

# Memorandum



CITY OF DALLAS

DATE August 7, 2017

TO The Honorable Members of the Mobility Solutions, Infrastructure and Sustainability Committee: Lee M. Kleinman (Chair), Rickey D. Callahan (Vice-Chair), Sandy Greyson, Adam Medrano, Casey Thomas, II and Tennell Atkins

SUBJECT **Downtown Dallas Streetcar: Central Dallas Link**  
***Comparative Economic Benefits Assessment***

On Monday, August 14, 2017, the Mobility Solutions, Infrastructure and Sustainability Committee will be briefed on the comparative economic benefits assessment of the Dallas Streetcar Central Dallas Link project. The briefing materials are attached for your review.

Please contact me if you have questions or need additional information.

A handwritten signature in blue ink, appearing to read 'Majed Al-Ghafry', written over a circular scribble.

Majed Al-Ghafry  
Assistant City Manager

C: Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
T.C. Broadnax, City Manager  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors



**Downtown Dallas Streetcar:  
Central Dallas Link**  
*Comparative Economic Benefits Assessment*



DOWNTOWN  
DALLAS INC

**HR&A**  
Analyze. Advise. Act.

August 2017



# Background

- **Now is the time:** Immediate opportunity exists to secure funding for capital costs for the Central Dallas Link of Dallas Streetcar, connecting Union Station through Downtown to the McKinney Avenue Trolley.
- **Capital Funding Sources:** Capital funding opportunity is through an FTA Small Starts grant, with matching funds allocated in DART's current financial plan, for a total of approx. \$90m.
- **Partnerships:** Stakeholder and community involvement continues to inform the process, working with the City of Dallas, through The 360 Plan, DART public meetings and DDI planning.

# Background

- **Comprehensive Planning:** The 360 Plan update integrates and responds to a number of significant mobility decisions – D2, streetcar, High Speed Rail, CityMAP, local network improvements (bike, pedestrian, auto).
- **Building toward a complete system:** Central Link is the next phase in what is planned to be a comprehensive system for Dallas' urban neighborhoods.

## **Vision for Downtown Streetcar: The 360 Plan (Adopted 2011)**

*As the center of the city and one of the region's most prominent employment centers, Downtown is the place where freeways, arterial roads, commuter rail, light rail, bus lines, and trolley cars all converge. However, despite this range of transportation, most of the emphasis is on the automobile and there is a lack of connectivity between these different modes of travel ... A modern streetcar network can be the glue that binds Downtown's established destinations together and the framework along which new development can rebuild the fabric of the central city.*

# VALUE:

## Access, Connectivity, Placemaking & Economic Development

- **Precedent:** The value of streetcar has been proven throughout the country, from established systems like Portland's to new systems like Kansas City's, which has generated nearly more than 2.4 million trips since its opening in May 2016.
- **Central City Growth:** Since 2010, the central area of Dallas, including Downtown, has continued to drive the highest rate of population growth in the city and remains the largest employment center in the region.

# VALUE:

## Access, Connectivity, Placemaking & Economic Development

- **Alternative transportation choices:** Streetcars are a proven transportation option that can reduce dependence on auto usage, especially for those making “short trips.” The 360 Plan data shows that 20% of all trips never leave the study area.
- **Sense of Place:** Investment in streetcar infrastructure can have transformational impacts on the public realm, creating more humane corridors that are proven to spur additional private investment and street life.



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# Vision | A comprehensive streetcar network that creates meaningful economic and community benefits.

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**Kansas City** streetcar 1.2 billion private investment in residential, hotel and office projects since approval of streetcar



