

MINUTES

21st Century Transportation Task Force

May 13, 2008
3-5 PM

9th Floor Council Committee Room

Type of meeting:

Ninth Task Force Meeting

Attendees:

Councilor Isaac Benton, Mike Skaggs (absent), Claude Luisada, Claude Morelli, Moises Gonzalez (absent), Jeffrey Peterson (absent), Antonio Sandoval (absent), Terry Keene (absent), Gary Bodman (absent), Nevin Harwick, Alex Romero (absent), Bert Thomas, Bob Murphy (absent), Brent Wilson (absent), Chris Blewett, Clovis Acosta (absent), Dale Lockett (absent), Joanne McEntire (absent), Joel Wooldridge, JW Madison, Martin Sandoval, Ralph Cipriani, Frank Burcham (absent), Gus Grace (absent)

Resource Persons:

Michael Riordan, Keith Perry, Pat Montoya, Jamie Welles (IPC), Chris Zahas (Leland Consulting Group), Tony Sylvester, Donna Baca, Kara Shair-Rosenfield

Observers:

Roger Mickelson, Steve Otero (PNM), John Perry (PNM), Ken Maestas (PNM)

AGENDA TOPICS

Welcome

Councilor Benton

Discussion: Councilor Benton called the meeting to order.

Approval of Agenda and Minutes

Councilor Benton

Discussion: Councilor Benton moved to approve the agenda. The motion was seconded and passed unanimously. Councilor Benton moved to approve the minutes from the 4-29-08 meeting. The motion to approve the minutes was seconded and passed unanimously.

Discussion: Chris Zahas of Leland Consulting Group gave a presentation, the third thus far, on the streetcar cost-benefit analysis that the City has hired them to do. He started by recapping the last presentation, “Land Use Impacts and Transportation Update,” that was given, which focused on land use and development opportunities. He reminded the group that their analysis of development opportunities along the proposed streetcar line identified the potential for 4,100 new households, 9,200 new service jobs, and 500,000 sq. ft. of new retail within a 20-year period of construction of the streetcar.

While the last presentation focused on development opportunities, the third presentation, “Funding and Alignment Alternatives,” dealt with cost and alignment issues. Chris explained that they divided the corridor into three segments, which could be viewed as “market areas” and/or separate phases to be developed. The three segments are: A) Atrisco Dr. to 4th St., B) 4th to Girard, C) Girard to San Mateo. He provided the following information on estimated costs to construct the streetcar line in phases:

- Aggressive Approach: 3 years, \$185 million to build full Central alignment
- Moderate Approach: 12 years, \$405 million to build full Central alignment
- Conservative Approach: 20 years, no estimate provided

Task Force members questioned the numbers provided:

- Claude Morelli said that he didn’t understand how the cost could go from \$184 million to \$405 million in 9 years.
- Councilor Benton asked if the \$405 million figure corresponded to the Conservative Approach rather than the Moderate Approach.
- Chris said he would have to go back and check the numbers. He also explained that delaying construction would lead to higher construction costs. The cost to construct the streetcar in 2008-2009 would be \$28 million per mile, compared to \$25 million per mile that was estimated by HDR/DMD in 2006, according to Michael Riordan.

Chris then reviewed the different funding strategies that are available and provided information about funding packages that peer cities, such as Seattle, Tacoma, Portland, Tampa, have used. On the issue of comparing peer city funding packages, Chris commented that the one conclusion that can be drawn is that there is no real pattern of how cities have packaged funding sources to fund the construction of a streetcar.

The next part of the presentation focused on the ¼ Cent Transportation Infrastructure Tax. Chris said that, based on current GRT, the tax could be expected to generate about \$37 million in 2009, and with inflation, that number would increase to \$55 million in 2021. He posed the following question to the task force: If you were to go forward and recommend building the streetcar, what percentage of the tax would you want to dedicate to that project? The following information was provided as “food for thought” for the group:

Over a 10-year extension of the tax (2010-2020), the following amounts could be generated:

- Dedicating 25% of the ¼ cent tax would generate \$88.6 million (or enough to fund 3.2 miles of streetcar construction – for example, 4th St. to San Mateo)
- Dedicating 33% of the ¼ cent tax would generate \$121 million (or enough to fund 4.3 miles of streetcar construction)
- Dedicating 50% of the ¼ cent tax would generate \$185 million (or enough to fund 6.6 miles of streetcar construction)

Task Force members questioned the assertion that it is only 3.2 miles from 4th St. to San Mateo. Michael Riordan pointed out that the proposed streetcar line as suggested by Council (from Atrisco to San Mateo)

is actually closer to 8 miles, not 6.6 miles. (*Staff has determined that the distance from 4th St. to San Mateo is approximately 3.8 miles.)

