



LOS ANGELES STREETCAR INC

# Streetcar 101: Economic Development

Major Economic  
Redevelopment Tool  
  
Incentivizes  
Investment

Streetcars once were, and are now again recognized as one of the best transportation facilitators and economic redevelopment tools available to cities. Streetcars are exciting, efficient, and sustainable transit circulation systems that move people around urban areas while catalyzing substantial economic revitalization. And unlike a bus, streetcars are permanent fixtures of the urban environment that give property owners along the routes a direct incentive to invest in their properties and the community.

## PRECEDENT OF SUCCESS

Outstanding Success  
in Other Cities  
  
Significant Potential  
in Downtown LA

Throughout the US, streetcars have demonstrated their ability to spur significant economic benefits for municipal agencies, businesses, and property owners. Shops and storefronts near the proposed Downtown LA routes will generate revenue by serving the thousands of pedestrians delivered every day by the streetcar, while the convention center and hotels will boost their bookings by having direct access to an intuitive ground transportation system. The potential of a Downtown LA streetcar system has already been recognized by City agencies, and they are committed to improving sidewalks, building façades, and pedestrian amenities along a future streetcar route.

## STREETCARS PRODUCE SUBSTANTIAL RETURNS ON INVESTMENT

Stimulates  
Development  
  
Significant ROI for  
Prop. Owners,  
Community, and  
Retailers

Portland’s initial four mile couplet stimulated significant interest in streetcar development. Their existing streetcar lines generated an estimated \$3.5 billion in private investment, led to the construction of 10,000 new transit-oriented housing units, and substantially cut vehicle miles traveled in the Portland metro area. Forthcoming expansion projects will significantly increase the economic and development returns for Portland, and their projects have clearly demonstrated how a streetcar can revitalize an entire city. The potential to generate similar revitalization in Downtown LA is even greater.

Spurs Catalytic  
Reinvestment  
  
Leverages Public and  
Private Funds

<i>Private Returns on Public Streetcar Investment</i>					
	Start of Service	Initial Track Miles	Initial System Cost (millions)	Development Investment (millions)	Return on Investment
<b>Kenosha</b>	2000	2.0	\$6.20	\$150	2,319.35%
<b>Little Rock</b>	2004	2.5	\$19.60	\$200	920.41%
<b>Tampa</b>	2003	2.4	\$48.30	\$1,000	1,970.39%
<b>Portland</b>	2001	4.8	\$55.20	\$1,046	1,794.93%
<b>Portland (Extension)</b>	2005	1.2	\$17.80	\$1,353	7,501.12%

Source: Reconnecting America

## ACTIVATING UNDERUTILIZED BUILDINGS AND LAND

Increases Property  
Values  
  
Reduces Vacancies

With Portland as an example, a Downtown LA streetcar has the potential to reactivate historic buildings and to redevelop underutilized parcels. Such redevelopment will be spurred by increases in real estate values, encouraging property owners to realize additional revenue by developing, enhancing, and improving buildings. In addition, the streetcar will make the occupancy of ground floor commercial and retail space more economically viable, and will directly lead to the reactivation of storefronts and

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pedestrian spaces.

## **LONG-TERM HIGHLY VISIBLE TRANSPORTATION INVESTMENT**

Highly Visible Public Investment

Significant Ridership

Assurance for Financial Lenders

Streetcar systems are permanent fixed-assets that offer long-term infrastructure predictability and simple navigation for both new and experienced riders. Business and property owners realize streetcars can steadily deliver thousands of customers to storefronts – a level of activity that will make storefront retail and pedestrian oriented uses especially valuable. This sense of permanence and predictability, in turn, increases property values and facilitates the redevelopment process by assuring financial lenders that parcels have superior access to transit opportunities.

## **PAIRING LAND-USE AND ECONOMIC DEVELOPMENT**

Business Attraction

Public Amenities

Extended Daily Street Activity

Enhancing circulation and connectivity within Downtown provides an additional attraction to companies that want to be located along highly accessible and visible transit corridors. Increasing street-level pedestrian activity will spark the impetus to reclaim and turn streets, sidewalks, and alleyways into spaces serving public and private uses – such as outdoor cafes, plazas, or paseos. These enhancements will encourage the development of high quality urban amenities useable throughout the day and night.

## **STREETCAR WILL STIMULATE DOWNTOWN TOURISM**

Connects Major Destinations

Easy to Navigate

Because of their connections to major entertainment destinations, and how easy they are for novice riders to use and understand, streetcars have proven to generate tourism. The Downtown Los Angeles streetcar will provide service to major tourist destinations, including the Convention Center and important cultural institutions like the Dorothy Chandler Music Pavilion and MOCA. By travelling to the places that people want to go to, the streetcar will capture riders that are willing, ready, and excited to engage in Downtown Los Angeles' depth of entertainment and cultural experiences.