ALBUQUERQUE STREETCAR EVALUATION

Summary of Findings

Prepared for:

The 21st Century
Transportation
Task Force

Prepared by:

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FEHR & PEERS
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July 8, 2008

Presentation Outline

- **Project Context**

- **Benefits**

  - Land Use

  - Transportation

  - Other

- **Costs**

- **Cost-Benefit Evaluation**

- **Funding**

- **Recommendations and Conditions for Success**

Goals

1. Review and comment on HDR and City analysis

2. Analyze the streetcar's redevelopment potential

3. Cost-Benefit Analysis and Matrix focusing on Redevelopment and Transportation Benefits

4. Strategic Recommendations on complementary policies

5. Recommend Financing Strategies

Conditions for Success

Why Streetcars?

- Enhance urban form
- Revitalize the Central City
- Attract new investment

# Planning Context

Project Success
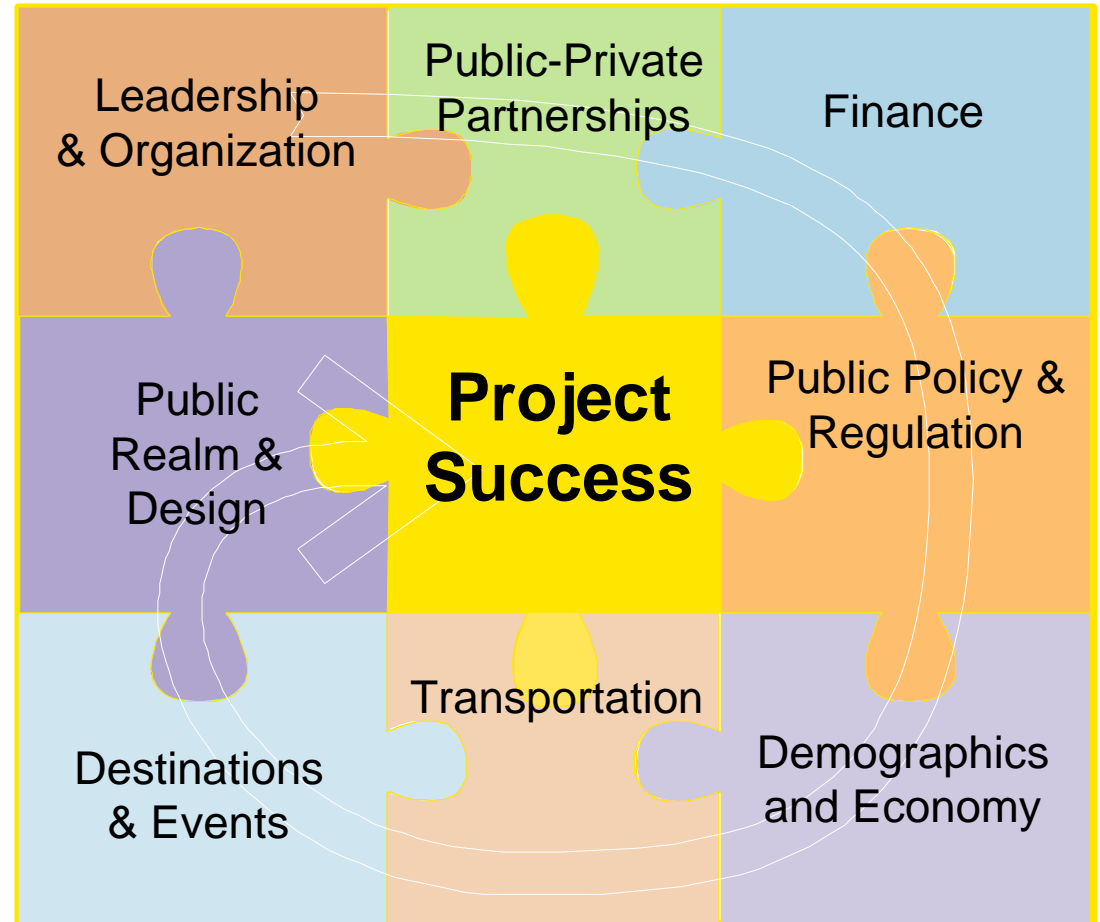
Comp Plan, Goal 6

"Promote the Central Urban Area as a focus for arts, cultural, and public facilities/ activities… and its importance as the historic center of the City."

Goal 7

"Expand and strengthen concentrations of moderate and high-density mixed land use and social/ economic activities which reduce urban sprawl, auto travel needs, and service costs, and which enhance the identity of Albuquerque."

