



**TO: SAM DAWSON, CHAIRMAN
EXECUTIVE COMMITTEE**

FROM: STREETCAR TASK FORCE

SUBJECT: VIA's STREETCAR SYSTEM PROPOSAL

STATUS: ADOPTED

DATE: 10/20/11

RECOMMENDATION: That the Board of Directors of The Greater San Antonio Chamber of Commerce adopt the following statement as policy:

STATEMENT:

The Greater Chamber supports the concept of a downtown circulator system incorporating streetcars which will create a modern multimodal transportation network that combines the importance of convenient mobility with the opportunity for economic development and revitalization of the downtown region.

As the City, County and VIA move forward, The Chamber recommends:

- 1) The portion that consists of streetcars, and the routes be based on the recommendations of the City's independent economic impact analysis and VIA's Alternative Analysis which evaluates costs, logistics and economic development impact;
- 2) The establishment of an interlocal agreement (ILA) among the County, VIA and the City regarding implementation and management of the five-year capital plan, coordinating transit-oriented development activities and demonstrating consensus to enhance the possibility of federal funding;
- 3) Funding sources must not include funds from the City 2012 bond election or other dollars previously committed by the voters; and
- 4) Maximizing private investment through direct contributions, special assessment districts as well as other funding mechanisms.

We applaud the commitment of the VIA Board of Trustees and appreciate the exhaustive efforts of the VIA Streetcar Commission to develop a transportation vision for the City of San Antonio and stand ready to work together to revitalize our transportation system.

BACKGROUND:

In 2000, the VIA board adopted a Transit 2025 Plan that included the development for a multimodal transit system that included buses, light rail, fixed rail and bus rapid transit (BRT) among others. This long-range plan began the dialogue that led to the development and eventual community support for an Advanced Transportation District (ATD).

SmartWaySA

During the summer of 2009 VIA initiated the SmartWaySA process to develop a vision and Long Range Comprehensive Transportation Plan (LRCTP) to identify options that will enhance the existing bus system and provide sustainable options to serve new transit markets, including enhancing connectivity to the urban center.

In November of 2009 VIA created a 15-member Streetcar Commission to assist with developing and conducting a study to assess the feasibility of a downtown circulator streetcar

project. Consulting firm Jacobs was selected to assist in the development of the Inner-City Rail Streetcar Feasibility Report which was completed in June of 2010. The two main purposes of the report were to recommend a comprehensive streetcar system vision and to define an implementation strategy for the starter project. Additionally, VIA commissioned a Streetcar Economic Impact Analysis in March of 2010 which was delivered in April 2011 and analyzed the potential of a proposed streetcar circulator to stimulate infill development and capture increases in property values.

JACOBS FEASIBILITY STUDY

Beginning with a list of questions developed by VIA and the Downtown Alliance, a technical advisory committee conducted workshops, explored alignments, technologies and operational criteria, and developed criteria for a starter line. The 15-member Streetcar Commission of business and community leaders conducted several self-financed fact-finding visits to other streetcar systems around the country.

The proposed streetcar system is designed to connect employment and activity centers along the corridors as well as create connectivity with existing and planned transit facilities. The preliminary estimate for the East-West Circulator is \$97.3M and the North-South Circulator is estimated at \$84.3M. These costs did not include any of the non-streetcar capital improvements. The next steps identified in the Jacobs Study included the development of a project management team, securing necessary ILAs, initiating a federal funding process and studying the impact of the proposal on VIA's organizational structure.

ECONOMIC IMPACT ANALYSIS

The economic analysis, conducted by the SABÉR Institute, evaluated the potential of a first-phase streetcar route to stimulate infill development and capture increases in property values for the downtown area. It also looked at eight routes (four north-south, four east-west) to consider their economic impact and whether VIA should move forward with conducting an alternatives analysis. Their report indicated the potential for up to \$600M in added assessed valuation, the creation of over 3,000 net new jobs, and \$13M in ad valorem revenues.

Part of the analysis included interviews with twenty stakeholders. Their input outlined a variety of scenarios along the routes and identified three reasons for these development opportunities: clustering near proven activity, lower cost sites and large master planned properties. The analysis found that both alignments showed prospects for positive economic impact. The scope of the study did not include determining the route.

There were three primary observations made in the study:

1. Introduction of a streetcar system presents substantial opportunity to leverage new development that would otherwise not occur.
2. In the absence of a concerted public-private initiative to leverage redevelopment in areas of disinvestment, there appear to be clear differences in levels of development that could be expected between alternative north-south and east-west corridors.
3. Other corridors could also incur substantial development impacts if accompanied by a significant up-front private-public commitment for transformational change.

