



## The case for adding a modern streetcar to Peachtree

### *Making tracks to a new quality of life*

#### A new urban age

Twenty-first century America is returning to city and urban living in ways few would have thought likely even a decade ago. Not only are core-city populations rising again after decades of declines, but suburban areas are also building their first “downtowns,” even as traditional Main Streets are being reborn. Not only are people working and shopping in these new or revitalized town centers, they are living in them, too.

This trend is as new as it is exciting. When modern cities first grew up during industrialization, many people felt forced to move to them for work as the old rural economy declined. This time around, however, Americans are moving to urban areas by choice. All indications are the trend will continue, for economic, cultural and demographic reasons. As commutes grow longer and traffic more untenable, many people are looking to live in closer proximity to work and other activities. Rising gas prices are providing additional incentive to act on that impulse. While those factors are pushing many people inward, others are pulling Americans toward city life. As aging baby-boomers become empty nesters and younger workers delay childbirth, they’re finding themselves lured to cities that have been hard at work to make themselves inviting places again. Formerly blighted areas are being redeveloped, new parks and recreational trails added and streetscapes made more attractive and active. The market for these places continues to grow, as households get smaller, and one-person households edge past the share of homes with children.

Nowhere are these trends more in evidence than in the city of Atlanta. After losing 80,000 residents from 1970 to 2000, the city is growing rapidly this century. At the current rate of more than 12,000 newcomers a year, Atlanta is on pace to surpass its 1970 population of 495,000 by the end of this decade. A substantial share of those new residents will be living, shopping and working in the Peachtree Street corridor.

#### The return of the streetcar

As newly popular cities take steps to handle the flood of pedestrians and cars sweeping into their streets, they are turning increasingly to the solution used during the last great urban age, before World War II: The streetcar. From Portland and Seattle in the Northwest to Tampa Bay in the Southeast, with places from Wisconsin to Arkansas in between, streetcars are seeing an astonishing rebirth. Today, 11 cities are operating streetcars, with as many as 70 others actively planning or studying streetcar lines, according to the Community Streetcar Coalition.

This movement is not based on mere nostalgia. While some of the earliest streetcar revivals were tourist-oriented “replica” or heritage trolleys, more and more cities these days are planning or building a modern version that serves as everyday transportation for residents, workers and visitors alike.

People love streetcars in a way they do not love buses. Modern streetcars are sleek and have a “cool” factor that residents and visitors alike enjoy. Because they are electric, they are quiet and

## ***Operational Overview of the Proposed Peachtree Streetcar***

The Peachtree streetcar is proposed to use “modern” cars, similar in look and design to light rail transit vehicles. These cars are typically 60 feet in length and can accommodate 60-120 people, including standing room. The streetcar is a low-speed form of transportation, traveling for the most part at 10-15 miles per hour, but with frequent stops (about 1/4 mile) and headways (arrival frequency of 5-10 minutes during peak hours).

Propulsion would occur from an overhead contact system. It is proposed that a single contact wire or “low profile” system be used to provide power, thus minimizing the visual pollution that existed with the tangle of overhead lines characterizing older streetcar systems. The power system also requires poles and substations along the route. In some other cities, these have been imaginatively designed as public art projects that have provided an additional urban amenity benefit.

Alternative propulsion systems through underground transmission of power are in the early stages of development. They are currently far more costly and still technically unproven.

Streetcar stops would be located every two to four blocks in downtown and midtown. The stations would be simply but attractively designed, consisting of a concrete platform and a shelter with a bench, leaning rail, trash can, passenger information system, and so forth.



### ***The Benefits of Streetcars***

***Streetcars are being embraced nationwide because they:***

- Are uniquely suited to serve the renaissance of city and town centers and urban living.
- Are relatively inexpensive as transit solutions go, and can be built quickly.
- Help to shape and focus development and redevelopment.
- Reduce the number and size of parking facilities needed, thereby reducing the number of cars moving around an area.
- Allow higher densities to function better.
- Promote vibrant street life and support a walkable lifestyle.
- Boost overall transit ridership.
- Are clean, green transportation that is free of fumes.

fume-free. They ride on steel tracks embedded in the street and are powered from a single overhead wire – not the seeming jumble of wires that some disliked about streetcars of the past.

Making frequent stops and short trips, streetcars are pedestrian accelerators. They are not intended to move people quickly over long distances, but to extend the distance that can be covered by a person on foot, and to compress the time it takes. They are shelters from the elements, a respite for tired feet, a godsend for old bones and little legs.