Project Context

- Streetcar Peer Review
  - Most Comparable: Tampa, Little Rock, Portland, Seattle, Tacoma
  - Vary:
    - Destinations, ridership, and operations vary
    - Tourism Attractor
  - All Share:
    - Development-oriented Transportation
    - Local Funding Solutions
    - Central City Circulators

Legend
- MAX Routes
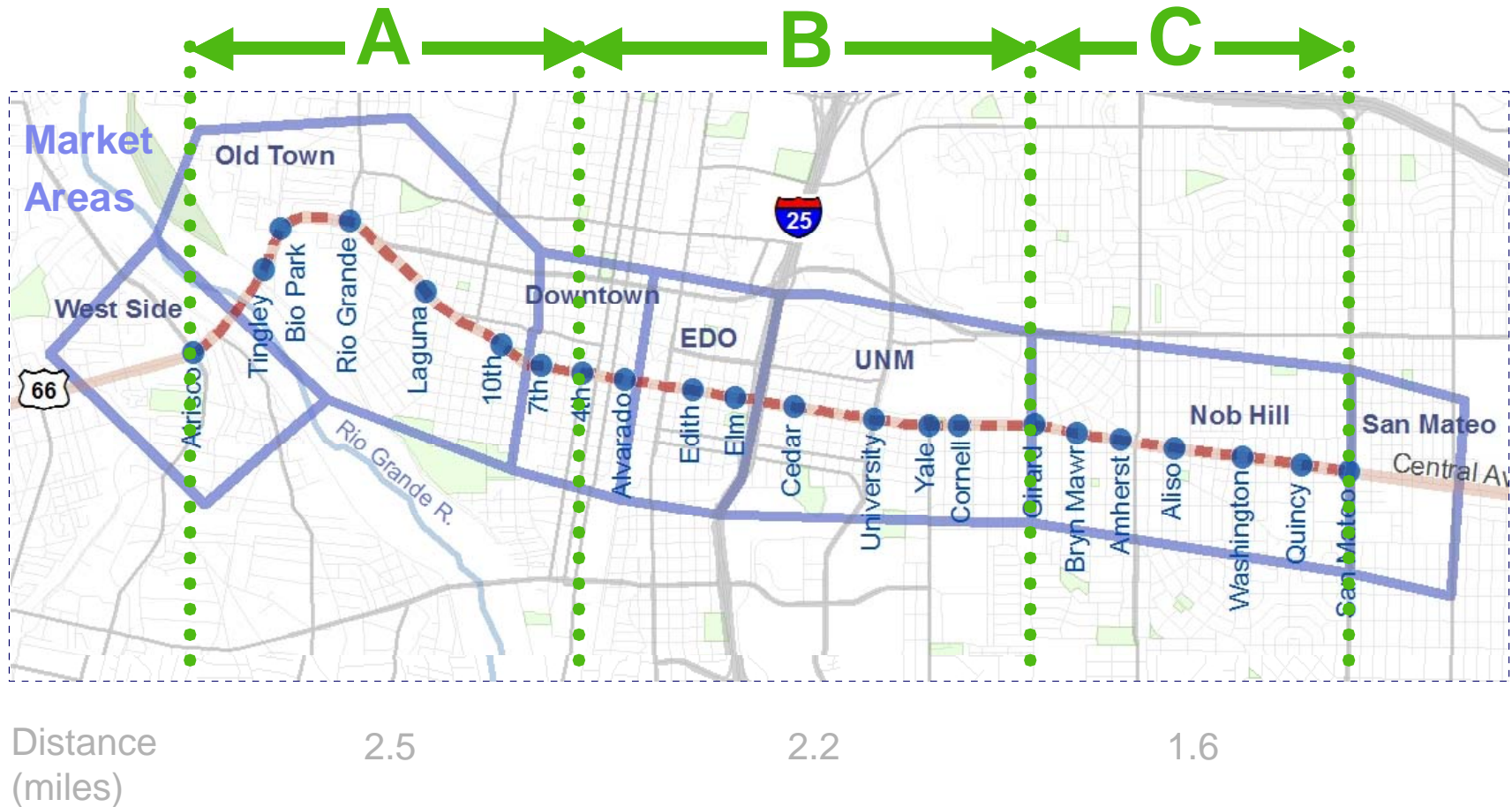- Portland Streetcar
- Development Projects
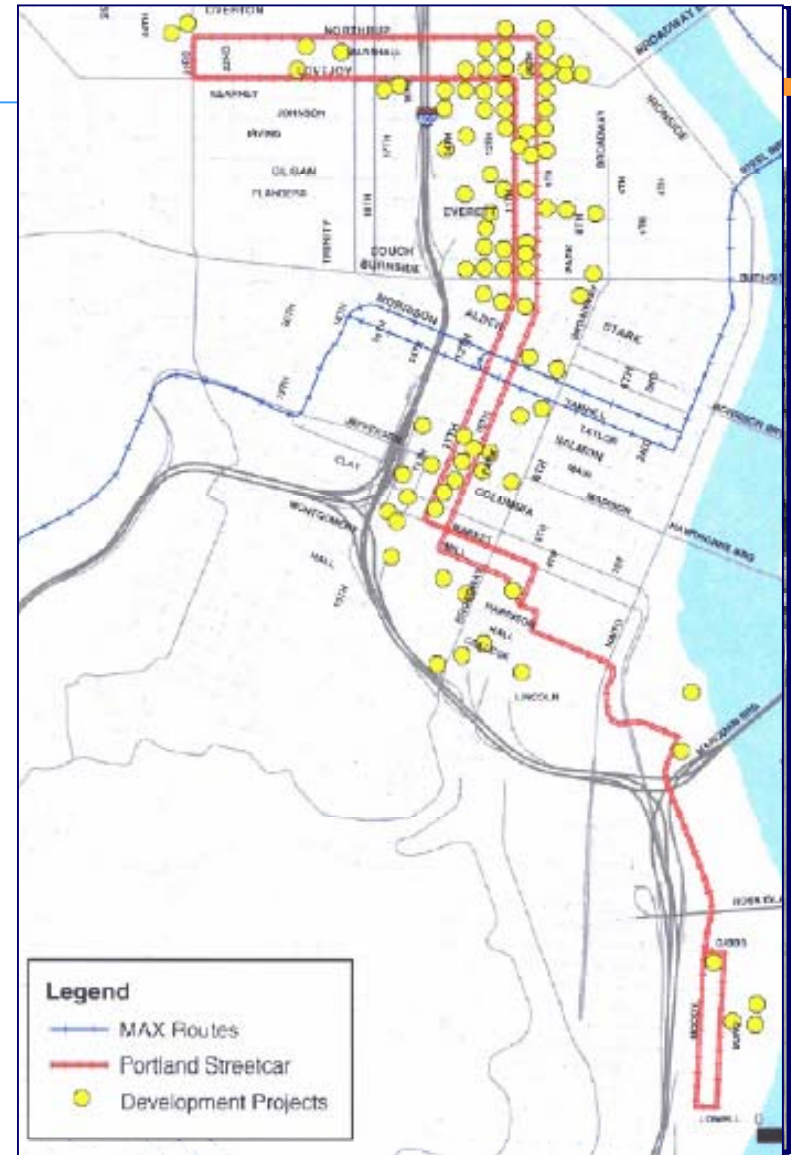
HDR Review

