

An Economic Case for Light Rail in Hamilton

With the announcement of \$300 million in provincial money to develop rapid transit in Hamilton, we have a unique opportunity to develop a fast, robust, affordable, and forward-compatible transportation network for the city. The provincial announcement suggested bus rapid transit (BRT) for Hamilton, but we need to push for light rail transit (LRT) and/or streetcars instead.

LRT is far superior to BRT on a number of measures.

Ridership

LRT carries more people than buses and is much better at attracting new riders - people who choose it for its superior speed, comfort and convenience. These riders represent real decreases in driving and new revenue for the system.

Streetcars have sex appeal.
It resonates with folks. ...
Developers don't write
checks for buses.

-- Len Brandrup,
Transportation Director,
Kenosha, Wis.

The Tampa line opened with a ridership projection of 350,000 per year. Ed Crawford from the transit authority reports that actual ridership "has never been that low." Similarly, ridership on the Pearl Street line is triple the projections, 3,500 a day to 9,800 and growing steadily. Portland is already planning the next stage of its rail transit.

Edmonton's 12.3 km light rail line carries 36,000 people on an average weekday. That's close to the 40,000 people who travel daily on the five-lane Main Street in Hamilton. Calgary's 32 km C-Train, the flagship of its transit system, carries an amazing 188,000 riders a day and is powered entirely by wind turbines. Both the Edmonton and Calgary lines run every five minutes at peak operating times.

Economic Development

The *Wall Street Journal* reports: "Like stadiums, convention centers and aquariums, streetcars have emerged as a popular tool in the effort to revitalize downtowns in the U.S. About a dozen cities, from Madison, Wis., to Miami, are planning lines. But while research shows that big-ticket projects such as ballparks largely fail to spawn economic development, evidence is mounting that streetcars are indeed a magnet."

The permanence and profile of rail sends a strong message that the city takes development seriously, and investors respond to this. Add the very strong power to attract new riders, and it becomes clear why developers are willing to invest in new residential, commercial and office development adjacent to the line. Fast, convenient transit benefits everyone, including residents, employers, and commercial vendors.

"Building a streetcar system
is partly about transportation
but it's mostly about
economic development."

-- John Schneider, Cincinnati-
based Transportation Consultant

In Portland's Pearl District, a run-down industrial area consisting mostly of abandoned warehouses, a \$57 million investment in light rail generated 100 new projects worth \$2.3 billion in new mixed-use

development, including over 7,000 new housing units and 4.6 million square feet of office and retail space. This pattern is repeated in other cities that have built light rail or streetcar lines.

Development Return on Investment for Streetcar Lines

	Initial Track Miles	Capital Cost/Mile	Total Capital Cost	Development Investment	ROI	Expansion Planned
Kenosha	2.0	\$3.00	\$6.00	\$150	2,400%	Yes
Little Rock	2.5	\$7.84	\$19.60	\$200	920%	Yes
Tampa	2.3	\$24.35	\$56.00	\$1,000	1,686%	Yes
Portland	4.8	\$11.38	\$54.60	\$2,300	4,112%	Yes

*All costs in millions of dollars.
Tampa's costs include land acquisition.*

Property near light rail lines tends to increase in value, whereas property near highways tends to decrease in value. In addition, residential and commercial occupancies increase, tourism goes up, and land use intensifies.

However, rising property values do not automatically translate into less affordability. Adding a single parking space to an urban residential development adds \$25,000 to the cost. For two spaces, that's an additional \$50,000 per condo or apartment. With close proximity to fast, efficient transit, residents don't need as much access to parking, and per-unit development costs reflect these savings.

Operating Costs

Operating costs per passenger for light rail are between 25 percent and 75 percent lower than for buses, through a combination of more carrying capacity, higher levels of ridership, more efficient grid-connected electric power (using only one fifth the energy per passenger-mile), and much lower maintenance costs for the vehicles. Because electricity prices tend to be more stable than oil prices, operating costs for light rail are more predictable than for buses.

Available light rail also means nearby residents spend far less money on transportation, which results in more disposable income and more money spent locally. In fact, according to a study of light rail in Texas, each percent shift in travel from automobiles to transit produces almost \$3 million growth in regional income and over 200 new jobs.

Other Benefits

Light rail produces no emissions at the tailpipe and is clean and quiet. It generates less air pollution and less greenhouse gas, resulting in less smog and less impact on public health. Because it is much safer than driving, light rail also reduces rates of traffic injuries and fatalities.

Light rail also reduces traffic congestion, by carrying people much more efficiently than an equivalent number of automobiles. That saves space on the road in excess of the space it uses. In addition, the high quality intensification that develops around light rail lines brings more destinations into close proximity, reducing the need to travel and supporting the city's intensification goals via GRIDS.

Conclusion

Hamilton has missed too many opportunities like this in the past, paralyzed by partisanship and parochial thinking. We can't let yet another opportunity slip away, when faced with the mounting challenges of climate change and declining oil production over the next several decades.

Light rail is far past the point where it can be perceived as a risky gamble. This is a proven, well-established system that works well and pays robust dividends. Cities that have embraced it are enjoying the lavish rewards of growing ridership, cleaner air, and copious new investments. Cities that continue to eschew it will fall farther and farther behind.

References

A Streetcar Named Aspire: Lines Aim to Revive Cities, *Wall Street Journal*
<http://online.wsj.com/article/SB118230925180141617.html>

Calgary's Light Rail Transit Line, *Calgary Transit*
http://www.calgarytransit.com/Routes/lrt_stop.html

Cities rediscover allure of streetcars, *USA Today*
http://www.usatoday.com/news/nation/2007-01-08-streetcars_x.htm

Driven to Spend: Pumping Dollars out of our Households and Communities, *Center for Neighbourhood Technology*
http://www.transact.org/library/reports_pdfs/driven_to_spend/Driven_to_Spend_Report.pdf

Light Rail Economic Development Benefits, *Tucson Light Rail*
<http://www.tucsonlightrail.org/econ.htm>

Portland Light Rail Case Study Busts the "Pork Barrel" Myth, *Light Rail Now*
http://www.lightrailnow.org/myths/m_por_2006-01a.htm

Portland streetcar system drawing wider interest, *Canoe*
<http://money.canoe.ca/News/Other/2007/09/09/4483113-ap.html>

Streetcar Named Development, *City Beat*
<http://citybeat.com/2007-02-28/news.shtml>

The Economic Development Benefits of Streetcar, *Portland Transport*
http://portlandtransport.com/archives/2006/05/the_economic_de_1.html

The LRT in Edmonton, *Edmonton's LRT*
http://www.edmontonslrt.com/background/background_index.htm