

An occasional series of working papers prepared by the Downtown DC Business Improvement District to foster dialogue about critical issues relating to Downtown Washington’s economic, social and physical development.

Getting from Here to There

EXECUTIVE SUMMARY

The Downtown Business Improvement District’s (BID) focus on transportation is due to its pivotal role in championing DC’s economic prosperity and sustainability. DC’s existing transit infrastructure, relatively dense development and walkable neighborhoods bode well for sustaining a transportation system that has, over the past decade, elevated the city’s competitive posture in relation to neighboring jurisdictions. The current global financial crisis has added emphasis to investing in the city’s transportation infrastructure. The federal transportation program’s reauthorization will follow quickly on the heels of economic recovery legislation. DC needs



In 2009, the Circulator line expanded to include connecting service to Capitol Hill, the Navy Yard and Nationals Stadium.

a transportation agenda to guide it through this period of great challenge and opportunity. DC’s transportation agenda must address immediate congestion problems and secure a future grounded in the values of economic vitality, environmental sustainability and social equity through affordability.

DC’s transportation agenda should include these initiatives:

- Complete a comprehensive strategic investment plan built on the city’s extensive transportation studies
- Activate a DC transit plan
- Reduce Downtown congestion
- Adopt new financing mechanisms to support the strategic investment plan

INTRODUCTION

The Downtown BID has provided leadership on transportation issues since its inception in 1997. In 2000, the BID championed extended Metrorail hours to support growth in entertainment, sports and cultural attractions. Collaborative efforts on the part of the Downtown BID and its partners in DC Surface Transit, Inc. — the District Department of Transportation (DDOT) and the Washington Metropolitan Area Transit Authority (WMATA) — initiated the DC Circulator launch in 2005. During its short existence, the DC Circulator has served more than eight million customers.

Most recently, the Downtown BID brought the business community together to support dedicated funding for WMATA. A structural deficiency in the regional transit

authority's framework resulted in a lack of dedicated funding. This leadership helped make DC the first regional jurisdiction to provide a dedicated source of capital funding for WMATA, which is contingent upon the rest of the region, and the federal government, following suit.

The Downtown BID encourages the city to embrace a broad vision of transportation that responds not only to the current economic crisis, but also advances core community values: environmental sustainability and social equity through affordability.

ECONOMIC VITALITY

Emerging development areas in the city need better surface transportation connections to Downtown and better internal circulation. This is best achieved by funneling needed resources into both the Metrorail and Metrobus systems as well as new forms of transit. We need to rethink how workers and residents can be transported effectively and efficiently to their destinations. Despite the economic downturn and falling gasoline prices transit use is expected to increase and we must have a diverse and robust system to meet this demand.

The city's financial future is banking on emerging commercial districts of mixed-use developments: Capitol Riverfront, Mt. Vernon Triangle, NoMa, H Street and Poplar Point/Anacostia. The DC Office of Planning document, Center City Action Agenda 2008, points out that these areas are not well connected to the traditional Downtown and other destinations. This is due to large-scale infrastructure impediments such as freeway segments, a lack of continuous street level activity and inadequacies in the current surface transit service supply and delivery.

The lack of key infrastructure that can attract prime tenants, and a balanced mix of housing, retail and government and commercial offices, cannot be ignored if this development is to be realized. Enticing parks, vibrant ground-level uses and interesting, well-scaled architecture will follow public investment in transit.

ENVIRONMENTAL SUSTAINABILITY

DC has signed on to the US Mayors Climate Protection Agreement, pledging to reduce greenhouse gases below 1990 levels by 2012, thereby establishing environmental sustainability as one of the city's core values. Science Applications International Corporation (SAIC), a McLean, Virginia-based consulting firm, estimates that reducing daily one low-occupancy vehicle use and moving to public transit can reduce a household's carbon footprint between 25 and 30%.

By providing more reliable and convenient transit service, the city will create an environment with fewer motorists. More individual motorists moving to higher capacity modes also frees up limited street capacity for critical goods movement. Walking and bicycling will become safer and more enjoyable for everyone in the city. Future economic growth supported by diverse transit services would replicate the quality of life that DC has achieved in many of its older neighborhoods.

