

Providence Streetcar

Phase 1A Route

Length:
1.6 miles

Phase 1A End-to-End Travel Time:
11 minutes

Phase 1A Frequency:
10 min. (peak)

Phase 1A Streetcar Stops:
11 stops, approx. every 800 feet

Phase 1A Vehicles Required:
3 active plus 1 spare (total of 4)

Phase 1A Capital Cost:
\$100.2M

Phase 1A Annual Operating Costs:
\$3.2 million (2019\$)



Part of a larger vision for a citywide network of enhanced transit

Streetcar Phase 1A:

- Only the beginning— “starter route”
- **Establish strong core** by tying expanding Downtown back to core
- Demonstrate value then build a system
- Comparable to Phase 1 for other streetcar cities

Streetcar next phases:

- Phase 1B and beyond: **Connect neighborhoods back to strong core**
- Phase 2: East-West route (Olneyville Square to Wayland Square?)



Creating a successful starter route to expand upon.

- A growing Downtown residential population (5,000 people living in Downtown)
- >45% of the City's jobs within walking distance of Phase 1
- Nearly 10,000 people working in the Hospital District **[RI's largest employment hub]**
- Existing retail and office establishments throughout Downtown
- Thayer Street, historic residential neighborhood on College Hill, Brown University and RISD (Phase 1B) **[RI's second largest employment hub]**
- Prairie Avenue and Upper South Providence neighborhood (Phase 1B)

Providence streetcar is the single investment that adds value to all of these significant projects and is the spine that connects them together:

- Kennedy Plaza: 45,000 daily RIPTA riders (statewide bus hub)
- Providence Station: >1,000,000 yearly MBTA trips and >665,000 yearly Amtrak trips; 15th busiest Amtrak station in country— and growing (improvements, multi-modal hub)
- Emerging development in the LINK district – “game changer”
- South Street Landing
- 111 Westminster
- Hospital Redevelopment District
- >1,600 hotel rooms
- Waterfire (~2,000,000 people per year)
- Convention Center, Dunkin' Donuts Center, PPAC, Trinity Rep., The Vets

Phase 1 of Providence Streetcar will bring:

- **5,750** new permanent jobs
- 250 construction jobs
- 1,890 new residents
- **3.6M** sf of new development
- **\$1.1B** boost to property values

Streetcar will help us grow

Demonstrates strong commitment from City to invest in its future

Accelerates and concentrates housing and commercial development

Enables more dense, mixed-use development

Decreases development costs through reduced parking needs

Elevates land currently used for parking to higher and better use

Reinforces walkability and livability

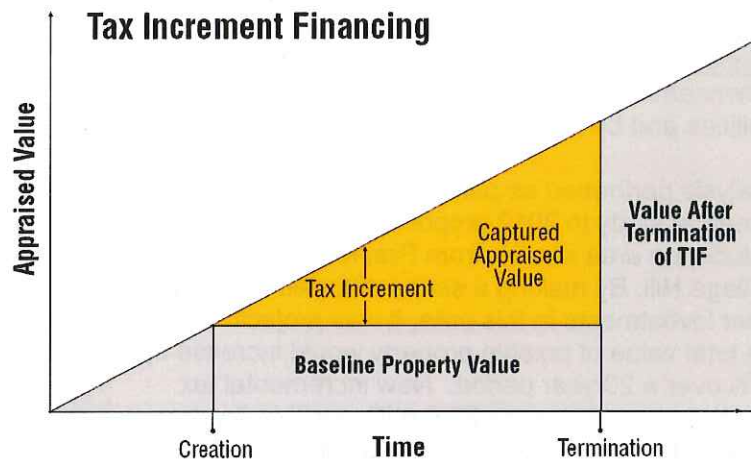


TAX INCREMENT FINANCING (TIF)

WHAT IS TAX INCREMENT FINANCING OR "TIF"?

Cities and towns in Rhode Island are authorized to use "Tax Increment Financing" or "TIF" as a tool to generate funding for public improvements in support of economic development (RIGL §45-33.2). TIF's allow a city to re-invest an increase in property tax dollars coming from an established TIF district back into the neighborhood over a set time period (e.g. 20 years).

TIF revenues are captured as tax revenues rise over time, and DO NOT require an increase in the local tax rate. When a TIF district is established, the City determines the Baseline Property Value (or current appraised value) of all property in the district. Tax revenues from this baseline continue to be directed to the General Fund. Only the increase in tax revenue from within the district and above this baseline is captured by the TIF and reinvested back into the district.