- Review includes:
  - Costs – Operations and Capital
  - Ridership
  - Land Use Projections
- HDR projections are accurate and reasonable
  - Exception: Yale Boulevard land uses

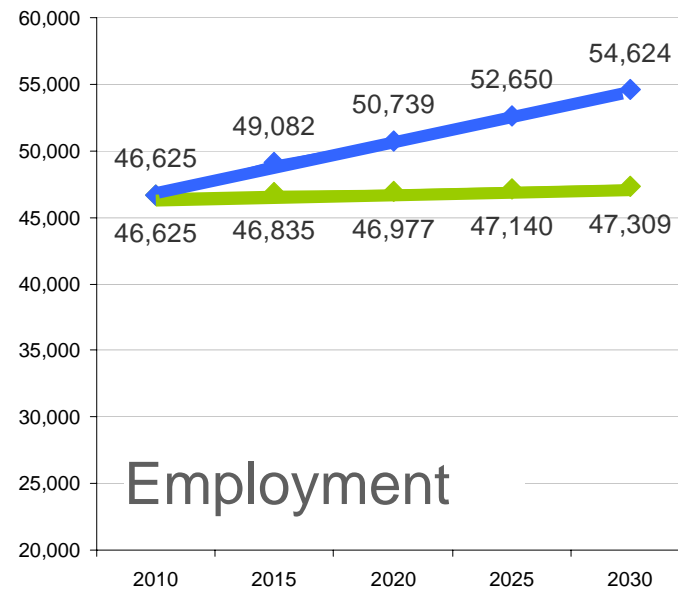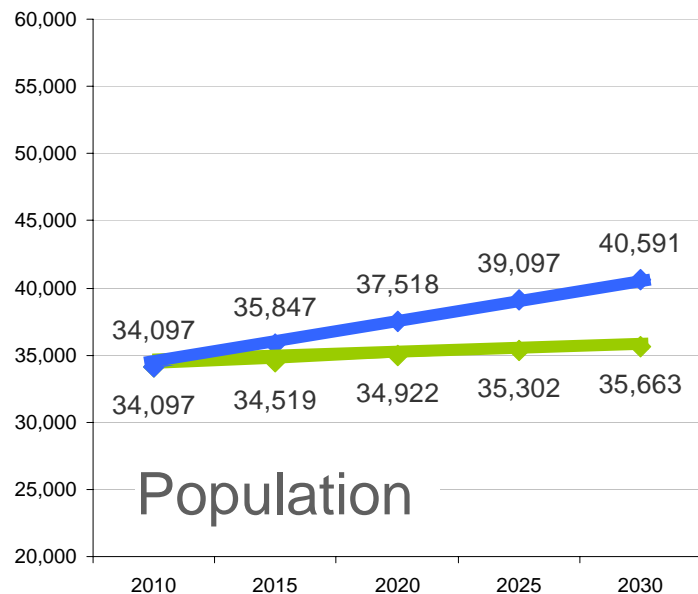# Alignment Analysis Framework