EQUITY THROUGH AFFORDABILITY

More than one-third of DC working families are unable to make ends meet, even when government benefits are considered, because of low wages and DC's high cost of living, according to the DC Fiscal Policy Institute. Affordable and convenient transit service reduces the isolation that compounds residents' social and economic problems. It connects low-income residents, youth and seniors to jobs, education and training, health care and the community.

Access to transit is now seen as a key factor in affordable housing and one that touches the heart of the city's commitment to social equity. Good access to a network of flexible public transit services provides mobility at a manageable cost, reducing the need for households to own a second, or perhaps, any car at all. Reduced transportation costs free up income for housing costs.

The Downtown BID has identified five initiatives to create a DC transportation agenda built on these core values. The following discussion of these initiatives includes action items and estimated associated costs where appropriate.

INITIATIVE #1

COMPLETE A COMPREHENSIVE STRATEGIC INVESTMENT PLAN

Transportation needs within DC have been studied extensively and numerous plans have been written. In 2004, the Downtown Congestion Task Force identified five congestion management strategies after reviewing existing DDOT and WMATA transportation studies and plans. Recommendations to advance those strategies were organized by the amount of time required to implement them: immediate (within six months), mid-term (18 months) and long-term (24 months). In 2007, the Downtown BID reviewed the Congestion Task Force recommendations to determine if they had been implemented. The Downtown BID found that fewer than half of the action items had been implemented fully.

Since the Task Force released its report in 2004, DDOT, the National Park Service (NPS) and WMATA have completed four plans that require significant capital investment. The most extensive was the DC Transit Alternatives Analysis (DCAA) that examined new forms of surface transit over a 30-year period. The NPS issued its preferred alternative for National Mall and Memorial Parks transportation services in 2006. The Anacostia Waterfront Development Plan (2005) and the Great Streets Plans (2006) called for public space improvements, bridge reconstructions and modern streetcar line development. In addition to these new plans for transportation investment, WMATA's General Manager, John Catoe, identified nearly \$500 million dollars in 2008 for critical repairs to the existing Metro system that are not included in the current capital improvement program.

