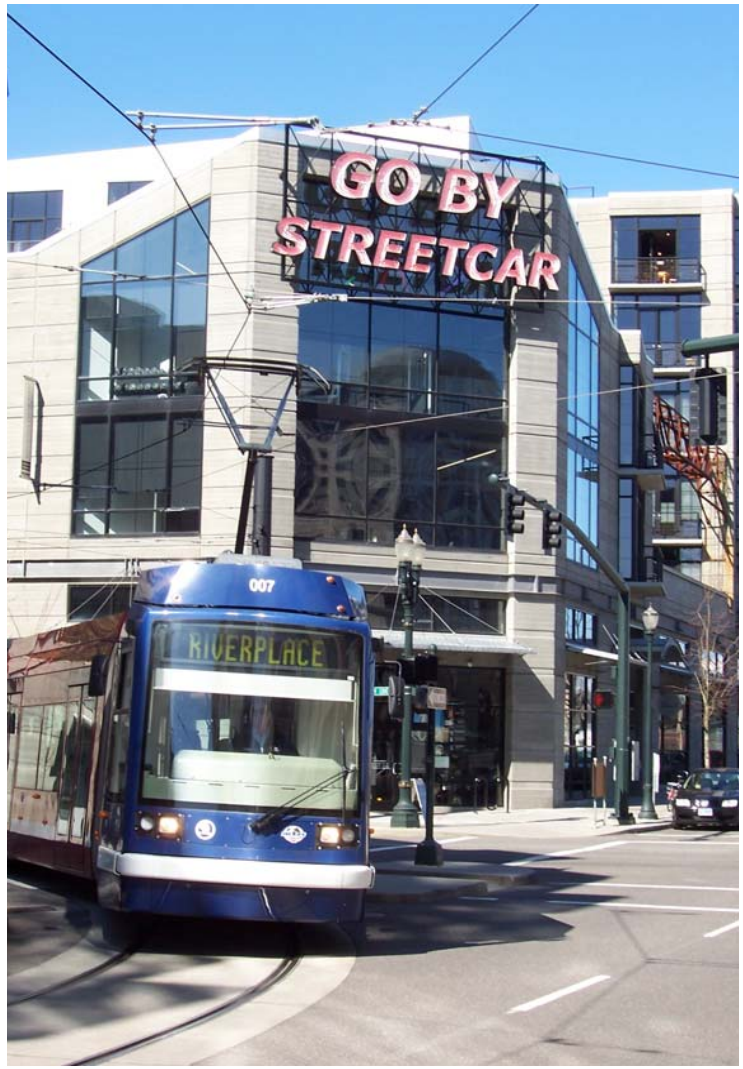
Innovative Public-Private Partnerships

Prepared for:

