

**Boise Streetcar Feasibility Study**  
**Capital City Development Corporation Findings,  
Conclusions, and Next Steps**

June 14, 2010

**Introduction**

Since 2000 several studies have envisioned a downtown circulator system as a central component of Boise's future. In 2008 Mayor David Bieter called for a strong effort to make the streetcar system a reality within the next few years. In September 2008 the Downtown Policy Advisory Committee (DPAC) transferred responsibility for further study of the streetcar to the City of Boise and Capital City Development Corporation.

In November 2008 Mayor Bieter and CCDC formed a task force of 35 downtown property owners and civic and business leaders to oversee the feasibility study. The purpose of the feasibility study was to build and expand on previous studies by exploring how such a system might be built and paid for, quantifying who would use the system and what specific benefits it would yield, and identifying any obstacles that might prevent its construction.

CCDC as an organization has invested substantially in the investigation of the feasibility of the streetcar that could serve downtown Boise. The attached list of studies and technical memoranda indicates the breadth and depth of much of the work done to date. CCDC made this effort in pursuit of the stated position of the Board of Commissioners that the Streetcar Initiative was their highest priority. The announcement by the Mayor in his 2008 State of the City Address that he wanted to aggressively advance this effort moved the pace ahead of what might have occurred otherwise, but the work we, our various consultants, and our other public entity partners have done has been exceptionally valuable in informing our understanding of the risks and benefits of this anticipated investment.

From this work much has been learned and as a result a number of high-level policy issues have risen for consideration by the Board. In summary fashion, we have listed below what has been either learned or confirmed through this process. Additionally, various policy questions and answers are suggested to help define CCDC's position on this project.

**What was Learned or Confirmed**

CCDC concludes the following from the Feasibility Study and related Streetcar work undertaken in the past several years.

1. Objective studies demonstrate that a significant economic benefit can be derived by a community that makes this type of infrastructure investment. The economic benefits analysis conducted by Eric Hovee has determined that similar results can be expected in Boise.

2. National trends suggest a post-recession resurgence in infill development / redevelopment in and around central cities in metropolitan areas such as Boise.
3. As forecast by ARUP in the Downtown Boise Mobility Study, future growth of Downtown Boise will ultimately require the installation of an effective circulator system in Downtown Boise.
4. The development of a streetcar system in Boise supports the City and CCDC's vision for maintaining a vibrant and active downtown.
5. Costs identified for the initial phase of the Downtown Boise Streetcar are manageable in the near term. URS, based upon their conceptual engineering study, has provided a conservative cost estimate of sixty million dollars for a fully functional system running at 10-minute headways along the identified route.
6. While there is a significant cost premium and longer delivery times, there is general interest in using modern transit vehicles due to more favorable operating characteristics, improved rider comfort and more visible commitment to a broader, modern public transit system in Boise.
7. To encourage ridership in the early stages of operation, the recommendation is that no fare be charged for riding the system.
8. Any system operating in downtown Boise should be governed in a manner that allows for meaningful input into decision-making by various local stakeholders.
9. Property owners with whom we have been directly dealing seem to accept the concept of their limited participation in a Local Improvement District (LID) for part of the cost of the streetcar. The maximum level of participation is in the 10% – 20% range.
10. The maintenance facility for the streetcar system is an important consideration with respect to its location in proximity to the operating streetcar line, and lead time for design and construction.
11. Advancing a project of this nature is not possible without capital project funding from the federal government because of the lack of any dedicated funding sources at the local level.
12. We have been encouraged by the fact that there is renewed interest in funding public transportation projects in general and streetcars in particular at the federal level.
13. Federal participation in transit projects is growing and is expected to increase with the reauthorization of the federal transportation legislation. The current administration is particularly keen on integrated projects that include multiple elements of "livability", including streetcars, affordable housing, air quality improvements and job generation.
14. There is a high level of understanding of Boise's interest in establishing a streetcar system among influential people (Congressional and Administration) at the federal level; both in Washington DC and Region X.
15. According to a detailed traffic study by Kittelson and Associates using the fine grained traffic analysis model now maintained by CCDC, a streetcar operating in the street with mixed traffic does not cause an appreciable decrease in level of service on the alignment studied.