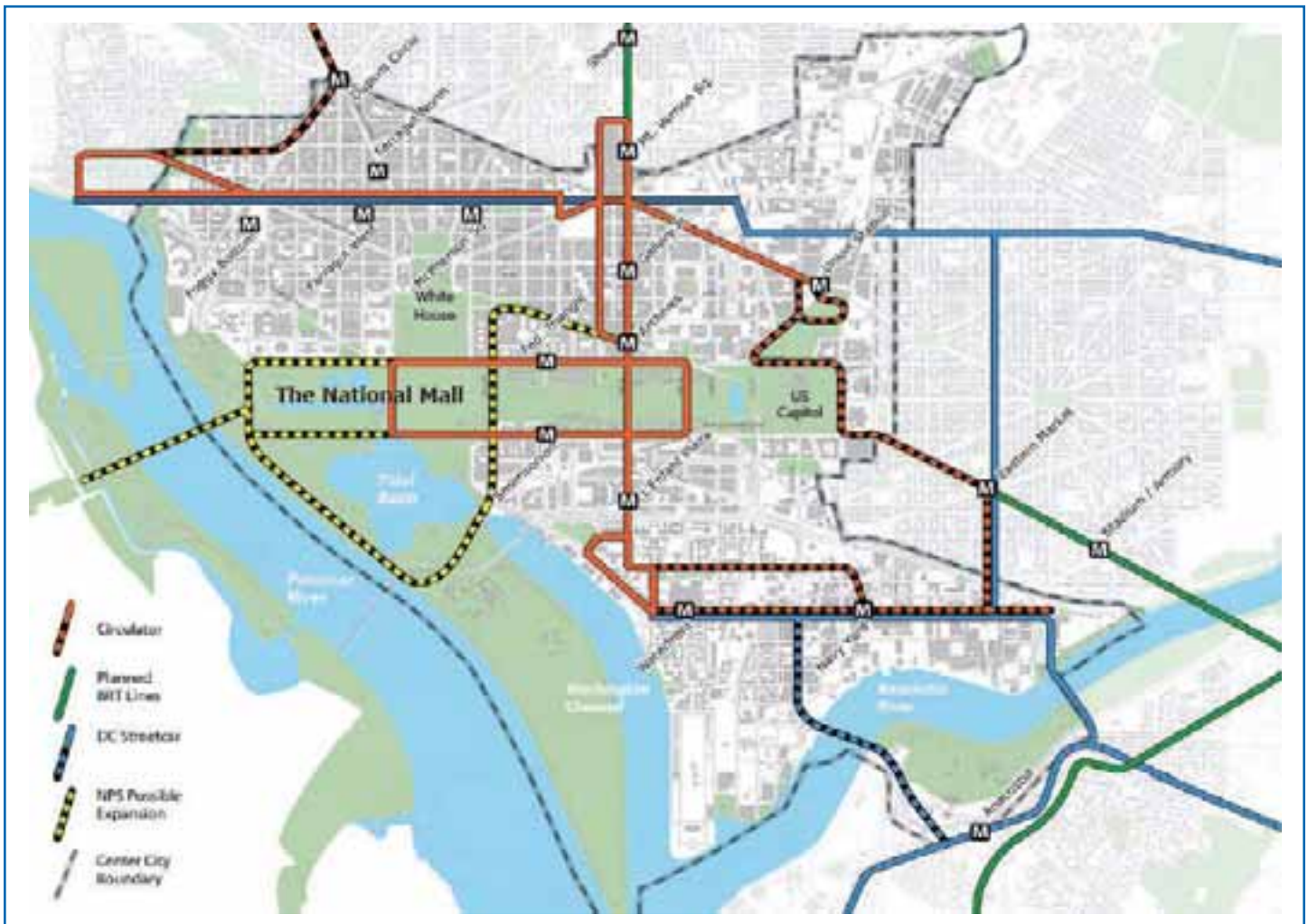
DC needs a comprehensive strategic investment plan that weaves together the ambitious financial requirements of its most significant transportation planning efforts into one document. This investment plan would provide a clear picture of DC's transportation future and its price tag. This should include an inventory of public

assets, a useful life determination for each asset along with an annual contribution sufficient to avoid deferred maintenance and to support replacement upon the completion of the asset's useful life.

COST: \$150,000 to develop an integrated strategic transportation investment plan.

INITIATIVE #2 ACTIVATE A DC TRANSIT PLAN

The content for a DC Transit Plan should build on plans for new transit service as well as on capital plans for the existing Metro system, both bus and rail. WMATA and DDOT's DCAA examined new types of surface transportation (streetcars, bus rapid transit and rapid bus) and 14 transit service corridors throughout DC. DC Surface Transit (DCST) developed a proposal for expanding Circulator service in response to the NPS National Mall and Memorial Parks transportation study. WMATA has a capital needs inventory for FY 2011 to FY 2020. The following action items can activate such a DC Transit Plan.



ACTION ITEM: ADOPT A STREETCAR DEVELOPMENT SCHEDULE.

In 1932, there were 235 miles of streetcar track and 789 operating streetcars, which carried more than 111 million passengers in Washington, DC. Thirty years later, streetcars stopped running in the city. Past is prologue to DDOT’s pilot modern streetcar project in Anacostia.

The DCAA deemed four potential corridors most appropriate for streetcar investment:

- Anacostia, extending from Bolling Air Force Base to Minnesota Avenue Metro;
- North-South, extending from Bolling Air Force Base to Silver Spring;
- East-West, extending from Georgetown to Minnesota Avenue Metro; and
- M Street SE/SW, between L’Enfant Plaza and the Navy Yard areas.

DDOT has struggled to launch a streetcar pilot in Anacostia. Although three streetcars were purchased in 2006, the initial line segment east of the Anacostia River’s design, running north and south from the Anacostia Metrorail station, has begun only recently.

