

Kansas City Streetcar Main Street Extension
Kansas City, Missouri
New Starts Project Development
(Rating Assigned November 2019)

Summary Description	
Proposed Project:	Streetcar 3.5 Miles, 9 Stations
Total Capital Cost (\$YOE):	\$351.63 Million <small>(Includes \$21.8 million in finance charges)</small>
Section 5309 CIG Share (\$YOE):	\$174.06 Million (49.5%)
Annual Operating Cost (opening year 2024):	\$6.05 Million
Current Year Ridership Forecast (2017):	7,300 Daily Linked Trips 2,274,500 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Project Description: The City of Kansas City proposes to extend the Kansas City Downtown Streetcar south from the existing streetcar terminus at Union Station to the University of Missouri – Kansas City. The City expects the project will operate in mixed traffic with semi-exclusive service in portions of the corridor. The Project includes right-of-way acquisition, vehicle maintenance facility expansion, the purchase of six vehicles, road work, transit signal priority and queue-jumps, intersection and sidewalk improvements, communications system, and a fare collection system. The service is planned to operate every 10 minutes during weekday peak and off-peak periods and evenings, and every 12 minutes during weekends.

Project Purpose: The corridor contains several institutional and commercial uses such as the Federal Reserve Bank of Kansas City, Metropolitan Community College-Penn Valley Campus, St. Luke’s Hospital, Country Club Plaza, social service organizations, museums, and an emerging theatre district. The project is intended to connect the growing activity centers in the corridor, improve transit service, and support economic development with efficient, reliable, and effective transit service.

Project Development History, Status and Next Steps: The Kansas City Area Transportation Authority identified a locally preferred alternative in November 2013 that was adopted into the region’s fiscally constrained long-range transportation plan in June 2015. The project entered Project Development in December 2017, and the City completed the environmental review process with receipt of a Finding of No Significant Impact from FTA in May 2019. The City expects to enter Engineering in early 2020, receive a full funding grant agreement in early 2021, and start revenue service in August 2024.

Significant Changes Since Last Evaluation (November 2018): The capital cost increased from \$316.58 million to \$351.63 million based on further design work and an extended project schedule. The CIG amount increased from \$151.64 million to \$174.06 million and the CIG share increased from 47.9 percent to 49.5 percent.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$174.06	49.5%
Local:		
Transportation Development District Sales Tax, Property Tax, and Parking Assessment Revenues and Bond Proceeds	\$177.57	50.5%
Total:	\$351.63	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**MO, Kansas City, Streetcar Main Street Extension
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Non-Section 5309 CIG Share	N/A	The CIG share of the Project is 49.5 percent.
Summary Financial Plan Rating	Medium-High	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • The City of Kansas City, Missouri, (KCMO) does not operate bus service. Thus, bus fleet age is not a component of the rating. • The most recent bond ratings for KCMO, issued in April 2018, are as follows: Moody's Investors Service A1, and Standard & Poor's Corporation AA-. • KCMO's Streetcar system's current ratio of assets to liabilities as reported in KCMO's most recent audited financial statements is 3.6 (FY2018). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • Approximately 98.7 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned. Sources of funds include special obligation bonds repaid with Transportation Development District (TDD) sales tax, property tax and parking assessment funds. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include TDD sales tax, property tax, and parking assessment funds; KCMO general revenues; and advertising revenues.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> • Assumed growth in capital revenues is reasonable compared to recent historical experience. • The capital cost estimate is reasonable. • Regarding growth in operating revenue assumptions, sales and property tax revenues are reasonable compared to recent historical experience. The financial plan assumes no fare revenue because the streetcar system will be free to ride. • Operating cost estimates are optimistic compared to recent historical experience.

		<ul style="list-style-type: none">• KCMO has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 11.4 percent of the estimated CIG capital cost and 86 percent of annual system wide operating expenses.
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LAND USE RATING: *Medium-Low*

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The station areas have an average population density of 5,100 persons per square mile, which rates Medium-Low by FTA benchmarks. The project would serve a total of 104,000 employees, which rates Medium. The average daily parking cost in the Kansas City central business district (CBD) is \$13, which corresponds to a Medium-High rating. The ratio of station area to county LBAR housing is 1.19, corresponding to a Medium-Low rating.
- Main Street is primarily a commercial street surrounded by neighborhoods of mostly single-family homes. The southern end of the corridor includes a university and a regional shopping complex. In the northern and middle segments of the corridor, the low-rise commercial strip character of Main Street is interspersed with large-lot cultural institutions and office complexes.
- Almost every block of Main Street has sidewalks and these connect to surrounding neighborhoods. However, the condition and quality of the pedestrian facilities are inconsistent.

ECONOMIC DEVELOPMENT RATING: *Medium*

Transit-Supportive Plans and Policies: *Medium*

- *Growth Management:* There is no binding regional growth management framework in the Kansas City metropolitan area. However, the regional long-range transportation plan encourages development in existing areas of concentration and the regional MetroGreen plan proposes a network of trails and green space along with potential strategies to protect these sites.
- *Transit-Supportive Corridor Policies:* Kansas City's Midtown/Plaza Area Plan, a district plan that applies to the majority of the corridor, recommends high residential densities in much of the corridor and mixed-use development along Main Street. The City's Transit-Oriented Development (TOD) Policy sets principles for more detailed station-area planning, including higher densities and diverse uses, with centers of activity located closest to transit stations.
- *Supportive Zoning Regulations Near Transit Stations:* Overlay zoning that applies to almost all parcels on Main Street allows High densities per FTA's benchmarks and requires transit-supportive uses and design elements. Other commercial zones in the corridor also allow high density development. Permitted residential densities vary widely, though many of the zones allow densities in the Medium-High range per FTA benchmarks.
- *Tools to Implement Land Use Policies:* The corridor encompasses four existing tax-increment financing (TIF) districts that are primarily supporting housing improvements and commercial development. Kansas City conducted significant public outreach as part of developing the TOD Policy and Midtown/Plaza Area Plan.

Performance and Impacts of Policies: *Medium-High*

- *Performance of Land Use Policies:* Since the downtown streetcar line opened in 2016, many developments have been completed or proposed that overall appear to be supportive of transit. The extension corridor has attracted a few transit-supportive development proposals.
- *Potential Impact of Transit Investment on Regional Land Use:* Nearly 48 acres of vacant land in addition to a number of surface parking lots could be redeveloped with transit-supportive densities and character. The corridor's economic environment appears to be reasonably strong relative to Kansas City as a whole, with higher home prices and lower commercial vacancy rates.

Tools to Maintain or Increase Share of Affordable Housing: Medium

- Kansas City adopted a Five Year Housing Plan with five goals related to the development and preservation of affordable housing. The city recently passed several ordinances to support these goals. The City offers up to a 100 percent property tax abatement for up to 25 years and an exemption on sales taxes on construction materials for housing projects in which more than 10 percent of units are LBAR.
- In the corridor, the Midtown TIF has supported the preservation and rehabilitation of over 2,000 housing units since the mid-1990s, of which 120 of the units were specifically noted as being affordable.

Kansas City Streetcar- Main Street Extension

