KC Streetcar & Value Capture

RAIL-VOLUTION- OCTOBER 2018

TOM GEREND
EXECUTIVE DIRECTOR
KC STREETCAR AUTHORITY
The Rail Story in Kansas City

9 separate efforts over 14 years for various light rail plans

- 1997 Election defeat #1 (KCATA) downtown starter line
  Mayor Cleaver calls it “touristy frou-frou”
- 1998 Election defeat #2 (Chastain/Initiative Process)
- 1999 Election defeat #3 (Chastain/Initiative Process)
- 2000 Election defeat #4 (Chastain/Initiative Process)
- 2001 Election defeat #5 (Mayor Barnes)
- 2002 Election defeat #6 (Chastain/Initiative Process)
- 2003 Election defeat #7 (Chastain/Initiative Process)
- 2006 Election win #1 (53%) (Chastain/Initiative Process)
  Repealed by Council as infeasible; Court sustains repeal
- 2008 Election defeat #8 (Mayor Funkhouser)
- 2011-Present (Chastain/Initiative Process) Pending
  $2.5 Billion “Plan”; Following more than two years of litigation, the Court required the City to place the proposed initiative on the ballot in Nov 2014, but only as a tax measure not mentioning rail project
The KC Streetcar System

$102 Million Investment
2.2 Route Miles
May 2014 Groundbreaking
Fall 2015 Substantial Completion
May 6, 2016 Grand Opening
Revenue Capture as path forward

• Existing Missouri State Law existed to form special taxing district (Transportation Development District)

• Potential to “localize” financial strategy - *those who benefit pay*

• Potential to create “win-win” cycle between project and downtown business
Transportation Development District Components

<table>
<thead>
<tr>
<th>TDD REVENUE COMPONENTS</th>
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<tbody>
<tr>
<td>&gt; One Percent Sales Tax Within TDD</td>
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<tr>
<td>&gt; Special Assessments on Real Property Within TDD</td>
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<table>
<thead>
<tr>
<th>TDD SPECIAL ASSESSMENTS</th>
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<tbody>
<tr>
<td>RATE PER $100 AV</td>
</tr>
<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Residential Property</td>
</tr>
<tr>
<td>Non-Residential Property</td>
</tr>
<tr>
<td>City Property</td>
</tr>
<tr>
<td>Non-Profit Property ($300,000 floor)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>RATE/SURFACE PAY PARKING SPACE</th>
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<tbody>
<tr>
<td>SURFACE PAY PARKING SPACE</td>
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## Annual Assessment Examples

<table>
<thead>
<tr>
<th>Type</th>
<th>Assessment</th>
<th>Effective Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Parcel With $70,000 County Appraised</td>
<td>$93.10</td>
<td>0.13%</td>
</tr>
<tr>
<td>Commercial Parcel With $1,000,000 County Appraised Value</td>
<td>$1,536.00</td>
<td>0.15%</td>
</tr>
<tr>
<td>City Parcel With $1,000,000 County Appraised Value</td>
<td>$3,328.00</td>
<td>0.33%</td>
</tr>
<tr>
<td>Non-Profit Parcel With $300,000 County Appraised Value</td>
<td>$0.00</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-Profit Parcel With $500,000 County Appraised Value</td>
<td>$256.00</td>
<td>0.05%</td>
</tr>
<tr>
<td>Non-Profit Parcel With $690,625 County Appraised Value</td>
<td>$500.00</td>
<td>0.07%</td>
</tr>
<tr>
<td>Surface Pay Parking Lot With 40 Pay Parking Spaces</td>
<td>$2,190.00</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Performance of Transportation Development District

- 62% growth in sales tax receipts within district since 13-14
- 16% growth in city-wide receipts over same period
- System is young but growth in revenues outpacing growth in O&M
Ridership

- 5 million passenger trips
- Year-over-year growth
- 6,000 daily trips (double forecast)
- Even distribution throughout alignment, with exception of Union Station
Downtown Development by the Numbers:

- **$2.1 Billion** in new downtown development
- **94** major private development projects
- **3,900** new residential units
- Many projects sited the KC Streetcar as a “major positive factor” in decision making
- **4:1 to 20:1** return on investment... after year 2

http://nextkansas.city/development-database
Centropolis on Grand

- Former surface lot
- 5 Stories
- 56 Apartment Units
- $8.2 m
1914 Main

- Former surface lot
- 5 Stories
- Mixed Use
- 44 Apartment Units
- $8 m

“1914 Main apartment building opens with streetcar fanfare” – Kansas City Star, 3/8/16
Starter-line: Goals and Results

2+ Years in Service- May 6, 2018

- **Connect:** 5+ million passenger trips
- **Develop:** Record setting development levels along route (surface lot conversions, new mixed use, hotels)
  - 40% increase in residential density within 3 blocks of route
  - 56% increase in downtown TDD sales tax receipts
- **Thrive:** 98% of business on route indicate positive impact on business
- **Sustain:** 77% public satisfaction versus 7% dissatisfied
Moving Forward – Maximizing Value
Growing the Benefits

1. Connecting assets city-wide
2. Growing the Local Revenue Model
3. Connect the University and Plaza (New Starts)
4. Connect the Riverfront (Build)
TOM GEREND
EXECUTIVE DIRECTOR | KC STREETCAR AUTHORITY
@TOMGEREND
TGEREND@KCSTREETCAR.ORG