Chris then presented information on other financing options, such as TIDD, PID/LID, CIP, MTP/TIP, GRIP, FTA, and other local sources. On the option of using TIDD as a financing tool, Chris outlined the “Keys to Central Avenue TIDD Success,” which would have to include State participation, private business growth, and predictable business growth. To make his point, Chris explained that revenue potential for a 10-year bond could be up to \$175 million with the State GRT share, only \$75 million without the State share, and only \$60 million with anemic business growth and no State share. He also pointed out that creating a TIDD for the entire proposed streetcar line and adjacent blocks (approx. ¼ mile off the corridor in each direction) would make it a rather large district and that it might be better to target the use of TIDD in certain sub-districts. Another point he made is that a lot of the uses along the corridor do not generate GRT (university, local government, etc.). On the other funding options, Chris provided the following information:

CIP

Right now, \$5-8M for transit

MTP/TIP

\$5-10M possible

PID/LID

Property owner/developer participation

Portland, Seattle, California transit projects

Political and “fairness” benefits – requires property owner support to form district;
broadens base of support

Could be anywhere from \$5-15M for project

GRIP – unknown

FTA – not very viable

Other local sources:

Institutional Contributors – UNN, Pres, others

Hotel/Tourism Assessment

Sponsorship and Advertising – naming rights

Farebox

Task Force members had the following questions and comments about the presentation:

Ralph Cipriani: In terms of generating public support for the tax, the public has an expectation that the tax is going to be used for transportation. The public will want to be convinced that this is a good transportation project, not just an economic development project. Question – has anyone at the City or an independent organization done a comparative analysis of how much 25% of a ¼ cent buys in alternatives to a streetcar, such as ABQ Ride, small circulators? I think it’s imperative that we demonstrate that a comparative analysis has been done.

JW Madison: My group (Rails Inc.) has been working on putting that information together.

Ralph Cipriani: That kind of information will be significant in terms of the way we make our presentation to the public. Offsets or other benefits have to be provided in an upfront way. The public will not be fooled.

JW Madison: I disagree with the idea that you couldn’t sell a rail system as a transportation thing compared to other improvements. There are other cost factors to consider in any transportation system.

Councilor Benton: For example, long-term operating costs are a major consideration.

Martin Sandoval: I agree that there are still a lot of questions to be answered and holes to fill in. All of this needs to be addressed prior to developing the report.

Claude Morelli: The ridership assumptions the consultants provided for the streetcar are not enough to base a decision on because they're not part of a comparative analysis. There's a reason why the FTA is spending money on BRT rather than streetcar. BRT can carry many more people for the same cost. If you double bus frequency, for example, you get benefits in ridership. If you change other aspects of the bus system, you get benefits in ridership. The real potential for streetcar is promoting redevelopment; when you start talking about streetcar and increased ridership, that, I think, is disingenuous. It would be a lot more productive to focus on redevelopment potential than to try to make this about ridership.

Bob Murphy: I'm really struggling with this. New housing along this corridor is not being absorbed very quickly; the demand doesn't exist here. The quality of jobs and pay of jobs becomes an issue. Downtown Denver, for example, has plenty of high-wage jobs for younger people, so demand exists there. Albuquerque is seeing condos at \$250-300/sq. ft. sit vacant. We have yet to produce jobs in the corridor that would be the catalyst for attracting more people to live in the corridor. We have to be realistic about what's happening today.

Ralph Cipriani: Another factor, beyond jobs, is demographics. Denver's downtown population, as well as Seattle's and Portland's is comprised primarily of single-person households or households without children,. Albuquerque's demographic is very different – much more family oriented. And the number one factor that families consider is location of schools.

Chris Zahas: I'm putting back on the screen the "Conditions for Success" slide from the presentation. What this slide says is that all of these issues need to be addressed in order for there to be success; it's not just about the streetcar. Fundamentally, yes, it's about economic development. From an outsider's perspective, I'm not as down on Albuquerque's prospects for making this successful as some of what I'm hearing. Keep in mind that we took a very conservative approach on the housing and commercial growth assumptions, which projected 4,100 new households, 9,200 new service jobs, and 500,000 sq. ft. of new retail.