**Houston's** Main Street light rail has anchored Class A office development at peak rents



**Portland** streetcar

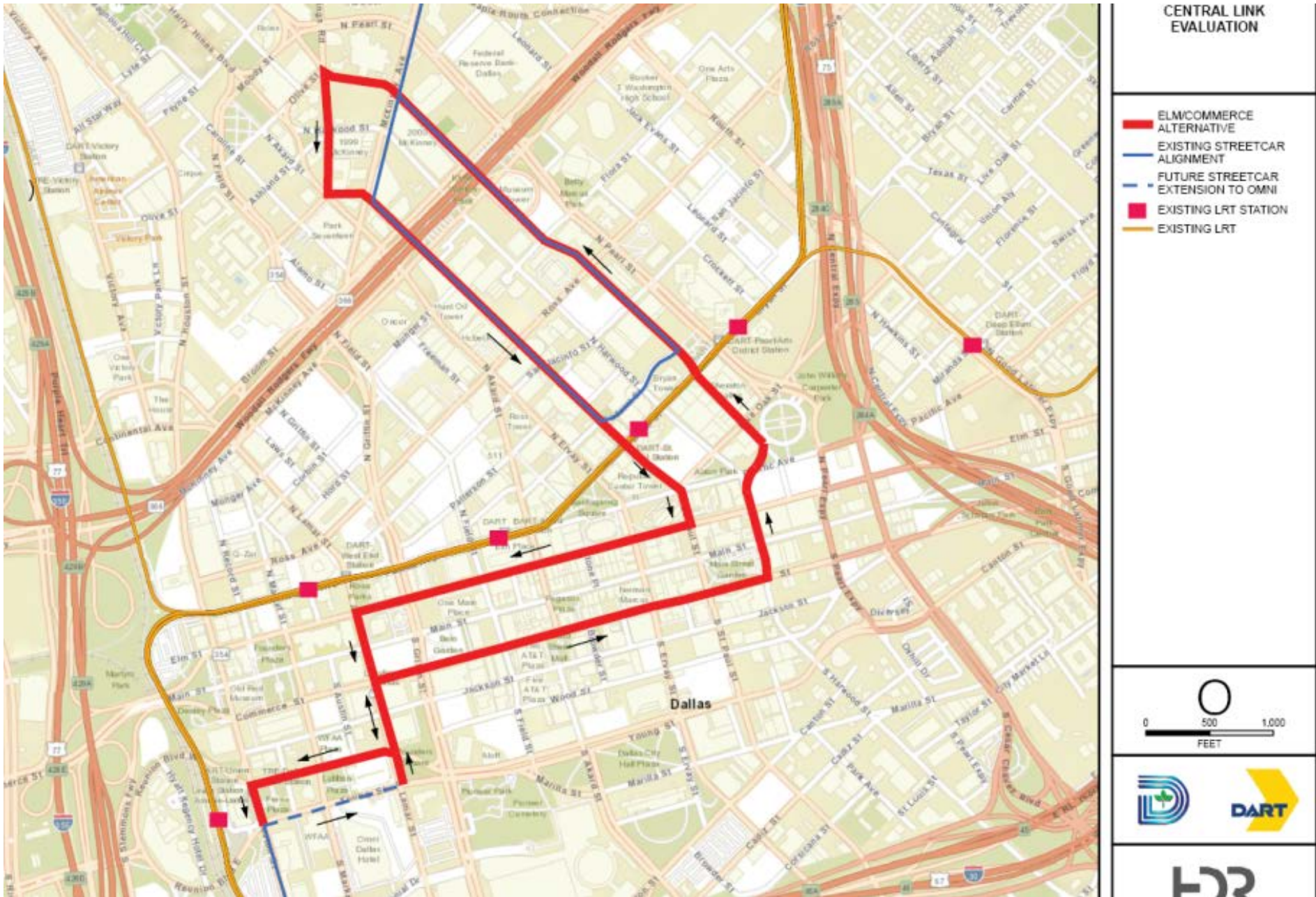


**Dallas's** modern streetcar has anchored multifamily development in Oak Cliff.



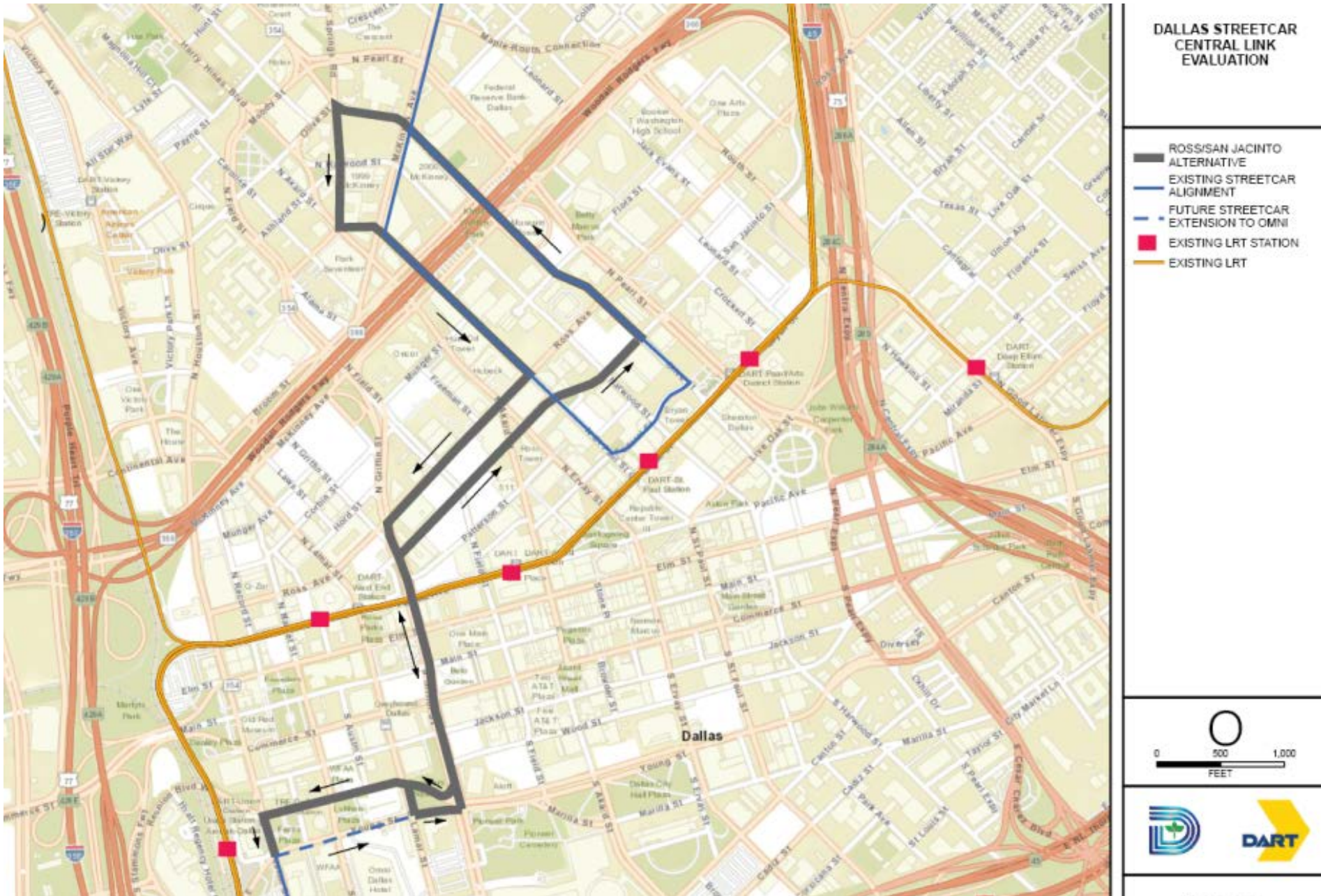