Two of DDOT’s three major construction initiatives include streetcar lines: the Anacostia Waterfront Initiative and the Great Streets Initiative on H Street NE and Benning Road. These two projects are also key economic development initiatives for the city.

Streetcar investments have demonstrated the ability to stimulate economic development in a way that bus transit does not. The relative permanence of streetcar tracks to bus routes provides a confidence level for private investment to take place. These streetcar segments need to be connected to the Center City to produce the greatest return on investment for transportation dollars. The Center City Action Agenda 2008 called for a feasibility analysis and funding strategy to accomplish this goal. A response to that call is needed as quickly as possible.

ACTION ITEM: LAUNCH BUS RAPID TRANSIT AND RAPID BUS SERVICE.

The DCAA outlined introducing bus rapid transit (BRT) and rapid bus service. BRT uses vehicles similar to conventional buses, but are similar to rail transit in their operation and speed. BRT service is suitable for long, speedy transit trips along densely populated corridors where Metrorail service does not exist, or is reaching capacity.

Currently, DDOT, WMATA and the Metropolitan Washington Council of Governments (COG) are looking at the competitive federal stimulus funds as a possible funding source for BRT.

Rapid bus operates somewhere between regular bus service and BRT service models. WMATA and DDOT launched the first bus rapid line, Metro Extra, in March 2007, and it gained popularity quickly. Originally planned for morning and evening rush hour service, mid-day service started one year after the launch to meet customer demand. Rapid bus service launched on 16th Street NW in March 2009. The missing components on this action item are a timeline and priority for launching additional bus rapid service or introducing BRT.

ACTION ITEM: EXPAND THE DC CIRCULATOR TO THE NATIONAL MALL AND MEMORIAL PARKS.

Connecting the 25 million National Mall visitors to the Center City is a substantial economic development opportunity and should be the centerpiece of DC’s Transit Plan. A fully designed Circulator network should include routes that link the National Mall to the Center City, reflecting the preferences of most of the respondents to an NPS Visitor Transportation Survey in 2003. Most visitors desired inexpensive, non-interpretive transportation routes between destinations that currently are not available from any other transportation provider on NPS land.

COST: The DCAA estimated capital and operating expenses for a 30-year system plan that includes improvements to existing service, bus rapid transit and streetcars is \$3.4 billion. The estimate to expand Circulator service to the National Mall and Memorial Parks is \$20 million in capital costs and \$9 million in annual operating costs. The WMATA Capital Needs Inventory for FY 2011 and FY 2020 totals \$11 billion for the region. DC’s current capital contribution for WMATA is \$65.4 million representing 12.4% of the total FY2009 capital improvement program.

CIRCULATOR USE

| | |
|-------------------------|-------|
| Recreation/Cultural | 37.4% |
| Shopping/Dining | 34.5% |
| Between home and work | 34.0% |
| Personal business | 27.3% |
| Work related | 26.4% |
| Between home and school | 10.9% |
| Other | 7.1% |

The variety of reasons passengers give for using the Circulator reflect Downtown’s vibrancy and the Circulator’s role in supporting it.

INITIATIVE #3

REDUCE DOWNTOWN CONGESTION

Several offices within the DDOT have acted autonomously to implement some of the recommended strategies in the Downtown Congestion Task Force's 2004 recommendations, but without a coordinated approach, they have limited effectiveness.

Congestion on the street needs to be managed to favor the most efficient transportation modes for moving people, goods and services; otherwise, public investments made in surface transit are sitting in traffic. Downtown streets need to be re-imagined to give priority to transit operations and to assure safety for pedestrians and bicyclists, while assuring sufficient capacity for goods and service delivery. There are six action items that support this initiative:

- K Street Redesign
- Comprehensive Goods and Services Delivery Program
- Traffic Control
- Motor Coach and Intercity Bus Management
- Smart Parking

ACTION ITEM: MAKE K STREET A GREAT STREET.