16. Underground utilities have been mapped by URS and a route has been suggested for the initial phase of the streetcar that minimizes conflicts with those utilities.
17. Conservative ridership estimates made by URS predict substantial ridership (1,200 to 1,600 riders per day) even in the early years of operation of a streetcar serving downtown Boise.
18. Substantial job creation is associated with the construction of the streetcar system as well as in the private sector investment stimulated by this infrastructure.
19. Significant local and regional air quality benefits result from deployment of this type of system.
20. Ultimately, providing the robust public transportation system (both local and regional) that will be needed to support this community as it approaches a population of one million inhabitants will require a new and dedicated funding source for both capital investment and operational support.
21. Due to the lack of a source of local funding, operating subsidies estimated at \$1.2 million per year will continue to compete with other local priorities.
22. There is concern among many that this type of investment might not be appropriate in the current economic situation despite efforts to minimize the financial impact on property owners and others.
23. There is a high level of community interest in a regional public transportation system but there is limited public understanding of how the proposed streetcar investment fits in with the broader regional transportation picture.
24. The federal funding opportunities that have presented themselves over the past several months have tended to drive an aggressive schedule that precludes the full consideration of issues heard in public forums.
25. A more formal and coordinated effort among the various public entities involved with this initiative (primarily the City, CCDC, and VRT) outlining roles and responsibilities should be analyzed in further detail.
26. To take full advantage of the economic development benefits of the Streetcar investment, CCDC and the City must develop and implement actions that foster public and private development projects along the streetcar alignment.

### **Policy Issues**

The following policy issues and responses provide a level of focus for future actions by CCDC regarding the Boise Streetcar.

- 1) Does the investment in a streetcar system in downtown Boise remain consistent with the Commission's original intent for launching, managing and advancing this initiative?

*As long as the vision for the downtown circulator remains a rail-based system with its dual transit and economic development benefits this investment remains consistent with the mission of CCDC. Should the conversation evolve to an*

*alternate technology with less catalyst effect, such consistency would be seriously compromised, and a thorough analysis of any potential economic development from such alternative technology would need to be launched.*

*While the policy question refers exclusively to the streetcar, CCDC's work with the Streetcar Task Force highlights the streetcar's place within the context of regional and community economic development and an effective, comprehensive regional transportation system. Therefore, it is appropriate that CCDC play a key role, along with the City of Boise, Valley Regional Transit, and other agencies, in guiding a dialogue about a linked economic development and regional transportation strategy.*

- 2) Does an investment in this project still meet CCDC's mission and vision?

*This project supports CCDC's economic development objectives. While transit in and of itself may not be a core objective, the streetcar project could enhance the quality of life in downtown Boise through congestion mitigation and the enhancement of air quality, thus furthering CCDC's mission. Given the economic development and infrastructure creation components of CCDC's mission it is appropriate that the Agency be in the forefront, taking a lead role if necessary, in facilitating the economic development and regional transportation conversation and in building a constituency for implementing economic development and transportation initiatives. As the work progresses the Agency might find a coordinated effort by the urban renewal agencies in Meridian, Nampa, and Caldwell to be effective.*

- 3) Does this initiative still represent the best use for limited resources for the next 2 to 5 years in light of economic circumstances and other competing financial expectations of CCDC?

*CCDC has invested significant amounts of staff time and budget in advancing this initiative to its current state. Additional resources are appropriated in this year's budget for additional effort. To maintain capacity to invest in the anticipated implementation of the streetcar system other, more traditional redevelopment investments have been forestalled. While continuing to invest in the forward momentum of the streetcar and related economic development and transportation initiatives, CCDC should seek a more equitable cost-sharing arrangement among interested public agencies and the private sector.*

- 4) What role should CCDC play in trying to secure additional resources for this initiative from the state and federal governments?

*The work done in analyzing the first phase of the streetcar has shown conclusively that significant federal and/or state participation in the system is*

*required. As we know, Idaho is one of only three states in the country without some dedicated source of funding for public transportation. We have also learned that while capital funding is becoming more available from the federal government, such funding is, to some degree, dependent upon demonstrating a secure source of operational funding for facilities constructed with such support. These facts are broadly recognized and CCDC possesses knowledge that can be useful in accessing current and potential funding sources. However, CCDC is likely not in a position to lead any such effort. CCDC's most effective role may be in supporting the efforts of others who are in a better position to influence federal, state and local decision-making.*

- 5) Is the capital funding model suggested by the Feasibility Study acceptable to the Commission?
- a. \$25mm to \$40mm federal
  - b. \$10mm Local Improvement District
  - c. \$5mm City of Boise
  - d. \$5mm Capital City Development Corporation