# 4 Alternatives: Commerce-Elm



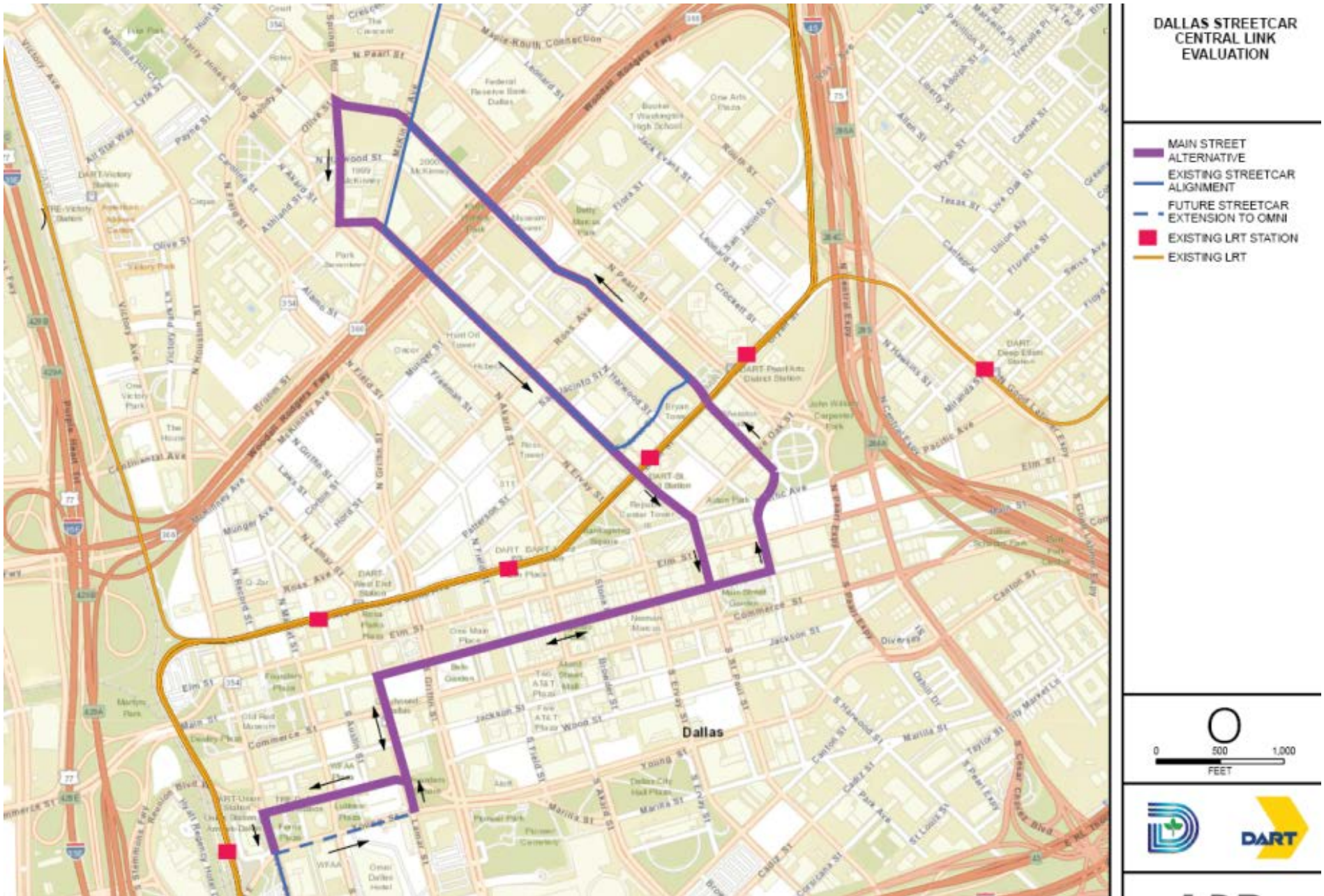


# 4 Alternatives: Ross-San Jacinto



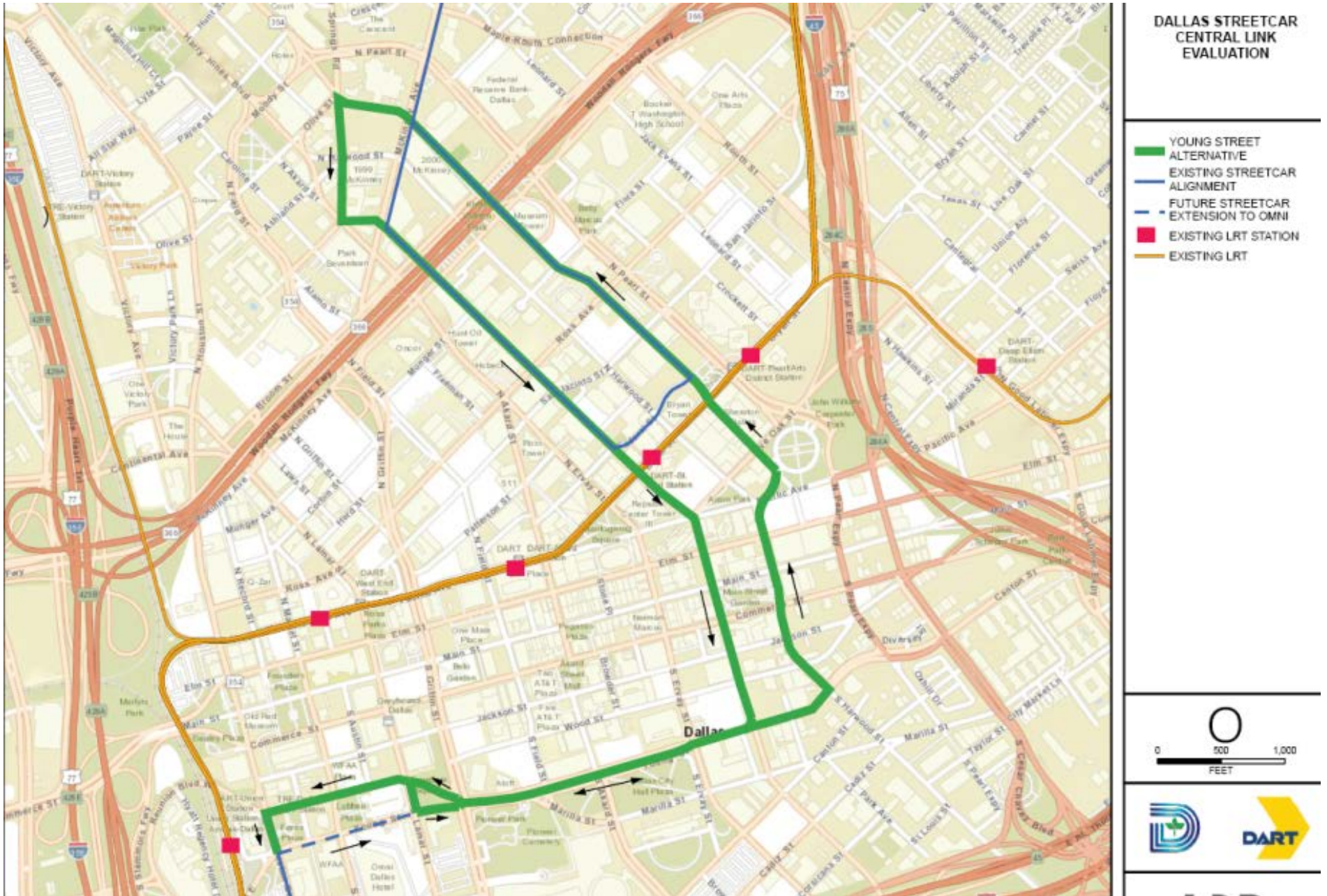


# 4 Alternatives: Main Street

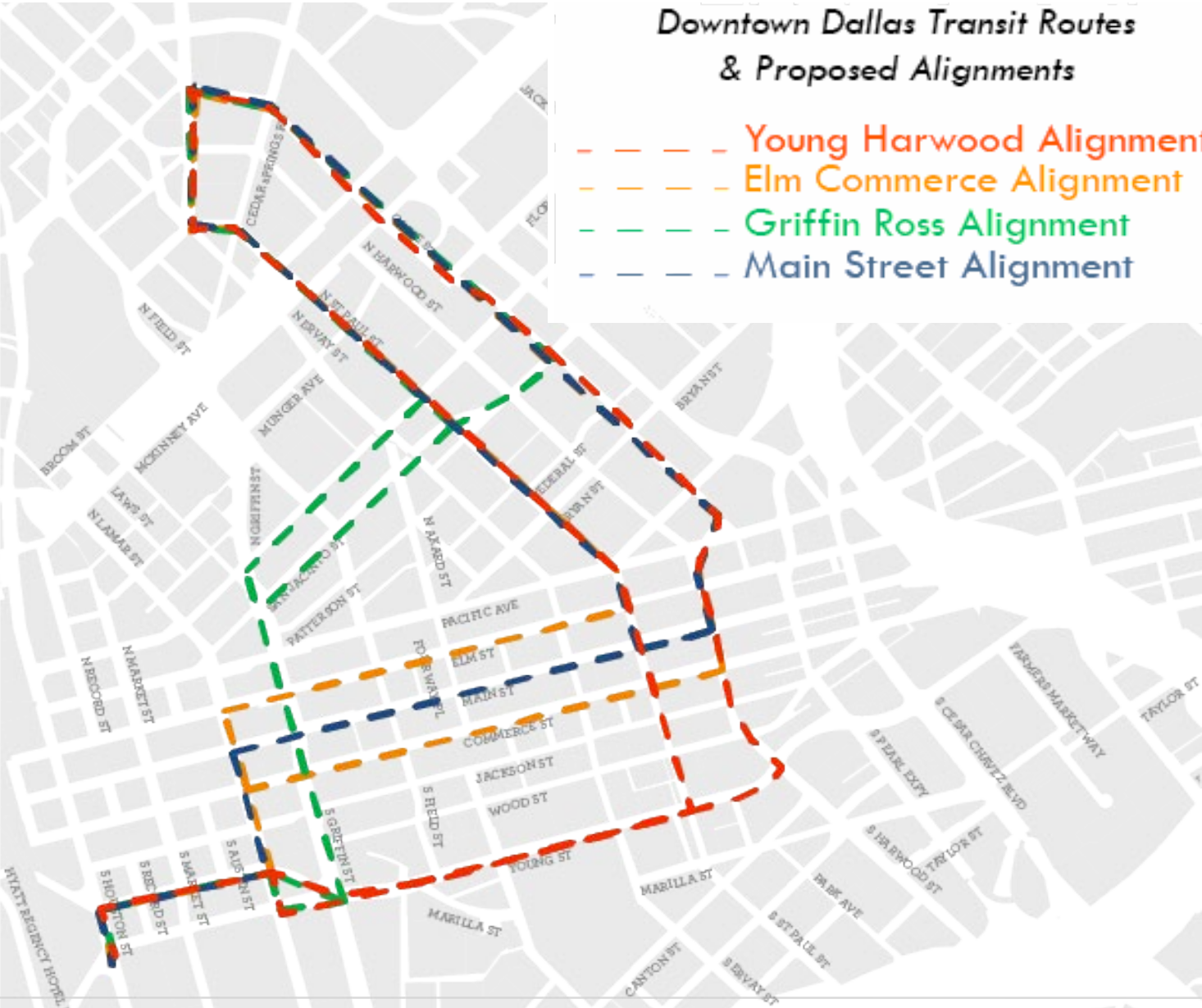