Alignment Sections

> Benefits

Land Use Benefits

- Streetcar Scenario versus Base Case
  Net growth, 2010 – 2030
    - Residential Development: 4 times greater
    - Commercial Development: 10 times greater
    - $1 Billion in development value compared to $200M

Population

Employment

Land Use Benefits

- **Drivers**
  - **Demographics**
    - Strong Regional Growth
    - Strong Corridor Indicators
    - Good outlook nationally
  - **Survey shows demand for urban living**
  - **Strong Employment Growth for Central Employers**
    - UNM, healthcare, public sector, tourism, professional and creative services
  - **Built Evidence**
  - **Peer Cities: Streetcars and High-Growth Downtowns**

Land Use Benefits

Streetcars Shape Development

Tampa

"We wanted this part of town to be like LoDo in Denver. These kinds of higher density residential projects didn't exist outside of downtown until the streetcar was built. We moved very quickly from renovating a few warehouses to a development boom."
– Planning Commissioner

Seattle

"I've never had any desire to be on a bus. But the streetcar seems like it would have a different feel."
– Resident, quoted in Seattle Post-Intelligencer

Albuquerque

"We've talked repeatedly about the light rail. There are people who don't want a car to get between the hospital, downtown, UNM, and Santa Fe."
– Local real estate professional

Land Use Benefits

Attribute	City			
	Albuquerque	Denver	Portland	Tampa
Population				
2007 Total Population	503,375	578,062	551,302	337,828
2007 Households	211,870	248,070	234,726	139,984
Income				
Median Household Income, 2007	$49,750	$52,548	$52,206	$43,959
Households Incomes > $50,000	58%	62%	61%	52%
Education				
Population with Bachelor's or Advanced Degree	32%	35%	33%	25%
Household Size				
1 and 2 Person Households	64%	70%	68%	65%
Average Household Size	2.33	2.28	2.29	2.34
Housing Type, 2000				
Detached Single Family	58%	48%	60%	58%
Large Multifamily (>20 units)	13%	23%	15%	13%

Transportation Benefits

- Primary Transportation Metric: Ridership

	Alignment			
	A	**B**	**C**	**Full**
Daily	1,351	3,084	1,858	**6,293**
Annual	493,228	1,125,668	678,092	**2,296,988**

- Relatively conservative projection, does not account for:
    - Rail Ridership Premium
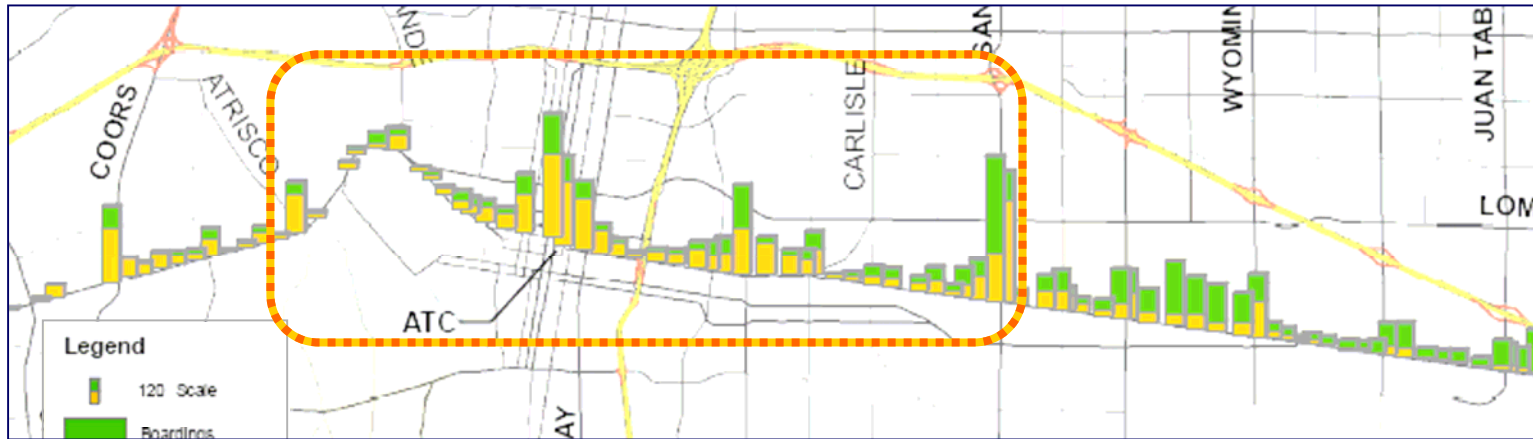   - Tourist Riders