Portland Streetcar Workshop

July 27, 2007



E. D. Hovee & Company, LLC
Economic and Development Services

Portland Streetcar Development Impacts

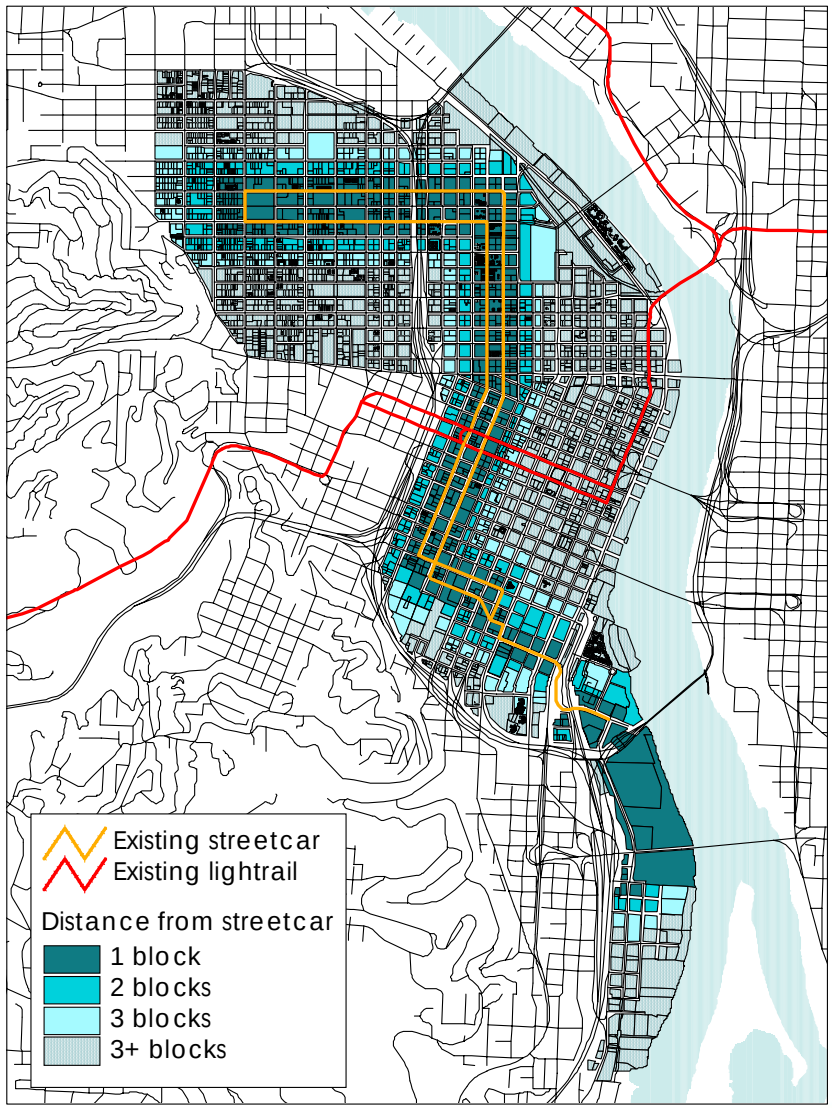
For Portland Streetcar Inc. (November 2005)

Evaluation Purposes:

- Quantify development pre- and post-streetcar
- Forecast potential eastside development w/Streetcar extension
- Broader testing of the streetcar-development nexus nationwide (FTA Small Starts)

Portland Downtown Streetcar/LRT Transit

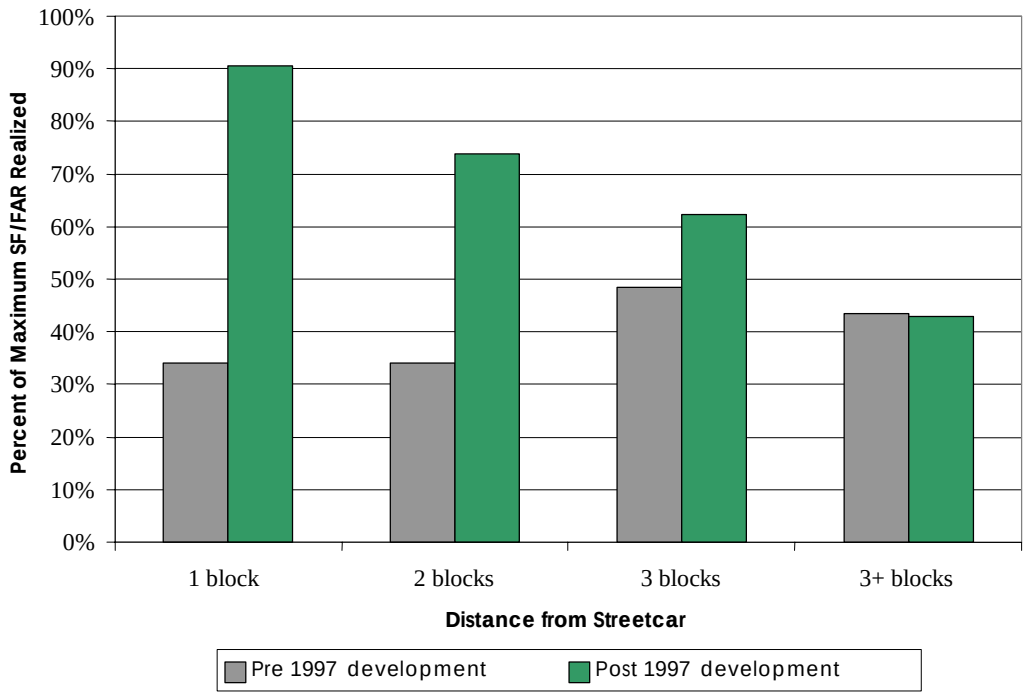
- Transit Mall (1977)
- Light Rail (MAX)
  - ✓Eastside (1986)
  - ✓Westside (1998)
  - ✓Airport/North (2001/04)
  - ✓Southeast (2009)
- Portland Streetcar
  - ✓Opening (2001)
  - ✓SW Extensions (2004/05/07)