*Until such time as a state authorized capital and operating funding mechanism is in place, any meaningful progress on the development of a first phase streetcar will require broad support. We have learned that federal participation is essential and fortunately, becoming more likely than in recent years. Private participation through a mechanism such as a Local Improvement District (LID) allows those who receive benefit from this public investment to share in the cost. The LID mechanism remains one of the few validated means of capital investment available to communities in Idaho and thus, an essential part of the financial equation.*

*The urban renewal process was initiated to provide a means of funding capital investment in support of a redevelopment mission. The tool remains in place and the independent nature of CCDC's debt authority has been recently re-affirmed. Therefore, the involvement by an urban renewal agency is important on a variety of fronts. Yet redevelopment resources are limited as well requiring participation by other entities seeing the benefits of such an investment. The City of Boise has been a consistent partner. As the project moves ahead CCDC should continue to test the willingness of other public partners and private entities to participate to the extent their resources permit.*

*While the above funding mix was appropriate for the segment studied and the various sources remain the viable ones, the proponents should be willing to tailor specific funding arrangements to the project under consideration at that time. The effort thus far has validated the relative allocated portions among the several sources.*

- 6) Is the issuance of up to \$5mm in new Agency debt acceptable to the Commission?

*Given the priority of this effort by the Commission, such a level of additional debt would be commensurate with the anticipated benefits. Depending upon the circumstances somewhat higher levels of commitment may be warranted.*

- 7) If capital funding of a streetcar system is obtained, is there interest by the Commission in providing either long-term or short-term operating support to the system (subject to applicable legal limitations)?

*A long-term operating obligation for what is a part of a regional transit system would not appear appropriate for the use of revenue allocation funds available to the agency. Net parking revenues are less restricted. Such a commitment, however, would necessitate a significant change in policy with respect to the operation of the parking system. Such a change would likely encounter substantial opposition from the business community who has traditionally expressed significant rate sensitivity with respect to comparative total occupancy costs of downtown versus suburban office locations.*

*Given the current lack of a dedicated funding source for transit an operating funding “bridge” may be acceptable for a finite period of time. If the lack of the dedicated source will preclude federal participation, which may be the case; such interim support may be the only way to advance the effort in the near term. However, a funding bridge might not provide sufficient assurance to stakeholders given the near-term circumstances and the uncertainty of a future dedicated funding source.*

*Another option may be to consider CCDC accepting a higher allocation of the capital cost and encouraging the City to pick up the full obligation for operations pending the establishment of the dedicated source.*

- 8) Is the timing right to make such an investment at this time?

*There are signs of a U.S. economic recovery mitigated by global issues. How soon the Boise downtown economy will return to normalcy and what that normalcy will look like remains an open question. National observers predominately suggest the recovery will see increased focus on in-city investment as opposed to the pre-recession development pattern. This, coupled with a favorable cost climate for the design and construction of significant infrastructure projects, testifies in favor of a continued commitment to the streetcar effort. The financial markets reflect exceptionally favorable borrowing climate for qualified entities. However, tax increment-backed debt has proven less attractive in the bond market than broad-based general obligation debt.*

*At the same time, the political response to the earlier community conversations suggests that a concerted effort toward constituency building may be most appropriate in the immediate term prior to a commitment to construction. A more clear connection between the downtown project and the regional system needs to be demonstrated. A greater consensus on the initial alignment is also necessary. While maintaining momentum on the initiative is important so as to ensure CCDC captures the full benefit of the investment already made, the best way to do that may be through a well designed and executed community education effort preparing for the broad-based community dialogue needed to ultimately support implementation of the streetcar. Ultimately such an effort will be essential in securing the public's approval of a funding mechanism for the regional system. Again, linking the effort to a more concerted economic development strategy may be useful.*

- 9) Assuming adequate capital and operations funding of a streetcar system, who should be the primary entity responsible for building the system?
- a. City of Boise
  - b. Capital City Development Corporation
  - c. Valley Regional Transit
  - d. Other (yet undefined)