DDOT and Downtown stakeholders have been discussing re-designing K Street to accomplish congestion management objectives and to enhance the public realm since 2003. The next steps are to make a decision about transit options, commit to a public realm re-design and proceed to soliciting funding. Hopes are that full funding for the plan could be put in place drawing upon privately generated resources, as well as those from the city and federal government.

ACTION ITEM: IMPLEMENT A COMPREHENSIVE GOODS AND SERVICES DELIVERY PROGRAM.

Illegal parking for goods and services delivery resulting in traffic congestion is well documented in Downtown DC. A 2003 DDOT report on L Street found that commercial vehicles park in travel lanes to deliver everything from packages to drinking water, thereby reducing street capacity by as much as 40%. Illegally parked commercial vehicles in bus zones have an impact that ripples through the entire service route and contributes to unreliable service. Unreliable travel times add to the cost and stress of doing business Downtown for everyone.

DDOT and the Golden Triangle and Downtown BIDs piloted a comprehensive management program for goods and services delivery in 2006 with good results. Simply stated, travel times were shorter and more reliable after the pilot. It is time to expand this program to other high demand areas.

DOWNTOWN TRANSPORTATION TASK FORCE STRATEGIES

The Downtown Congestion Task Force's 2004 Report identified five strategies to better manage Downtown congestion. Those strategies required 40 action items to be implemented within 24 months. Today, only half of those items have been implemented.

Strategy #1 – Make public transportation more efficient and attractive.

Strategy #2 – Optimize Downtown traffic

Strategy #3 – Improve curbside management.

Strategy #4 – Improve on and off street parking to provide greater availability.

Strategy #5 – Enable smarter travel choices.

ACTION ITEM: USE A SYSTEMS APPROACH TO CONTROL TRAFFIC.

DDOT currently has a traffic control officer program in place to reinforce traffic signals at priority intersections. Intersection photo enforcement programs should be integrated into the traffic control program. Performance measures for the program are needed to integrate the program with other congestion management tactics, such as traffic signalization and curbside regulations.

ACTION ITEM: REGULATE AND MANAGE MOTOR COACH AND INTERCITY BUSES.

DC is the number one motor coach destination in the US, according to the American Bus Association. This is a ripe opportunity for a holistic approach to congestion and demand management. A pro-active DDOT management approach towards motor coaches would provide a terminal area that allows customers to connect to transit. A motor coach management program also would provide pick-up and drop-off points throughout the city, and require buses to park in designated areas while unoccupied.

Inter-city buses, such as the "Chinatown Buses," also require a terminal area in the city. These buses currently are unregulated. Metrobus and Circulator customers bear a big part of the burden that existing conditions have created. Local bus operators are unable to pull up to stops because inter-city bus services have appropriated the stops illegally. Goods and services deliveries are stymied at the curb when commercial loading zones become impromptu intercity bus terminals. The ensuing traffic anarchy impedes pedestrians, bicyclists and motorized vehicles from moving safely.

ACTION ITEM: CREATE GREATER PARKING AVAILABILITY THROUGH PERFORMANCE PRICING.

Pricing metered parking for both commercial and private vehicles to achieve optimal availability at any given time would reduce congestion in Downtown DC. DDOT is piloting variable parking meter rates for private vehicles on Capitol Hill and in Columbia Heights. The DC Council has legislation before it to allow variable meter rates in commercial loading zones. These pilots should be monitored closely as indicators of congestion reduction to determine how they increase parking and loading space availability. The capital costs for new parking meter technology should be incorporated into DC's strategic transportation investment plan. DDOT should incorporate ongoing management and enforcement costs for the parking program into its operating budget. Parking fees should be dedicated to help finance transportation services.

Directing motorists to available on-street and off-street parking can reduce the amount of time private vehicles spend cruising for spaces. Montreal, Canada, and San Jose, California, have instituted real-time parking availability information on electronic signs in public space to reduce congestion, a practice that has been in place in European cities for decades. DDOT has prepared a funding proposal for a comparable program that should be part of DC's transportation investment plan.