Transportation Benefits
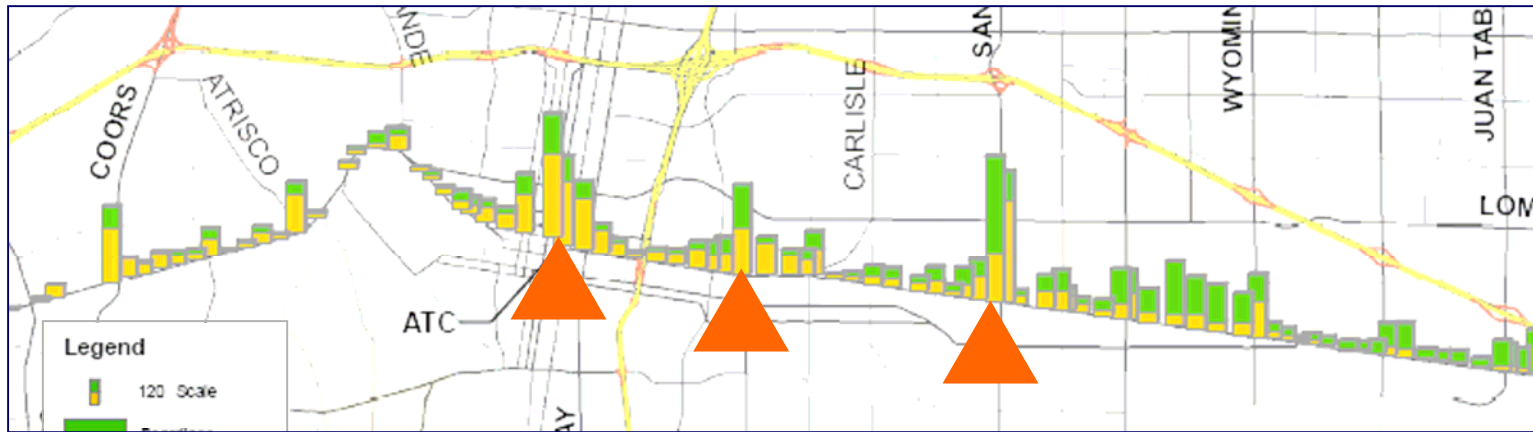
- Connects the Dots:
  - Includes 3 Most active Transit Destinations:
    - Downtown/ATC, UNM, San Mateo
  - Excellent group of "major destinations," arguably better than any other alignment
    - Downtown, recreation, education, tourism, employment, residential

- Comp Plan: 1 of 3 "Major Transit Corridors"

Transportation Benefits

- **Corridor Characteristics**
  - Frequent ons and offs—
    matches streetcar circulator function
  - Atrisco to San Mateo: 75% of 66 Ridership
  - Fourth to San Mateo: 60%
- **Allows redeployment of bus to bus-appropriate areas**

Other Benefits

- Livability
- Transit Evolution
- Costs
  - Lower Operating/Lifecycle costs
  - Fiscal – reduced need for regional infrastructure
- Land-Use Transportation Link
  - Growth Management
  - Sustainability
- Affordability
- Safety
- Health
- Reduced Oil Dependence

> Costs

Costs

- Capital Cost: $28.0 M per mile

- Operations Costs

  - Projections by Operating Scenarios and Section

Service Level	Alignment Section				
	A	B	C	B & C	Full
High	$2.1	$1.2	$1.2	$2.4	**$4.5**
Medium	$1.8	$1.0	$1.0	$2.0	**$3.8**
Low	$1.7	$0.9	$0.9	$1.7	**$3.4**

> Cost-Benefit Evaluation

Cost Benefit Comparison

	Albuquerque Alignment Section				
	A Atrisco to Fourth	**B** Fourth to Girard	**C** Girard to San Mateo	**B & C** Fourth to San Mateo	**Full** Atrisco to San Mateo
Capital Cost Per Mile	$28.0	$28.0	$28.0	$28.0	$28.0
Operations Cost Per Passenger*	$4.21	$1.08	$1.80	$1.35	$1.97
Capital Cost Per Passenger**	$142	$55	$66	$59	$77
New Residential Units Per Mile	241	751	620	696	515
Investment Leverage	2.9	8.4	6.3	7.5	5.7

Cost Benefit Comparison

	Albuquerque Alignment Section					Peer Systems				
	A Atrisco to Fourth	**B** Fourth to Girard	**C** Girard to San Mateo	**B & C** Fourth to San Mateo	**Full** Atrisco to San Mateo	**Tampa**	**Little Rock**	**Tacoma**	**Seattle**	**Portland**
Capital Cost Per Mile	$28.0	$28.0	$28.0	$28.0	$28.0	$22.1	$7.8	$50.6	$20.0	$25.0
Operations Cost Per Passenger*	$4.21	$1.08	$1.80	$1.35	$1.97	$5.52	$4.25	$5.32	$6.06	$2.03
Capital Cost Per Passenger**	$142	$55	$66	$59	$77	$122	$135	$109	$158	$42
New Residential Units Per Mile	241	751	620	696	515	1,536				2,553