What We Found....Block-by-Block Impacts

Density of Development:

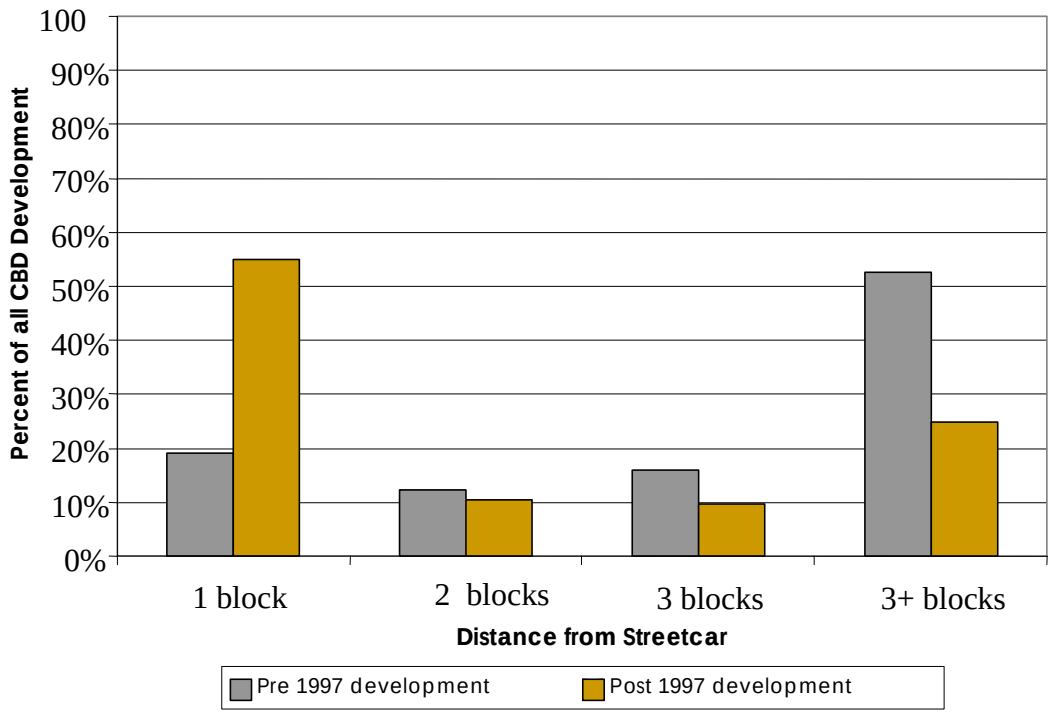
- Lots w/in 1 block realized 90% of FAR potential
- Realized FAR drops with distance from streetcar (to 43% @ 3+ blocks)



What We Found….Block-by-Block Impacts

Where Development Happens:

- Sites w/in 1-block went from 19% to 55% capture of downtown development
- Blocks of lesser interest (pre-97) now get the action