TIF revenues are generated as new development or major renovations take place, and as the value (or "increment") of taxable property value increases over time. Higher property values may result from: 1) new development on vacant or underutilized land that previously paid minimal taxes; 2) improvements to existing properties, such as a major rehabilitation or additions; or 3) inflation or "natural growth" over time in property values due to reinvestment that is occurring in the neighborhood.

City Council must establish a TIF district, based on a redevelopment plan and project budget which identifies development priorities and defines specific terms. For example, while the chart above shows Baseline Property Value remaining frozen over time, a TIF could be structured to receive only a share of incremental tax revenues – leaving the City's General Fund to also capture some of the benefits from development in the district.

HOW CAN TIF REVENUES BE USED?

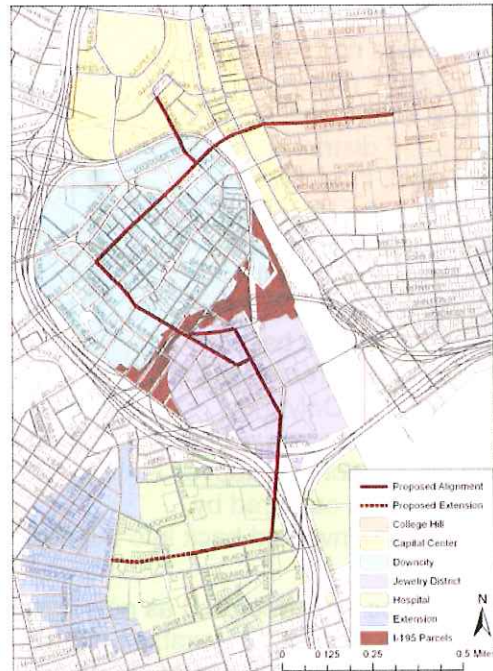
City Council would designate a board or officer to oversee implementation and expenditure of TIF revenues. Funds may be used directly in support of improvements, or may be used as a pledge to issue bonds. Projects must be in the public's interest and may include the construction or improvement of infrastructure such as parks, streets, transit facilities, bike facilities, parking, sidewalks, as well as property acquisition.

For example, a TIF district was established by the City of East Providence in 2003 and has been used to develop roads and lay sewers in the Waterfront District. As a result, significant development has already occurred, with property values in the district anticipated to increase from about \$300 million to \$1.0 billion over 20 years. The incremental tax revenue is being used, in part, to pay debt service on bonds issued for the public infrastructure.

PROPOSED DOWNTOWN TIF FOR TRANSIT AND INFRASTRUCTURE IMPROVEMENTS

A new Tax Increment Finance (TIF) District is proposed to support a series of economic development investments including streetscape enhancements, the Providence Streetcar, parking facilities and bike projects.

Analysis performed as part of the Providence Streetcar study in 2012 proposed the TIF district to include the area shown, from Prairie Avenue to College Hill. By making a series of public transit and other investments in this area, it was projected that the total value of taxable property would increase by 44% over a 20 year period. New incremental tax revenues would be over \$8.0 million within 3 years, growing to over \$30 million after twenty years. These projections conservatively assumed that new development on vacant land would be given a 50% abatement, phased out over 10 years.



Sample TIF Calculation:

	2014 Vacant Lot		2016 New Commercial Building	
	Insert photo vacant lot Or use actual example		Insert photo building Or use actual example	
	Assessed Value	Tax Revenue @ \$36.75 per \$1,000	Assessed Value	Tax Revenue @ \$36.75 per \$1,000
Assessed Property Value	\$450,000	\$16,537	\$2,500,000	\$91,875
(Less Base Value)	(\$450,000)	(\$16,537)	(\$450,000)	(\$16,537)
Increment	\$0	\$0	\$2,050,000	\$75,338

New revenues available to support debt service or finance improvements



PROVIDENCE STREETCAR TIF ASSUMPTIONS

VALUES, RATES AND TAX STABILIZATIONS

- TIF plan uses base property values established in 2009. Does not reflect Providence reassessment completed in December 2012.
- Uses the 2014 tax rates.
- Assumes new development on vacant land receives 100% abatement years 1-3; then phased in to full tax rate years 4-13.

DEVELOPMENT PROJECTIONS

- New residential development on vacant land assumed to be non-owner occupied.
- Existing residential property in the district is 75% rental and 25% owner occupied; applies a \$30.13 rate to calculate increment on existing residential properties to reflect this mix.
- Uses Most Likely Development Scenario from Core Connector Streetcar Economic Development Report, 2011-2012. Projections shifted out two years.