Cost Benefits Evaluation

Conclusions

- B has highest benefit to cost ratio, followed closely by C

- A has considerably lower benefit to cost ratio

- B and C compare favorably to national peers

Additional Findings

- Destinations compare favorably to other cities

- Ridership has strong potential from Opening Day

- Strong potential for redevelopment

- Catalyst for economic development

- Benefit to Cost metrics are high

Alignment Recommendations
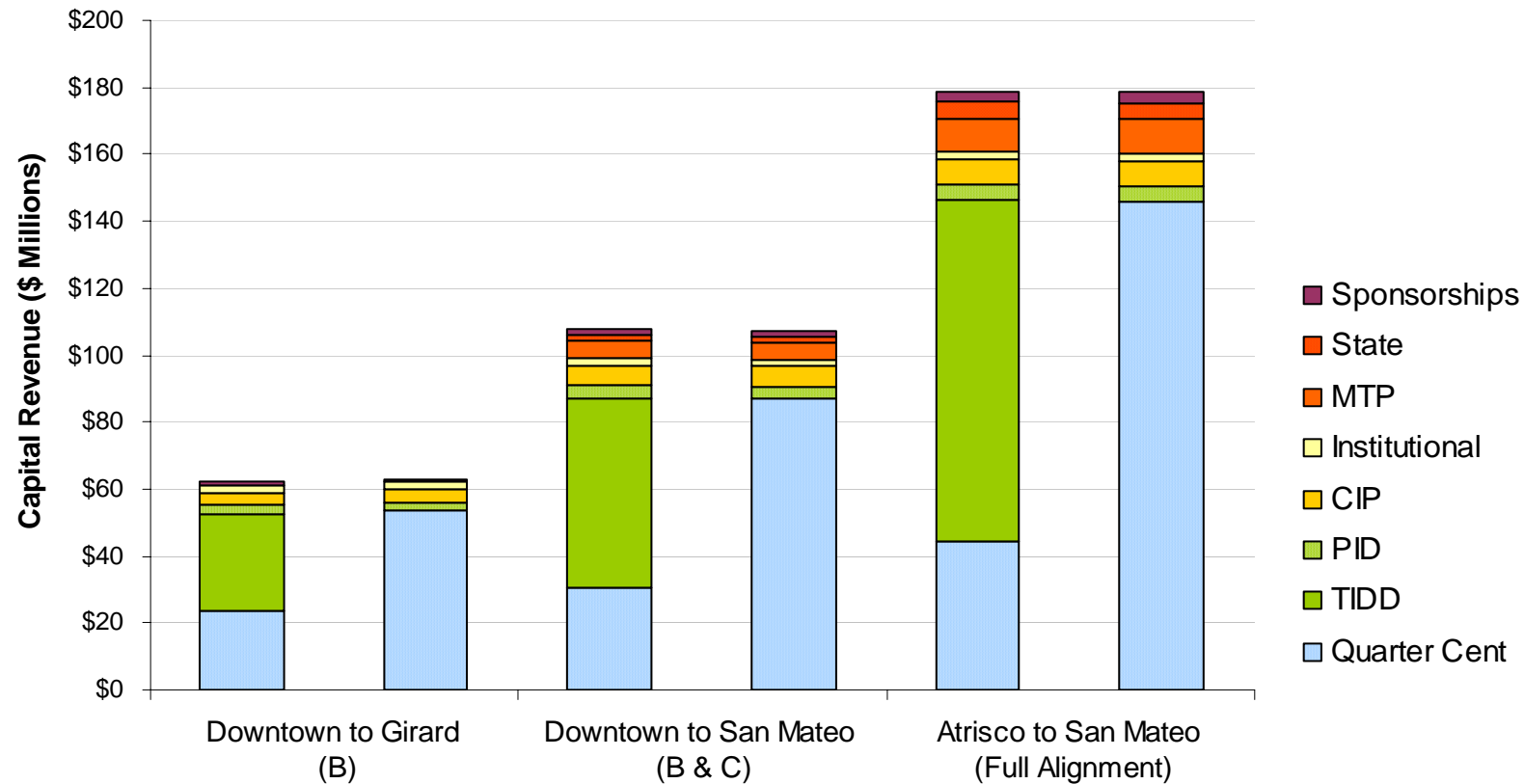
- Build B and C
- Evaluate future Phases

> Funding

Funding Principles

- Principles

  - Identify 2 to 4 primary funding sources

  - Balance sources

  - Partner with the private sector

  - Maintain flexibility,
   expect change in grant awards, other sources

Funding Packages

Capital Revenue ($ Millions)

Legend:
- ■ Sponsorships
- ■ State
- ■ MTP
- □ Institutional
- ■ CIP
- ■ PID
- ■ TIDD
- □ Quarter Cent

Categories:
- Downtown to Girard (B)
- Downtown to San Mateo (B & C)
- Atrisco to San Mateo (Full Alignment)

Percent of Funding Source Allocated to Streetcar

8.0%	0.0%	12.0%	0.0%	19.0%	0.0%	■ TIDD
8.5%	17.5%	12.0%	28.0%	18.5%	47.0%	□ Quarter Cent

