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News & Views: Feature

## Peachtree streetcar pushes for funding

Will intown residents be willing to foot most of the bill?



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After months of brainstorming, studies and handshakes, the group dreaming of a new streetcar along Peachtree Street may be inching closer to its goal. Advocates say sleek, electric-powered people movers could be a reality within six years.

But there are some big ifs, the biggest of which is the one that's tapped the brakes on many a grand transportation vision in Atlanta: funding. In a series of public workshops this month, the Peachtree Corridor Partnership will get a chance to hear what the community thinks of the project – and the property-tax hike that would help fund it.

The partnership is betting that a \$190 million first phase of the streetcar in Midtown and downtown would kick-start what eventually will become a 14-mile stretch of transit, road improvements, parks and new streetscapes from Fort McPherson to Brookhaven.

Partnership Chairman Ray Christman, a former Federal Home Loan Bank of Atlanta president, says Peachtree doesn't just deserve such a face-lift; it needs it. If the inner city's transportation infrastructure isn't improved, he says, Peachtree's newfound resurgence may mimic the dot-com bubble of the late 1990s – highly successful but ultimately unsustainable.

"People want to live there and enjoy the urban lifestyle," he says. "What people want are real cities. For Atlanta to participate in that trend, it will have to continue to evolve and become less auto-oriented. A project like the streetcar would encourage more of that urban development."

Many of the biggest players in Atlanta's business community want to see that. The partnership is the offshoot of Mayor Shirley Franklin's Peachtree Corridor Task Force, a consortium of business and civic leaders charged with reimagining the thoroughfare. It was led by Cousin Properties' Tom Bell and Egbert Perry of Integral Group.

While the finished route would run from north of Lenox Square to southwest Atlanta, the partnership is proposing to start with 10 miles of track in the very dense – and high-dollar – segment of Peachtree running between Woodruff Arts Center and Memorial Drive. An east-west loop designed to shuttle tourists between such downtown hot spots as the Martin Luther King Jr. historic district and the Georgia Aquarium also is slated to be part of the first phase.

The rub is that \$190 million price tag, which rises to nearly \$1 billion for the entire project. The partnership wants to fund the first phase mainly through a tax increase on commercial and multifamily residential properties a quarter-mile on each side of the streetcar's route. If the property-tax increase passes, Christman says, it will generate \$110 million to \$165 million for construction. The owner of a \$300,000 condo on Peachtree would see his or her annual tax bill increase by \$360 – roughly a dollar a day.

The city also would be asked to find other sources to pay for the rest of the construction bills. And the partnership is advocating that the General Assembly eventually enable Atlanta to do something other cities do, which is to place a special levy on parking lots. The parking tax would offset or even cover the streetcar's annual \$6 million operating costs. If the first phase proved itself viable, the federal government might pony up cash to expand the line.

But the question for now is: Will condo owners be willing to fork over \$360 every year for an amenity and a bump in property values? For that matter, will commercial property owners buy into the idea?

In theory, commercial owners have the most to gain from the streetcar, thanks to the increase in property values and foot traffic that's likely to accompany it. But at least one influential developer isn't enthusiastic. Scott Selig, vice president of Selig Enterprises, argues that Peachtree would continue to prosper with or without a streetcar. And if it's a project that's meant to benefit Atlanta as a whole, he asks, why aren't people outside the taxation zone pitching in?

Mike Dobbins, a Georgia Tech professor and former Atlanta planning commissioner, has qualms about the tax for an entirely different reason. He lauds the project's aims and says the streetcar is taking shape in an ideal environment.

But Dobbins – who, as a Peachtree resident, would be subject to the increase – worries the proposed funding strategy would hamstring owners barely making mortgage payments and tenants whose landlords bump up the rent to pass on the cost. According to

the Atlanta Neighborhood Development Partnership, a housing-advocacy organization, 5,335 housing units classified as "affordable" to low-income workers are located in the proposed taxation zone.

"I think [the funding strategy] is a horrendous idea," he says. "In my building, rent levels are pretty reasonable. There are a lot of people who work in hotels and restaurants, and a lot of them are going to get squeezed if they raise property taxes on residents. The mechanisms are already in place to cover the thing – jack up the commercial property tax to cover that cost. It's crazy to put more pressure on people who work low-income jobs and service the corridor, and are lucky enough to find housing there."

Christman, who chairs ANDP's executive committee, argues that the city should take steps to preserve affordable housing but not at the expense of transforming Atlanta's signature street. The streetcar is not the be-all and end-all for Peachtree's anticipated revamping. This phase, Christman says, would merely be the first step in what is a much larger, 25-year undertaking.

Christman stresses that advocates have been pushing for the streetcar for four or five years. He hopes City Council will begin considering the property-tax increase as early as February.

Christman argues that the mix of funding sources would draw from a fair sampling of people who would benefit from the streetcar.

"If there was some sort of regional transportation tax, that would be a very appropriate source of funding," Christman says, noting that the Metro Atlanta Chamber of Commerce has been pushing for just such a regional tax. "That doesn't exist, so we have to look at different sources of funding."

Two public workshops will be held 6-8 p.m. Jan. 16 at the AT&T Building, 725 W. Peachtree St., and Jan. 22 at the First Presbyterian Church, 1328 Peachtree St. For more information about the partnership's plans, visit [www.peachtreecorridor.org](http://www.peachtreecorridor.org).

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