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The tracks are people magnets. Developers like to build retail, homes and offices nearby, and they feel confident doing so because the tracks are permanent in a way that bus routes are not. The tracks also are excellent way-finding markers for people in the city; they can easily tell where to catch the streetcar and where it is going, without the anxiety that comes with riding unfamiliar bus systems.

At the same time, streetcars are less expensive than higher-capacity forms of street-level rail, known as light rail. While it is a critical piece of a regional transit system, light rail has much longer trains that are intended to take people on trips well beyond walking distance. Streetcars may deliver people to long-haul transit, but they are intended for shorter, in-town trips. Whereas light rail may cost \$30 million to \$50 million per mile, streetcars generally cost under \$20-25 million per mile. Kenosha, Wisconsin, built its system for only \$3 million per mile.

Though many streetcar systems build shelters at station stops– or share them with buses– they don’t require large stations, parking, exclusive right of way or other big-ticket infrastructure. Streetcars can operate with minimal impact on streets, mixing right in with cars. And they can be built with minimal disruption, often in a way that requires closing a street section for only two to three weeks.

*To see how modern streetcars operate, visit*

<http://miamigov.com/MiamiStreetcar/pages/Videos.asp>

## **Streetcars and the Peachtree Corridor Vision**

The first streetcar on tap for Atlanta is a key part of the long-term vision for the Peachtree Corridor embraced by Mayor Shirley Franklin and created by the Peachtree Corridor Task Force with input from property owners, residents and businesses in the area. In the coming years, Peachtree will be transformed into a grand boulevard that moves people better, makes businesses stronger and improves the quality of life of Atlanta’s residents and visitors. The full Peachtree Corridor is 14.5 miles long and extends from the BeltLine crossing of Lee Street in the south to Club Drive and the city limits in the north.

The Peachtree Corridor Partnership was created to help make the corridor vision a reality. The Partnership is working with the city and local residents to bring a streetcar system to Downtown and Midtown first, while supporting efforts to implement streetscape and other improvements along the remaining segments of the corridor. The initial phase of the streetcar system will also include a Downtown circulator route that will connect the major visitor attractions in that area, including the King Center, the Georgia Aquarium, and the New World of Coca-Cola. The overall Peachtree Corridor initiative is projected to generate hundreds of millions of dollars in new private investment and additional city tax revenue.

## **Reclaiming a birthright, building for the future**

Some streetcar lines are emerging in cities that never had them before. In Atlanta, however, we’re reclaiming a veritable birthright.

Barely two decades after Atlanta was decimated by Sherman’s March, the first electric streetcar lines began shaping the city that was to be. Radiating out from Peachtree Street, streetcar lines provided the bones upon which nearly all of Atlanta’s most cherished neighborhoods grew: Inman Park, West End, Ansley Park, Candler Park, Kirkwood, and on and on. That system served us well until the days after World War II, when the country retooled its wartime economy to promote suburbanization, and Atlanta and other cities were given over to freeways. Today, though, cities are coming back, and urban life is again attracting people – in some ways as never before because people are choosing it as an option, rather than having it thrust upon them.

Those of us who have chosen to be at the very heart of the city’s revival aspire to provide a world-class urban environment – to our visitors, our fellow residents and ourselves. Already, our corridor has a dazzling array of living, shopping and dining options, with work places, museums and theaters that attract thousands every

day. Midtown and Downtown have made tremendous strides in architecture and urban design. And we have made a down-payment on a great public realm: We've seen streetscape improvements, upgraded sidewalks and the introduction of outdoor dining. To complete the picture, Atlanta needs a first-class transit and pedestrian network.

**➤ MARTA rail will still be the invaluable way to go when making longer trips, and when speed is an imperative. But for many trips, what could be more pleasant than hopping a street-level trolley and watching the street life as you pass by?**

Living along or near the Peachtree Corridor is all about options. For residents and workers in the corridor, the streetcar is a “neighborhood expander.” Thanks to the rich mix of offerings in the corridor, many destinations are within walking distance of each other. However, the streetcar puts even more shops, services, restaurants and jobs within reach, bringing a world of options literally to your doorstep. As the “last mile” link to MARTA, the streetcar will tie the neighborhood to an expanding network of transit that puts even more recreational and job opportunities within easy reach.