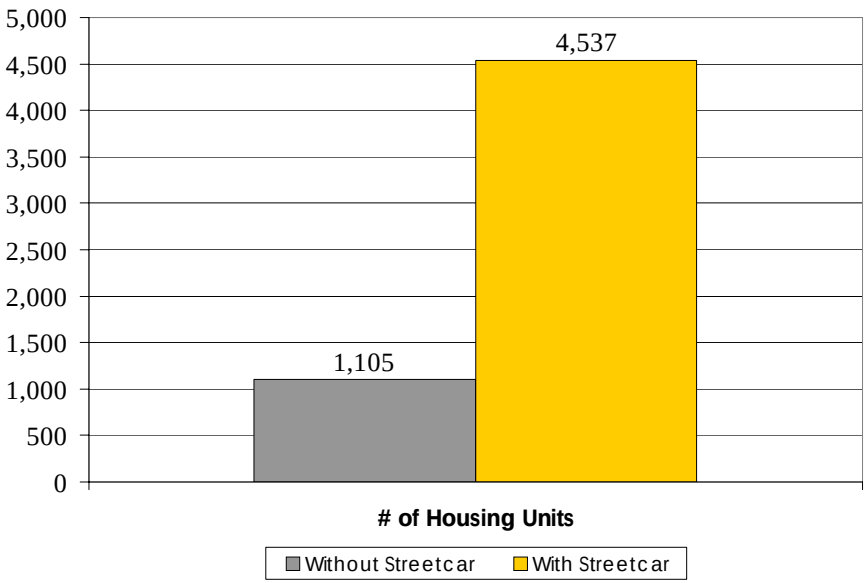
What We Found….By the Numbers

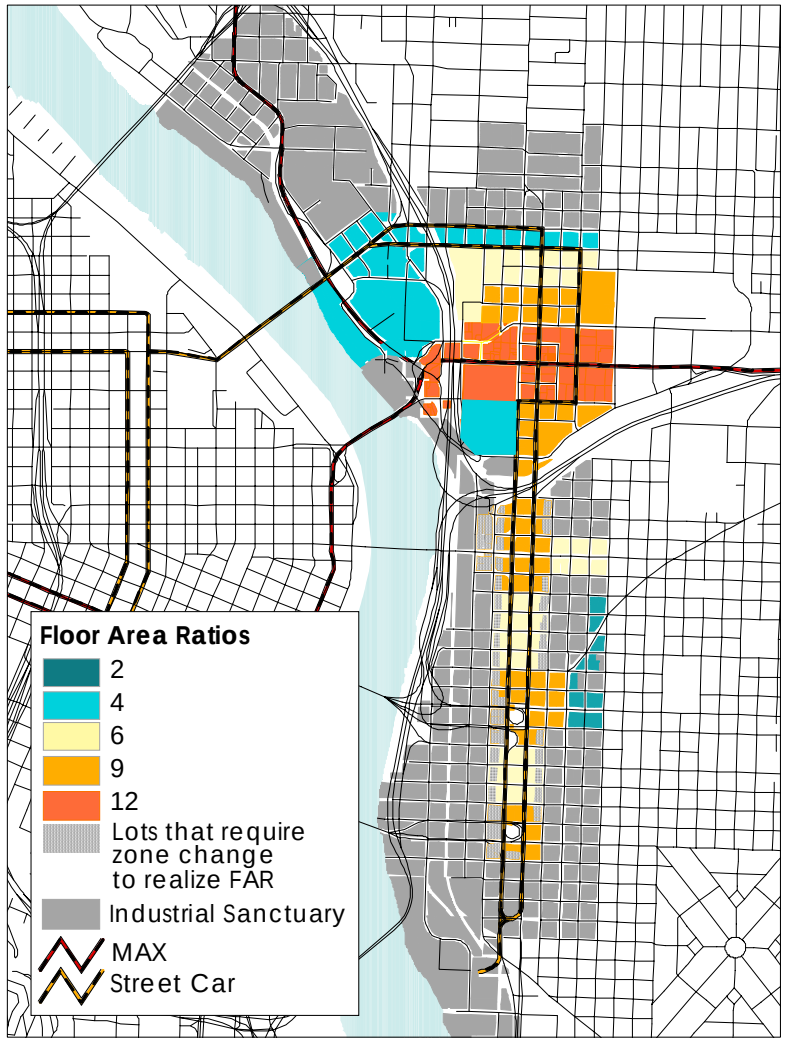
- At 1-block, rate of development occurred at least 3x more rapidly than elsewhere
- New construction added 6% annually to the existing building stock – closest to streetcar