# 4 Alternatives: Young-Harwood



# Context | Four alignment options for the next phase of streetcar investment.



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HR&A assessed streetcar's economic potential, which is one consideration for the Locally Preferred Alignment (LPA) for Central Dallas Link.

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## **COMMUNITY DEMAND**

**Desire, Input & Benefit**

**+**

## **ECONOMIC ASSESSMENT**

**Opportunities & Priorities**

**+**

## **TECHNICAL STUDY**

**Operations & Ridership**

**=**

# **LPA**

**Locally Preferred Alternative**



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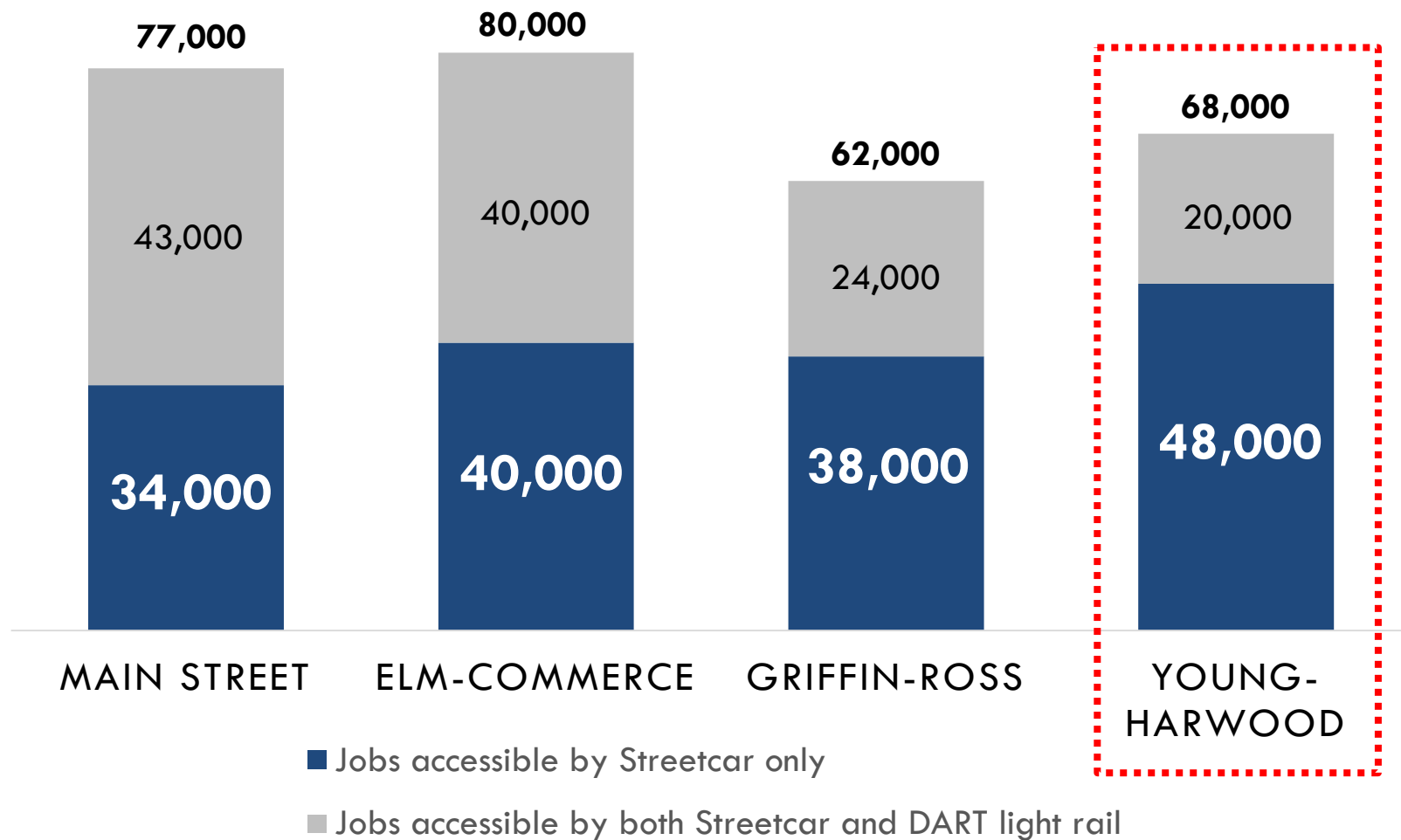
**Approach** | HR&A analyzed four types of economic return for each alignment.