Ralph Cipriani: Yes, but the sequencing of events is important. Many of the "Conditions for Success" were in play or in progress in Portland and Seattle for years and years before a streetcar went in. We're doing it backwards. We're comparing apples and oranges.

Chris Zahas: I would argue that Albuquerque has a lot of the same conditions for success that were in place in Portland and Seattle, albeit on a different scale.

Martin Sandoval: We have to go back to the justification for the project, the big picture on both cost and other factors. I'm wondering if we're going to get the support we need from the public. It's going to be hard to sell this kind of project if, when you do a comparison with buses, the numbers don't show a significant difference.

Chris Blewett: Let's also keep in mind, then, our long-range plan, which commits us to spending \$4-5 billion on roadways over the next 20 years, and the situation is expected to get worse, not better. \$200 million is a lot of money. But it's chump change when you look at public money going into other forms of transportation and in terms of what we individually put into the pot. Let's take the streetcar proposal off the table altogether – what would you propose to do to attract new business and housing to the city's corridors? I don't know that there's another transportation investment opportunity that could generate what the streetcar would. We've got to be careful not to fall into the trap and forget to remind ourselves about what else is at stake.

Councilor Benton: Those of us who advocate for transit are in a poverty mentality. The whole idea of the streetcar and its link to redevelopment is a bigger idea than we're used to. When you talk about creating a little organism in Albuquerque that might be the seed of something better, I'm going to advocate for it. For an area of town that really has been forgotten and that we're trying to bring back, the

idea of the streetcar, or some form of enhanced transit (high level and higher quality) that can help support expansion of the system and reinvestment, is important.

Martin Sandoval: I agree. I think this goes back to the whole issue of justification. It has to be something the public will support. I like this discussion because we're looking at all of the arguments, both for and against. We have to do our due diligence and look at this from all perspectives.

JW Madison: It seems to me that one reason we're here is to have a discussion and develop ideas about what's right and what's wrong about this town we live in. What vision do we have for making this town better for a very long time after we're dead, and what projects will help achieve that vision. Do we want to think short term or long term? For how long will our proposed investments last?

Ralph Cipriani: This complicates the work of the Task Force and City staff and consultants because two major public interest areas have been combined. We all believe in bringing back downtown, but we're all concerned about citywide transportation. Scrutinizing the streetcar proposal does not necessarily mean I'm opposed to it. In MRCOG's MTP, transit patronage is identified for cities comparable to Albuquerque. For example, Tucson which is very comparable to ABQ, has twice the annual transit ridership compared to ABQ Ride. When we ask some of these tough questions, we're trying to advance the concept that the City receive the biggest bang for the buck in making transportation investments. We have to make sure we recommend a very wise investment to the City Council and Mayor. We need to succeed the first time, and we have to acknowledge and account for public cynicism with respect to major public works investments of the order of magnitude the street car represents.

Claude M.: I'd like to make two quick points. I agree with Chris B., and, following up on that point, that we ought to be looking at the bigger picture of how we spend money in our region. And I think we need to have some sort of an integrated approach to that, a presentation that brings all these different things together, and I'm not sure exactly how you spend \$4 billion differently without convincing the rest of the region that that makes sense. The City of Albuquerque tried to do that recently and got shot down. The other thing is, I think a principle we ought to follow in this group, and the reason why I've been so concerned about the streetcar, is that it's a direct threat to bus service in Albuquerque. It's been presented as that. There was talk of getting rid of the Rapid Ride, getting rid of the 66, the inflation issue is there. I think our principle ought to be first, do no harm, sort of a Hippocratic Oath for this Task Force, and then figure out what to do next.

Councilor Benton: I totally support that. Don't get me wrong – I appreciate you guys asking the tough questions. "Doing no harm" is a great principle to keep in mind. I think as we develop the outline, we're going to have a better sense of where to go.

Martin Sandoval: I want to make sure that whatever recommendation we make represents the vision and mission that we put forward as group. If we do that, I think we'll be okay. We have to do that to withstand public scrutiny.

	Scheduling of Next Meeting; Adjourn	
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Discussion: The Task Force will hold a special working group meeting on Saturday, May 17, 2008, 9 AM – 12 PM in the City Council Committee Room. The next regularly-scheduled meeting of the Task Force will be on Tuesday, May 27, 2008, in the City Council Committee Room on the 9th Floor of City Hall. The meeting adjourned at 5:00 PM.