COST/ FUNDING

The current estimate for the proposed VIA 5-year plan including a Streetcar Circulator System is \$180M, approximately \$40M/mile, which includes simultaneous planning of a North-South Circulator and development of an East-West Circulator. VIA's plan includes \$110M coming from the public sector (\$55M each from the City and County) and the

remaining \$70M from VIA. The East-West Circulator estimate includes \$100M for the actual streetcar, \$40M for the development of the Westside Multimodal Center (with future Lone Star passenger rail service), \$10M for improvements to the Robert Thompson Transit Station, \$5M for downtown amenities, \$5M for 281/1604 park and ride facilities, \$10M for the Brooks City-Base Park & Ride/Transit Center and \$10M contingency.

ATD

On November 2, 2004, the voters of San Antonio approved the creation of an Advanced Transportation District (ATD) for transportation services and operations. The ATD election authorized a sales and use tax of one-fourth of one cent to be allocated 50% to VIA, 25% to the Texas Department of Transportation (TxDOT) and 25% to the City of San Antonio.

VIA has currently applied its share of the ATD sales tax to expand bus services and facilities, develop BRT, and provide express bus service to downtown from various points along Loop 1604. The City of San Antonio committed its share of the ATD sales tax, for the next ten years to pay interest to bond specific projects to improve streets and sidewalks along major corridors, with particular emphasis on improving bus corridors. The County has committed \$55M over the next five years to the first phase of VIA's LRCTP, the streetcar plan, which is TxDOT's 25%.

FEDERAL FUNDING

VIA has chosen to apply for a future Small Starts Grant which could potentially fund 50% or more of the starter system and minimal operable segments of both lines. VIA was successfully awarded an Alternatives Analysis (AA) Grant indicating future federal funding intent and will provide planning funds to identify conceptual alternatives for the proposed system.

With a \$55M financial commitment from Bexar County Commissioner's Court, VIA is currently seeking a financial commitment from the City to improve the probability of receiving a TIGER III grant. The TIGER III grant will provide capital funds for the development of the Westside Multimodal Center.

CITY RECOMMENDATIONS

While the City is recommending the Council adopt VIA's 5-year capital plan, they have offered modifications to ensure our City progress toward a multi-modal transportation system which include two transit stations, two Park & Ride locations, and downtown amenities. Other recommendations to City Council include:

1. City funding contingent upon the establishment of an interlocal agreement (ILA) with County, VIA, and any other funding entities regarding implementation and management of the five-year capital plan
2. Transit-oriented development activities planned and coordinated among the parties to the ILA
3. Fund the City's contribution through use of 2007 Bond Savings and issuance of debt—in installments—to be financed from future General Fund revenue growth (No City 2012 Bond Program funds for streetcar and funding recommendation to be based on alternative route proposal)
4. No utilization of ATD Funds for the City's contribution

5. Conduct further analysis and explore possibilities of other funding sources

MAYOR CASTRO SUBMITS ALTERNATE PROPOSAL

On September 24, the Express News reported that Mayor Julián Castro proposed an alternate downtown streetcar route that moves north to east, and a bus circulator route that travels east and west through downtown, between the Thompson Station and VIA's planned West Side Multimodal Center. The proposed line would move along Broadway, wind through downtown and turn east at HemisFair Park, where it would end at the Robert Thompson Transit Center at the Alamodome.

REASONS FOR SUPPORT OF THIS STATEMENT:

1. Approximately 40% of downtown bus traffic consists mainly of people transferring from one bus line to another. The downtown circulator system would reduce bus congestion downtown and improve the experience for local citizens as well as tourists. Modern streetcar technology operates predominately on-street in mixed traffic.
2. San Antonio is currently the largest metropolitan area in the nation to be served by a bus-only public transportation system. VIA's LRCTP sets forth a strategy to provide a framework for directing future multimodal transit investments.
3. City analysis supports the establishment of an ILA with the County and VIA for a multimodal transportation system that includes a streetcar.

REASONS FOR OPPOSITION OF THIS STATEMENT:

1. There is not a consensus from all the funding stakeholders. The plan requires significant local investment, of which the County has committed and the City currently has not.
2. Federal funding that is not guaranteed.
3. The current proposal includes funding for enhancements that can be accomplished without an entirely new streetcar system.
4. Bexar County has committed all of its ATD revenue for the next five years (approximately \$11M a year).
5. If the assessment is levied, it would lead to additional fee for existing business owners along the route.
6. There are concerns regarding long-term debt and cost to the community.

IMPLEMENTATION: The Chamber will communicate this position to members of the Bexar County Commissioner's Court, City Council, the VIA Board of Trustees, the media, and The Chamber membership through *The Chamber Today* and the media.