COST: DDOT has estimated at least \$60 million for re-constructing K Street. Construction costs for parking for half of the estimated 1,000 motor



The City of San Jose, California, has invested in real-time parking availability and wayfinding infrastructure. PHOTO COURTESY OF TCS INTERNATIONAL, A PARKING AND TRANSPORTATION MANAGEMENT SYSTEM INTEGRATOR.

coaches in the Center City area during peak periods is estimated to be \$20 million. An on-street and off-street parking guidance system using real time availability information in San Francisco comparable to one that would be used in DC costs \$5 million. New parking meter technology costs could reach \$2 million. Management programs for inter-city buses, motor coaches and commercial loading have to be incorporated in DDOT's annual operating budget.

INITIATIVE #4

ADOPT NEW FINANCING MECHANISMS TO SUPPORT THE STRATEGIC INVESTMENT PLAN

Given the magnitude of these investments, DC must develop a plan that incorporates financing tools beyond what the city currently is using. Some tools are best for capital costs; others lend themselves to ongoing operating and maintenance costs of transit systems and congestion management programs.

ACTION ITEM: VALUE CAPTURE THROUGH SPECIAL ASSESSMENT DISTRICTS.

Portland, Oregon's streetcar system has had a pivotal role in stimulating economic development — so much so that it has inspired a modern streetcar movement in the US. The city's private sector invested more than \$2.28 billion in projects within two blocks of the streetcar within five years of the system opening.

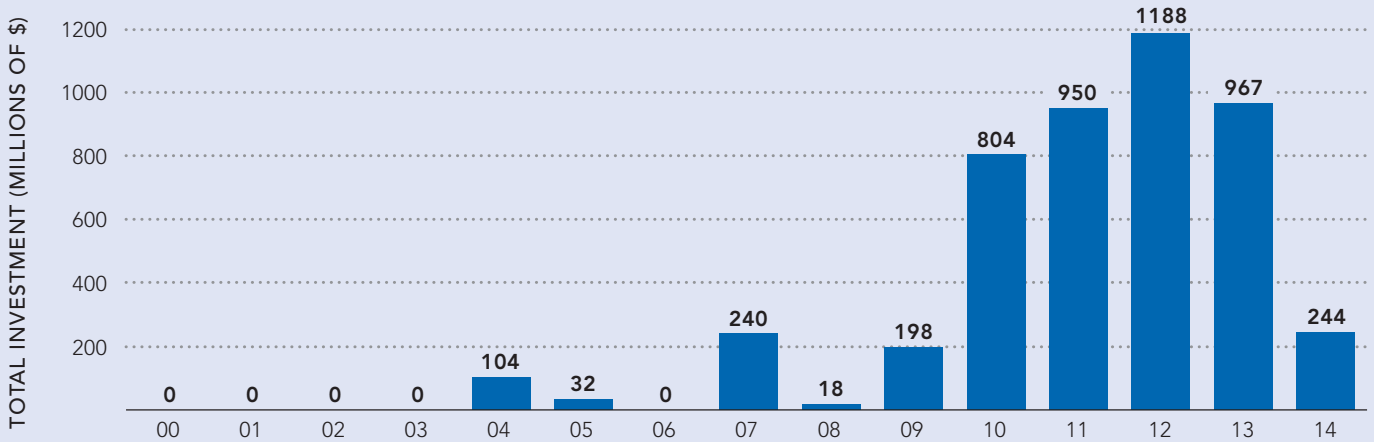
DC has its own example of development following transit investment at the New York Avenue Metro station. The special assessment district established in NoMa to construct the New York Avenue Metro station is a local example of a value capture as a transit-financing tool. The city and private property owners determined what the value of the station would be to the surrounding property in 1999. The owners then agreed to pay \$25 million over 30 years towards station construction. The federal government provided \$31 million and the city contributed \$44 million to the project. The station opened in 2004.

DEDICATE PARKING FEES AND TOLLS FOR TRANSPORTATION IMPROVEMENTS.

