convention Business

2. How do streetcar analyses estimate or measure economic impacts?

New and Increased Development

- Evaluative

- \$3.5 B in public and private resources have been invested adjacent to the Portland streetcar between 1997 and 2008
- Little Rock has experienced \$400 M in development adjacent to its streetcar since 2002, and added 13,000 jobs

- Predictive

- Washington DC H St Streetcar will result in \$238 - \$291 M in annual (property tax?) revenue within 10 years of operation
- Downtown LA Streetcar will generate \$259 M in new office and \$1.4 B in new residential development; induce 25,000 jobs
- Nearly \$1.6 B worth of new development predicted with the implementation of streetcar in Albuquerque

Land Value Premiums



- 760 percent aggregate land value increase within ¼ mile of Memphis streetcar vs 24 percent citywide (2002-2008)
- Median property values for vacant land within 3 blocks of Seattle streetcar alignment rose 123 percent between planning and construction vs 53 percent citywide
- Property values along the Tampa streetcar line had risen 313 percent seven years after opening

Higher land values

=

Higher development potential
(e.g. 400 units vs. 200 units)

Tourism and Convention Business

- Vintage systems, in particular, built to serve tourist markets
- Premium transit is often marketed by tourism and convention bureaus
 - Good access between airport and tourist/convention district
 - Circulation within district
 - Frequency and convenience more important than mode
 - Expand the size of “tourism area”



3. What are the incremental economic impacts of streetcars as compared to other transit modes?

- Difficult to compare modes
- Arlington County estimated the following incremental benefits of streetcar over enhanced bus
 - \$315-620 M more in tax revenue
 - 4,600 more jobs
- Robert Street AA found that “local preference for rail-based modes suggests that streetcar may help support...\$90 M of additional development over arterial BRT”
- ITDP concluded that its not mode but rather:
 1. Gov’t policy support and funding for TOD
 2. The strength of the land market
 3. The quality of the transit investment (frequency, stations, etc.)

Conclusions

- Economic Development Benefits of Streetcars are Measured in a Number of Ways – and Sometimes Not at All
- Streetcars Contribute to Economic Development – but the Size of its Contribution is Difficult to Measure
- The Perceived Permanence of Streetcars was the Most Compelling Case for Economic Investment in Affected Corridors
- The Advancement of a Streetcar vs BRT and other Bus Options is Dependent upon Local Goals and Objectives

Streetcar/LRT Coordination/Interoperability

Cities

- Charlotte
- Dallas
- Portland
- Salt Lake City
- Seattle

Dimensions

- System owner
- System operator
- Fare
- Fare integration
- System integration
- System interoperability
- Maintenance
- Planning
- Funding

Streetcar/LRT Coordination/Interoperability

- Highest degree of operability is achieved where the transit agency is the owner/operator of both streetcar and LRT (Salt Lake City)
 - Vehicles
 - Maintenance Facilities
 - Full Fare Integration
 - Single System Map
- Results in reduced costs
- More conventional – reliable? – funding structures

Streetcar Operations in Inclement Weather

- Systems typically develop weather emergency plans
- Similar to LRT plans except snow removal typically responsibility of the City – snow plows only clear top of the rail
- Streetcars can be outfitted with plows, but few are
- *Preventing* snow and ice accumulation often preferred option to clearing



Regional Streetcar Policy

Thank you!

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