The modern streetcar brings other neighborhood benefits as well. As more people come here to live, work and play, we need to protect ourselves from being overrun by cars and parking facilities. When Seattle was considering how to handle the thousands of new residents they are projecting, officials did a back-of-the-envelope calculation and found that, assuming no change in driving habits, the city would need to build 20 city blocks of 10-story parking garages to accommodate the growth. They realized that they couldn't fit that many cars and still have a livable city. A streetcar that opened in December 2007 was developed as part of the solution.

Parking adds significantly to the cost of new building projects, for both the developer and the ultimate occupants. Each space can cost \$10,000 or more. The streetcar can allow the city to reduce parking requirements, making it possible for developers to invest more in high-quality design and materials, parks and streetscape improvements, or more affordable units.

The streetcar is a traffic remover. The more people who can arrive in Midtown and Downtown confident that they don't need their cars, and the more residents who can get where they need to go in the neighborhood without driving neighborhood streets, the fewer cars will ply area roads. Peachtree is and will remain a busy street. But the streetcar will reduce the number of cars that would otherwise be on the street, as well as expand the number of people walking along its sidewalks.

The modern generation of streetcars has brought enormous economic value to the corridors in which they operate. In Portland, the streetcar was built at a cost of \$100 million, but it has since helped generate \$2.4 billion in new commercial and housing development (see sidebar). The overall rise in tax revenues that will come from the economic investment in the corridor should help the city provide expanded services without raising other property taxes.

The Peachtree streetcar, in conjunction with the BeltLine streetcar and similar potential investments, will help to increase transit ridership and build support for the MARTA system. Because it helps people cover that last mile from stations to a destination – or multiple destinations – the streetcar expands the reach and appeal of transit. MARTA rail will still be the invaluable way to go when making a longer trip beyond Midtown or Downtown, and when speed is an imperative. But for many trips, what could be more pleasant than hopping a street-level trolley and watching the street life as you pass by?

*For more information on the proposed operation of the Peachtree Streetcar, go online to:*  
<http://www.peachtreecorridor.com/streetcar/>

## **Making It Happen**

Many other cities have aspirations for high-quality urban living similar to ours, and they, too, are pursuing streetcar lines. Most of them are lining up for funding from the federal government – and they will wait a long time for a limited amount of money that comes mired in red tape. Cities (such as Portland and Seattle) that are working out the funding on their own are moving much faster. Atlanta is in that camp. We don't think we need to put our vision of a livable urban future on indefinite hold when we can lift ourselves by our own bootstraps. Atlantans didn't sit back when we built Hartsfield, and we didn't wait for permission to compete for the Olympics. Most Atlantans are aware that the city exists only because of a decision to site rail connections on the Peachtree ridge. When we lay tracks here, big things happen.

# Portland kicks off the modern streetcar movement

*In Portland, Oregon, the streetcar has played a key role in the transformation from a down-at-the-heels industrial castoff to a city regularly identified as one of the most livable in the U.S. – urbane and hip, while also tagged as “the biggest small town in the world.” Opened in 2001, the streetcar first served as a link between a revitalizing downtown and a former warehouse district being redeveloped as a high-density urban neighborhood now known as the Pearl District. The success of this first introduction of the “modern” streetcar – as opposed to heritage or legacy lines such as those in New Orleans and San Francisco – has had much to do with the current wave of enthusiasm for streetcars.*

*Today, Portland’s streetcars carry nearly 10,000 passengers a day, almost four times the number anticipated when the line opened, according to Rick Gustafson, executive director of Portland Streetcar, the nonprofit corporation that operates the line.*

*Just as importantly, the line has proved an enormous draw for jobs, housing and residents*



*to the corridor. By 2005, the line had seen 100 projects worth \$2.6 billion, including 7,248 housing and 4.6 million square feet of retail, producing revenues for the city that are many times the cost of construction.*

*The line is so successful that it has been extended twice. The second extension connected to another former industrial area on the other side of downtown, known as the South Waterfront. There the developers are working with the city to build its first “green” neighborhood, with buildings meeting the*

*highest environmental certification as well as the highest standards for walkability and transit connections. So eager have developers been to build along the line that they have agreed to make 25 percent of the housing affordable, while investing in improvements that help to ensure a high quality of urban life.*

*The funding package for the initial line is perhaps its most distinctive feature. Without seeking federal funds, the city sought to capture the increase in development value and apply it to the streetcar. This was done both through tax-increment financing (known as tax allocation districts in Georgia) and through a special tax district along the corridor that collected a modest contribution from property owners. The city also sold bonds that were paid by parking fees, along with a mix of other sources. The local transit agency pays a large share of the operating costs, because the line builds transit ridership and replaces bus service that might otherwise need to be provided.*

## Financing the streetcar

Building the streetcar in the Peachtree Corridor in Downtown and Midtown is expected to cost about \$190 million. Realizing that timely federal funding was an unrealistic proposition, the Peachtree Corridor Task Force analyzed all potential sources of local funding.