Quarter Cent Infrastructure Tax

Recommended Alignment (B &C) 12% of Quarter Cent
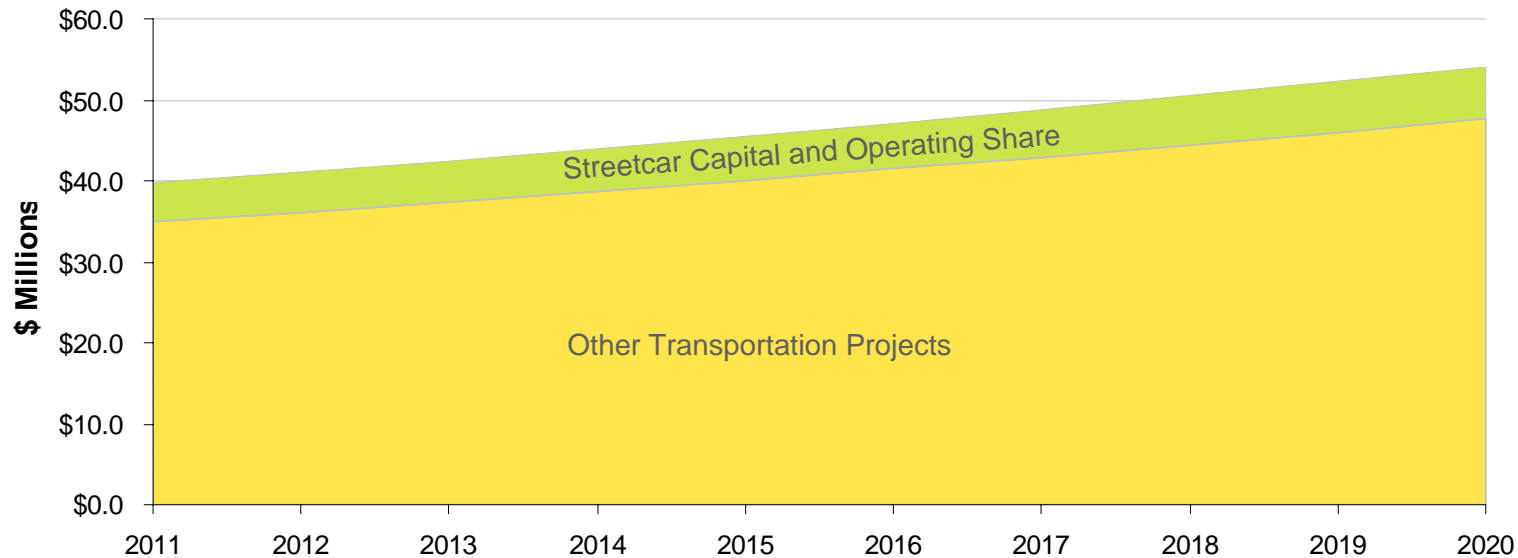
- Assumptions:
  - Operations paid from Quarter Cent, based on 2006 Plan
  - Farebox Recovery: 15% based on ABQ Ride
- Annual revenues: $40M in 2011, $54M 2020

Tax Increment Development District (TIDD)

- Powerful financing tool
- Tax Increment tools in use in 49 States
- Mesa del Sol: $400 M TIDD
- Intended for projects that spur redevelopment

- TIDD Plan should demonstrate: *"transit oriented development, traditional neighborhood design, or sustainable development techniques."*

Tax Increment Development District (TIDD)

- Captures part of:
  - City GRT, State GRT, City Property Tax
- Requires vote:
  - Formula of Residents and Property Owners

- Fiscal impact:
  - Overall, positive with State Contribution, $200M+
  - Shift from General Fund to Central Area

TIDD Variables		Alignment Section			
		A	B	C	Full
10 Year Bond	With State GRT	$27.6	$132.5	$44.8	**$204.8**
	Without State GRT	$11.6	$55.6	$18.8	**$85.9**
20 Year Bond	With State GRT	$62.3	$362.4	$110.3	**$535.0**
	Without State GRT	$26.2	$152.3	$46.4	**$224.9**

Public Improvement District (PID)

- Assessment on private property

- Moderate dollar amount,
  Strong message of support

- Component of funding:

  - Portland, Seattle, Los Angeles, other transit projects

  - Roadway projects nationwide

- Approx. $3 per $1,000 Net Taxable

	Alignment Section			
	A	B	C	Full
Bond Potential	$800,000	$2,500,000	$1,400,000	$4,600,000

Other Funding Sources

Smaller but important contributions

- Capital Implementation Plan (CIP): $4 - $8 M

- Transportation Improvement Program (TIP): $0 - $10 M

- Institutional Contributions: $2M

- State Funds: $2 - $5

- Sponsorships/Advertising: $1 - $3M

- Other possible:

  - Lodging/Hospitality

  - Transit Impact Fees

  - Parking Revenues

> Conditions for Success

Conditions for Success

Conditions for Success

Leadership and Organization

- Identify and engage the project "champions"
- Broaden support base: public, private, institutional, nonprofit
- Unified voice of support
- Create umbrella organization/forum for all Central Ave. organizations