Distance from Streetcar	Existing Building SF (Prior to 1997)	New Building SF (1997 – 2004)	New as Percent of Existing	Average Annual Increase
1 block	9,029,000	4,172,000	46%	5.8%
2 blocks	5,734,000	794,000	14%	1.7%
3 blocks	7,465,000	733,000	10%	1.2%
3+ blocks	24,706,000	1,886,000	8%	1.0%
Total	46,934,000	7,584,000	16%	2.0%

Application to Portland Eastside Extension…

- It's all about FAR capacity
- Potential 310% increase in housing potential reflecting Westside experience (the *streetcar premium)*





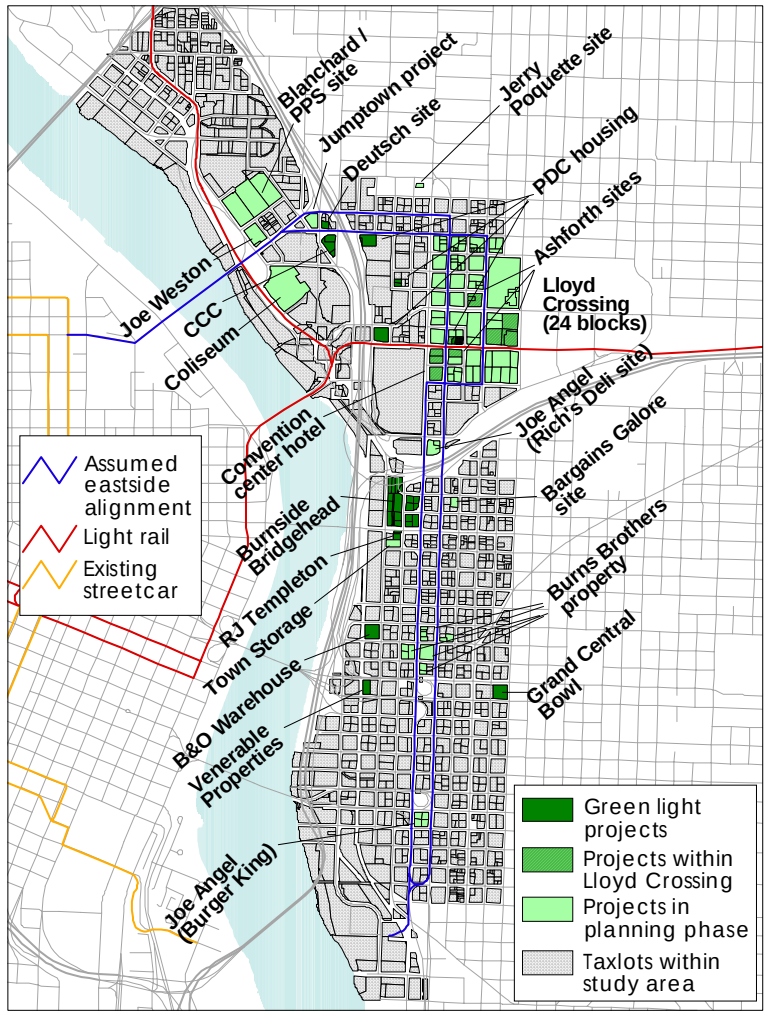
Recent 2007 Analysis Update…

Added Job Potential
(with EOS - Employment Opportunity Subarea):

- 18% more rehabilitation
- 45% more new construction

Developer Comments
(Then & Now):

- Streetcar creates *buzz* (greater certainty of investment return)
- Streetcar affects *pricing & scale*
- Streetcar best when *packaged* w/ public-private investment



Broader Application …

The Hypothesis:

$$\text{Net Development} = f\left(\text{Streetcar Proximity}, \text{FAR Headroom}, \text{Other Transit Proximity}, \text{Public-Private Partnership}, \text{Year Developed}\right)$$

Other Notes:

- More rigorous statistical analysis
- Causality?
- Local / national testing

Lessons Learned ...

The PDX Experience:

- Public-private partnership makes a difference
- Leading edge transportation is critical for the working partnership
- Streetcar creates pedestrian vitality, visual recognition & visitor draw

THANK YOU!

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