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<b>Benefit</b>	<b>Definition</b>
<b>Access to Jobs</b>	Jobs made accessible by streetcar
<b>Tourism &amp; Entertainment</b>	Potential tourist visitor and office worker spending facilitated by streetcar
<b>Real Estate Premiums</b>	Enhanced value of existing real estate assets served by streetcar
<b>Real Estate Development</b>	Incremental real estate development catalyzed by streetcar

## Access to Jobs | Young-Harwood extends rail to the most new jobs.

### Existing Jobs Made Accessible to Rail Transit by Streetcar



**Tourism & Entertainment** | All alignments can enhance existing visitor and worker spending; 5% increase would generate an annual impact of \$10M.

Alignment	Tourist Visitor Market	Office Worker Market	Annual Spending Potential
Main Street	<b>907K</b> visitors 3,500 rooms	<b>61K</b> workers	<b>\$209M</b>
Elm-Commerce	<b>863K</b> visitors 3,300 rooms	<b>61K</b> workers	<b>\$202M</b>
Ross-San Jacinto	<b>797K</b> visitors 3,100 rooms	<b>50K</b> workers	<b>\$180M</b>
Young-Harwood	<b>862K</b> visitors 3,300 rooms	<b>45K</b> workers	<b>\$186M</b>



















**Real Estate Premiums** | Increased occupancy has the highest impact where office is concentrated. The Elm-Commerce corridor has the greatest job base and capacity for additional office absorption.

Alignment	Streetcar Impact	
	Rents	Jobs
Main Street	\$30-50M	4,500
Elm-Commerce	\$50-70M	6,000
Ross-San Jacinto	\$30-40M	3,000
Young-Harwood	\$30-40M	3,500

**Real Estate Development | Young-Harwood has more development sites, but existing market strength in the Elm-Commerce drives highest values.**

<b>Alignment</b>	<b>Incremental Development Impact</b>
<b>Main Street</b>	<b>\$60M</b>
<b>Elm-Commerce</b>	<b>\$100M</b>
<b>Ross-San Jacinto</b>	<b>\$50M</b>
<b>Young-Harwood</b>	<b>\$10M</b>

**Summary of Findings** | All alignments can create economic impact; Elm-Commerce appears to have the highest upside.

	<b>Job Access</b>	<b>Tourism &amp; Entertainment</b>	<b>Real Estate Premiums</b>	<b>Real Estate Development</b>
<b>Main Street</b>				
<b>Elm-Commerce</b>				
<b>Ross-San Jacinto</b>				
<b>Young-Harwood</b>				



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## Next Steps | Identify Locally Preferred Alternative for the Central Dallas Link and plan for future expansion.

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### Pending Data [to be briefed on 8/28 by DART and CoD staff]

- Ridership forecasts
- Refined capital cost estimates
- Operations and Maintenance cost estimates
- Traffic and business impacts

### Future Studies

- Funding model for operations and maintenance
- Long-term vision and system expansion opportunities