



AGENDA

Capital Funding Work Session #2 Boise Streetcar Task Force

11:30 am – 1:00 pm, Wednesday, October 21, 2009

CCDC Conference Room; 121 N. 9th Street, Suite 501

- A. Recap of September 23 Meeting (draft notes attached) Phil Kushlan
- B. List of Questions/Issues (draft attached) Phil Kushlan / discussion
- C. LID Assessment Formula Carter MacNichol / discussion
- D. Future Meetings Mike Hall

Parking validation provided on request.

Notes

Boise Streetcar Task Force Capital Funding Working Group

Session #2 / 11:30am, October 21, 2009

Recap of September 23 Meeting

- Presented by Phil Kushlan

Draft List of Questions/Issues

- As directed from the first working group session, staff has drafted a list of questions/issues for guiding future discussion and for noting progress and resolution of the issues.
- Issues 2 and 3 (alternative sources of capital funding): Noted that government cannot be legally assessed on basis of LID statute.
- One member: should other government agencies (such as County, GBAD) be asked for a contribution. In response, the county has been approached and they “wished us well” – a contribution from them and from the state does not appear to be likely.
- It was suggested that GBAD might be approached. One member responded that their involvement could leave GBAD vulnerable to their opposition.
- It was asked whether there are cost advantages to going to a bus trolley (which are used in Seattle). Carter MacNichol responded that he would research and return with more information.
- There was some question about the capital budget and how the costs would be distributed. The question was asked as to how (assuming a \$40 million grant) the \$3/\$3 million and \$5/\$5 million relative contributions by the City and CCDC – was determined. Was it a matter of their capacity or is that amount based on something else? Response from City and CCDC staff: the amounts are what the city and CCDC should be able to do without committing to long term debt.
- Is the capital budget realistic? CCDC staff reiterated that the \$60 million capital budget is an appropriate estimate and includes a substantial contingency to deal with uncertainty.
- Are there limits to adjusting the distribution within the local share? It was concluded that the feds don’t care where the local share comes from – just that it is local.
- What if the actual cost is markedly different from the current capital budget? One member suggested that this group conclude by recommending a formula or process for dealing with contingencies. It was agreed that there be an

understanding by City, CCDC and the Task Force about how the risks and the unexpected cost savings are shared.

- Mechanisms for dealing with contingencies, maintaining ongoing budgeting of operations, etc: LID Ordinance; resolution of intent; grant agreement with the federal govt. It was noted that in order to sell LID bonds, the bond buyers will demand that the risks be addressed and a certainty of ongoing successful operations.
- Overall there needs to be clearer answers regarding construction impacts and cost overrun potential.

LID Assessment Formula/Methodology

- Carter MacNichol presented the LID concept, the formula, and examples of assessment estimates for several parcels.
- It was noted that the assessment is calculated based on land area, frontage on streetcar line, and location in proximity to the streetcar. Residential uses, those uses classified as residential uses by the assessor, are assessed a lesser amount than other parcels. One or more members questioned the logic behind this, suggesting that residential parcels benefit as much as other parcels.
- It was noted that some uses not within the LID boundary benefit as much from the streetcar as some uses within the LID. But it was also noted that the formula and LID boundary must be applied uniformly. It was also noted the 3-block radius that defines the LID area is based on documented experience of development impact from the streetcar and on the fairly common understanding of the distance most people are likely to walk to a transit mode.
- At least one member present is not completely convinced by the Economic Benefit Assessment. Other stated that it might be more useful to rely less on the quantitative analysis and consider anecdotal experience evidence of streetcar success/failure in other cities.
- Carter MacNichol noted there are some “bugs” to work out regarding the way condominium parcels are assessed.

Conclusion

- Some process for dealing with unexpected budget changes (risks and cost savings) needs to be drafted and brought to the working group. The working group will probably recommend that the process/approach will ultimately be linked to decisions by the City about funding.
- The working group wants to examine more closely the basis for the residential discount.
- The working group wants to hear from owners/developers from other cities about their views of the streetcar in their city. The working group wants to hear from both streetcar supporters and detractors.