*Without question the successful implementation of the streetcar system will be the result of an effective partnership among a variety of public and private stakeholders. A single point of coordination is essential for any effort of this magnitude to succeed. CCDC has assumed the lead thus far due to our ability to allocate staff and fiscal resources to the project as well as CCDC's inherent focus on infrastructure in the downtown. The Board's long-standing priority to the streetcar also suggested that CCDC was the appropriate lead. While those conditions are still present, it may be reasonable to assess whether some other entity may be in a better position to carry the work forward at this time. At such time as actual design and construction activities commence, the City may be the most appropriate entity to manage that stage. The pre-development effort still may be most effectively carried out by CCDC given its ability to focus energy on the limited geography represented by the three urban renewal districts and immediately surrounding areas.*

*Whoever is in the lead, CCDC should insist that specific agreements between and among the various public agencies be established defining roles and responsibilities of each so as to avoid any confusion going forward. A broader funding base beyond CCDC's resources should also be pursued.*

- 10) Are there any recommendations of the Streetcar Task Force with which the Commission disagrees to the extent that the Commission would want to convey an alternate view to the City Council?

*The Task Force Report has been designed to stand on its own as the clear expression of those members involved in that review. The Task Force chose to focus on a higher level with explicit emphasis on the support for the regional transit system. Much of the details of the analysis were not necessarily germane to the level of recommendation determined as appropriate by the Task Force. Rather than commenting on the work of the Task Force, it might be best for the Commissioners to be informed by the review done by them and for the Commission to submit its own comments to the Mayor and City Council.*

- 11) If a streetcar system is established in Downtown Boise, is the Commission interested in participating in the expansion of the system into appropriate and adjacent areas through the establishment of new urban reinvestment districts?

*Once a streetcar system is established, its ultimate effectiveness can only be achieved by continually extending its reach into surrounding neighborhoods. Absent the elusive dedicated funding source, and perhaps even with such support, there is likely a necessity for capital participation in the future. The Downtown Boise Mobility Study concluded that the anticipated growth of the greater downtown area would require an effective means of circulation since the street system would be unable to carry the projected traffic demand if the traditional reliance on autos were the exclusive means of moving about the city. Therefore CCDC's involvement may be integral to the ultimate success of the effort.*

- 12) Should the Agency continue to explore other routes and alignments such as the North/South alignment currently under review, to support an expanded dialogue?

*CCDC learned in the recently completed work that the community wants to see a more robust system than originally presented. Some focus on the regional commuter system while others wanted more information on an extended downtown system. Both seem to be important elements in the anticipated community dialogue. Clearly, the depth of analysis will vary and be more superficial as future phases are examined. This suggests some level of legitimate exploration is warranted to clearly demonstrate that there is a commitment to serving a broader area and thus meeting the over-all objectives of congestion mitigation and the enhancement of air quality.*



## **Next Steps**

*A: Work with the City of Boise and independently to facilitate a dialogue among Boise's business and civic leadership to address the challenges of economic development and regional transportation identified by the Boise Streetcar Task Force in their conclusions and recommendations. Once more specific economic and transportation policies and initiatives are identified, the Agency shall identify its specific role and the actions needed to implement those policies and initiatives.*

*B. Continue efforts to inform stakeholders about Downtown Boise's transportation needs and the role modern transportation infrastructure plays in the economic development and revitalization of Downtown Boise.*

*C: Complete a ridership study, traffic and engineering study, and LID analysis, and other steps as needed to assess the feasibility of the north-south alignment to support community and regional transportation planning efforts and to prepare for future federal and other funding opportunities.*

*D: Complete an urban renewal eligibility study for the Royal Boulevard & South Capitol area south of the Boise to prepare, in part, for the possibility of a streetcar alignment extending south of the Boise River.*

*E. Complete the necessary steps to determine the economic feasibility of an urban renewal district for the 30<sup>th</sup> Street area and to bring a proposal for an urban renewal district to the City Council. Among other objectives, the establishment of an urban renewal district in the 30<sup>th</sup> Street area would prepare for the possibility of a streetcar alignment extending from Westside Downtown to the area of the planned 30<sup>th</sup> Street extension.*

*F: Continue efforts to improve the River Myrtle-Old Boise urban renewal district's capacity to provide its share of capital funding for the streetcar.*

*G: Coordinate development of an economic development and regional transportation strategy, along with plans for a streetcar, with development of the multi-modal transit center.*

*H: Continue to follow the state transportation funding dialogue and support public transportation elements as appropriate.*

*I: Refine the economic development case for investment in a streetcar system.*

*J: Maintain ongoing communication with interested stakeholders on these issues.*

## **Boise Streetcar Feasibility Study Supporting Studies and Technical Memoranda**

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