- Study streetcar ownership & management structure options
  - ABQ Ride
  - Independent nonprofit

Public-Private Partnerships

- Give property owners and developers a seat at the streetcar table
  - Meaningful roles and responsibilities
- Identify public-private partnership opportunities along the corridor

Conditions for Success

Finance

- Get financing tools ready now
  - CIP
  - Quarter Cent
  - TIDD
- Assign staff to apply for grants
  - Regional
  - State
 - Foundations

Public Policy & Regulation

- Public plans define vision for central area and sectors
- Review zoning to ensure it maximizes streetcar leverage:
  - Heights
  - Density
  - Design guidelines

- Increase redevelopment and transit-oriented development staff capacity and funding
- Provide development incentives for supportive projects:
  - Density bonuses
  - Expedited permits
  - Fee reductions
  - Clear & objective standards

Conditions for Success

Demographics & Economy

Transportation

- Focus on population growth and "urban housing" indicators
- Strong growth in central area's business sectors
  - Service
  - Government
  - Health Care
  - Education
- Build on livability to attract urban residents and employers
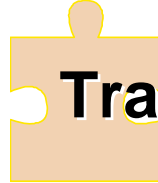
- Multi-modal network, accessibility
- Don't separate the parts:
  - Implement other projects defined by Task Force
  - Pedestrian, bicycle improvements

- Refine preliminary streetcar engineering:
  - Speed up timetables
  - Seek cost savings
  - Confirm alignment
  - Locate maintenance facility

Conditions for Success

Destinations & Events

- By policy, put activity generators near the streetcar:
  - Civic Plaza
  - Arts Crawl
  - Events Center
  - Museums
  - Libraries

- Refine your retail strategy:
  - Know your niches
  - Provide local services
  - Daily needs for residents
- Build on tourism:
  - Conventions
  - Partner with visitors bureau

Conditions for Success

Public Realm & Design

- Recent downtown streetscape improvements, infill, streetscape plans
- Have plans for:
  - Plazas
  - Station areas
  - Public art
  - Landscaping
  - Signage
  - Lighting

- Insist on quality
  - Starting with public investments
  - Provide incentives for private investment
  - Uncompromising standards
- Continue to address safety and security
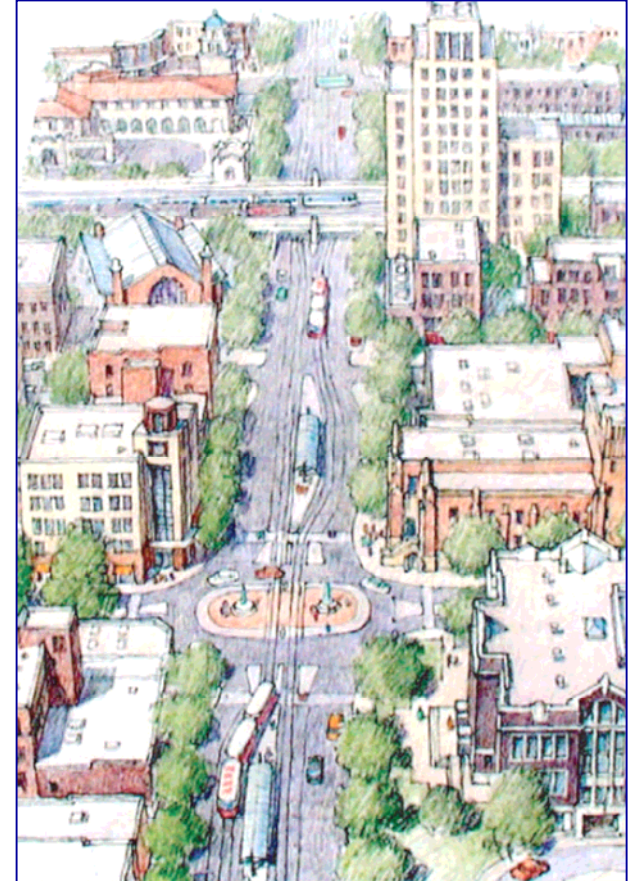
Project Success

A Vibrant Central Albuquerque

&

Streetcar that shapes neighborhoods and moves people.

Goals

1. Review and comment on HDR and City analysis

2. Analyze the streetcar's redevelopment potential

3. Cost-Benefit Analysis and Matrix
   focusing on Redevelopment and Transportation
   Benefits

4. Strategic Recommendations on complementary
   policies

5. Recommend Financing Strategies

Conclusions and Recommendations

- Planning Context Supports Streetcar

- Redevelopment Potential is High

  - $1B redevelopment, 6,400 new residents

- Solid Transportation Investment

  - 6,300 daily riders, $1.35 per passenger

  - Works from Day One

- Build Alignment Sections B and C

- Combine Transportation
  and Land Use Funding Sources

- Evaluate Future Phases Pending
  Phase 1 Success

LELAND CONSULTING GROUP

Urban Strategists