After determining which sources were most practical to rely upon, the committee crafted recommendations based on the principle that contributions should come proportionally from those who would benefit. The proposed plan ultimately seeks revenue from:

- The commercial and residential property owners who would see their property values and occupancy rates rise at the same time that they received improved transportation service (through a special assessment district);
- People who bring cars into the city and park them (through a parking tax);
- Residents of Atlanta generally, who would see greater tax revenues along with a terrific amenity on their signature street (through general city bonds);
- Riders of the streetcar (through fares);

- And developers in the corridor, who should be willing to donate rights of way, streetscape improvements, affordable units, etc. for the right to capitalize on the high quality of the Peachtree Corridor environment (through impact fees, in-kind contributions, and other support).

The largest share likely would come from property owners within the Peachtree Corridor, defined roughly a one-quarter mile from radius from the proposed line, with the district boundaries drawn to avoid single-family detached neighborhoods and to align with major street boundaries. This would require the City to create a special assessment district that would levy about two to three mills of additional property tax on commercial and multi-family residential buildings to help pay off construction bonds.

The parking tax would be charged on all publicly accessible lots and garages, and would be a fair way to capture a contribution from regional commuters and visitors (as well as city residents), while also redressing some of the cars’ impact on the corridor. It will have to be enabled through an act of the state legislature.

The use of city general funds would ensure participation from the broader base of city residents and commercial property owners

outside the corridor who will benefit from this investment. Over time, it is expected that developer contributions of right of way and foundation grants for signature projects will provide a private contribution to the effort. Streetcar fares, while not expected to be significant, provide a direct source from users of the streetcar.

*Details of the financing plan are still under development. However, you can find detailed background on the potential funding sources and the many factors under consideration on the web at*

[http://www.peachtreecorridor.com/reports\\_resources/](http://www.peachtreecorridor.com/reports_resources/)

## Benefits to individual property owners

Savvy investors weigh costs against benefits. The streetcar likely would cost the owner of a \$200,000 condo about \$160 a year, a little over \$13 a month. For a \$300,000 condo, the additional tax would be \$360 annually, or a dollar a day. A modest hit to the budget, certainly, but a fraction of the cost of a car payment. The power of the streetcar, particularly with its connections to MARTA and the BeltLine, is that it creates the very real possibility of living a high-

quality existence without the burden of financing, insuring, fueling and parking a car, which runs in excess of \$6,000 a year. Two-car families can live comfortably with just one, or recent college grads can build wealth in a home rather than sink money into a depreciating asset.

Moreover, the streetcar is an amenity that is sure to help preserve the value of investment in a home or rental property. In every town where they are in operation, units near the streetcar fetch higher prices and sell quicker than those even a half-mile away. The overall rise in tax revenues that will come from the economic investment in the corridor should help the city provide expanded services without raising other property taxes.

As an amenity, the streetcar is a bargain for residents. Though residents will contribute, most of the cost of building and operating the system will be absorbed by owners and developers of commercial property as well as visitors, who will pay a surcharge to park and a fare to ride the system.

## Life with the Peachtree streetcar

*It's late Saturday morning. You leave your Midtown condo to meet out-of-town guests at the Hyatt hotel downtown, on your way to lunch. As it starts to drizzle, you duck under the Peachtree Streetcar shelter and glance at the electronic reader board: Three minutes until the next streetcar. Sure enough, a couple minutes later you hear the bell of the approaching vehicle. Stepping into the car, you're grateful that you didn't have to make the long walk in the rain.*

*After connecting with your visitors, you all grab the streetcar again to hit your favorite lunch spot ten blocks away.*

*Over dessert, you ask your guests whether they have ever seen the Martin Luther King, Jr. Historic Site. Hearing "no," you suggest a visit, and minutes later you're all aboard the streetcar again, riding the Downtown Circulator to the Civil Rights cradle of the U.S. Back out on the street later, the skies have cleared, so the group decides to stroll back to the hotel along the revitalized Auburn Avenue.*

*Come evening, you catch drinks and dinner near the hotel. Heading home late, you're glad you can hop the streetcar back—and that your car is back in the garage at home.*



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