Increased fees for parking that are subsequently dedicated to transit operations have been implemented successfully in US cities from Boulder, Colorado, to Los Angeles, California. The transportation values nexus in this arrangement lowers the political hurdles inherent to raising government fees.

DC currently has a maximum parking fee of \$2 per hour on weekdays. Raising parking fees for peak periods and extending them to include Saturdays in areas of the city

DEVELOPMENT WITHIN FOUR BLOCKS OF NEW YORK AVENUE METRO STATION, 2000–2014 (as of 7/31/08)



NEW YORK AVENUE METRO: DC VALUE CAPTURE CASE STUDY

The economic stimulus provided by this transit investment can be seen in the amount of new construction that has been completed during the period just prior to the beginning of the transit project to the present time. Rising sale prices of adjacent land parcels gives anecdotal evidence of increased economic investment as well. CSX sold a parcel to Penn Rose Development in 2000 for approximately \$17M. Penn Rose then sold the same property to Akridge in 2002 for \$42M. In 2005, Akridge sold to Stonebridge for \$124 M. A development project on the site will be completed in mid-2010 that will bring the total investment (land and construction) to \$600M.

served by new and improved transit service financed by those fees would be a win-win for residents and businesses. Parking would turn over more frequently for those still needing to drive and better transit service would provide a lower cost travel option for those choosing not to pay higher parking fees.

Using tolls to pay for public transit and other transportation projects has been studied and discussed in the metropolitan Washington region since 2003. As DC's regional partners struggle with their own transportation financing issues, a regional approach to road pricing is increasingly attractive. Overcoming potential Congressional opposition to road charging remains an issue but successful implementation of high occupancy toll (HOT) lanes in Virginia has opened the door to discussion of this topic.

A recent Transportation Research Board study found that there is clear majority support for tolling and road pricing in the US and internationally. The study identified several themes in the 110 opinion surveys that they synthesized. Two themes are particularly relevant to this discussion of transit financing and echo the experience in communities that raise public parking fees:

- The public wants to see the value.
- The public cares about how revenues are used.

EXPLORE PUBLIC PRIVATE PARTNERSHIPS.

Public private partnerships include a broad spectrum of agreements in transportation projects. The Circulator is a local example of a relatively simple public private partnership. The Circulator is city owned, public transit, and operates under contract with a private sector company. The Bay Area Rapid Transit District (BART) is launching a significantly more complex partnership opportunity to finance, construct and operate a new link to the Oakland Airport in their system.

Public private partnerships have helped to launch advanced transit systems around the world. In France, government funding for transit was reduced substantially under the 1982 decentralization laws. Urban public transport authorities had to find new strategies to finance the extensive transit projects they needed to meet their environmental and mobility requirements. The most frequently used method of creating a public private partnership in France is through a delegation of public service from the public entity to a private entity. These partnerships typically have life spans of 25-30 years, which allows the private entity to recover its financial investment in constructing new systems. The public entity retains ownership of infrastructures and equipment. The French model provides a great deal of flexibility to make adjustments over such a long time span in terms of the amount of transit service provided, ridership goals and fares.

LEVERAGE TRANSPORTATION ACT REAUTHORIZATION.

In late 2009, the Transportation Act will be up for reauthorization. In the past, that process has included Congressional earmarks for funds for specific transportation projects and creating demonstration programs for a select number of cities. Time will tell whether Congress engages in comparable designations during the reauthorization process. DC's interests would be best served by having a generally agreed upon transit plan for the next 30 years when that process plays out.

CONCLUSION

The discussion about DC's transportation future should be a dialogue about what kind of city we want. The investments we make in transportation infrastructure and management systems become the means to that end. Business, civic and government leaders need to shape the public discourse and to craft the detailed financing plan that achieves our shared vision of an economically vibrant, environmentally sustainable city that provides social equity for all inhabitants. That vision becomes tangible by establishing a clear and reasonable timetable to achieve it. Future economic growth, supported by diverse transit services would replicate the quality of life that DC has achieved in so many of its older neighborhoods.

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