



Economic Impact of the Modern Streetcar

by Steve Farley • published in the March 2010 issue

In 1880, Tucson changed from being a dusty frontier town to a modern Western city. What happened? The train came to town. One hundred and thirty years later, a train is once again going to transform Tucson's economy.

While we may not see as dramatic a transformation as the first appearance of the railroad, Tucson's Modern Streetcar will create thousands of jobs, green-light formerly stalled private development projects, and re-assert Downtown Tucson as the economic engine for the region.

When U.S. Secretary of Transportation Ray LaHood signed that big ceremonial check for \$63 million in front of the Tucson Historic Depot on February 18, he marked the culmination of a nine-year process of our community coming together from conflict to consensus.

It happened through education, lots of hard work, and the courage of leaders, citizens, and activists to work together with others who used to be on opposite sides of many issues. We only succeeded with extensive community outreach, good design and planning, and a strong and diverse lobbying effort.

Many former transportation-plan rivals came together to develop the Regional Transportation Authority plan. The RTA process was a desperately needed breakthrough in regional collaboration, and was endorsed overwhelmingly by regional voters in May 2006. That gave us \$88 million in local match to get us to the national table for the rest of the funds for our four-mile Phase One of the Modern Streetcar.

In order to obtain those federal funds, we followed strict federal guidelines for proving cost-effectiveness under stringent guidelines that defined the term as time savings for riders and congestion relief. The Streetcar passed that test with flying colors because it is much more likely than buses to attract new riders away from their cars, leaving the streets less congested for those who do not ride.

But even more importantly for our region, the Modern Streetcar proved that it will be an unparalleled economic development engine. Bus systems do not provide a similar economic boost because the transitory nature of a bus route does not provide the private sector the assurances they need that this vital piece of infrastructure is permanent.

In the case of the Portland Modern Streetcar (which inspired our system), their same-sized line (4 miles one way) has driven more than \$3.5 billion in new private development within three blocks of the route.

Business owners and developers in Tucson are already moving forward on long-stalled projects, now that the funding for the Tucson streetcar is assured. A similar economic benefit here to the benefit that Portland experienced would generate a 4200% return on our local investment.

Secretary LaHood recently reinstated economic development as a key component in judging the value of a transit system, because he and the Administration realize that our economic future and our quality of life depends on investment in sustainable transportation improvements for livable communities.

Some people have asked, why only build a four-mile line? The answer is simple—our system has to start somewhere so that the people of Tucson can see what it can do for us.

Recent history of rail transit in the US has shown that it is always a tough fight to get a system going in the first place, but once it is on the ground, the only fight is for who gets the extensions and how fast. More than 70% of voters tend to approve rail extensions once a system already exists—we even saw that happen up the road in Phoenix.

Additionally, these four miles are some of the most important four miles for the Tucson economy.

- 10% of the region's population live or work in that corridor.
- The UofA is a huge economic engine and tens of thousands of people frequent the campus daily and live along the route.
- Fourth Avenue is a huge center of commerce, and Downtown is a center of entertainment and government with about 15,000 jobs.
- The Westside combines thousands of transit riders with the great promise of future development, some of which is already happening in the Mercado district developed by the visionary team of Jerry Dixon and Adam Weinstein, who have already invested more than \$9 million of their own money in anticipation of the streetcar.
- The University of Arizona has for decades struggled with the landlocked nature of their campus, surrounded on all sides with neighborhoods and development. Now they will be able to extend housing, classrooms, and offices along the entire length of the streetcar route, without having to take over surrounding neighborhoods. The streetcar will act as a virtual conveyor belt (every 10 minutes, 20 hours a day) moving students and faculty among campus, housing, and businesses.
- The Gem Show will be happy, since they have been demanding the mobility that the streetcar offers to their dealers and customers. The streetcar's ease of use will expand the economic benefit of the Gem Show to businesses all the way along the line.

This is truly the catalyst that Downtown Tucson has needed to turn it into the economic engine for the region. It happened in Portland, it is happening all over the West, and it will happen here in less than two years. What a great Arizona Centennial present for us all!

Steve Farley was elected to the Arizona Legislature as State Representative from District 28 in November 2006. He now serves as the Ranking Democrat on the Government and Ways & Means committees, as well as Member of the Transportation committee. He can be reached via phone at (602) 926-3022 or via email at sfarley@azleg.gov.

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