2011 Study Tour

Light Rail & Urban Regeneration

by Marion Fulker, CEO
Background

- A study tour to add to our knowledge base in order to prepare a detailed submission on the 20 year transport plan
- Visited 6 cities across two continents to look at integrated transit systems that include light rail and ensuing urban regeneration benefits
- UK - London, Nottingham, Sheffield, Blackpool, Manchester hosted by All Party Parliamentary Light Rail Group
- USA - Portland hosted by First Stop Portland part of Portland State University
- (Melbourne – meeting with Yarra Trams 12 October)
- Met with government both local and regional including elected and executive, developers, operators, retailers, engineers
- Inspected working systems, depots and reviewed expansion plans
Questions posed

1. Divers for light rail – was it a government led or community driven initiative?
2. Why light rail was chosen over other modes (bus/heavy rail).
3. Cost – of the system.
4. Funding – was the system government funded or have other mechanisms been used/or a combination of both.
5. Passenger numbers – what is the current usage of the system and has it met expectations?
6. Capacity – What is the capacity of the system? How far is it from meeting its capacity? Can its capacity be extended?
7. Community Response – How has the community responded to the system? Do you think the community would support the network being extended?
8. What has been the development/regeneration outcomes?
9. Problems/issues – Has there been any substantial problems with the system?
Drivers

• Increasing traffic congestion
• Growing population base, long term land use plans
• Move to integrated transit network
• Regeneration of blighted areas/maximize development potential of land
• Economic development
• Social equity
Why

- Gets people out of the car and creates new transit users
- Drives new development/urban regeneration and brings private sector funds to the table
- Fits into the transit hierarchy between heavy rail and bus
- Decreases car exhaust emissions and works to improve air quality
Cost & Funding

• Hundreds of millions
• Track, land acquisition, rolling stock including customization, platforms, ticketing systems and conductors or inspectors, integration with other modes, depot, spares, selection and training of personnel, legal fees, compensation packages

• Number of funding models including:
  • central government non-repayable capital grants and repayable loans
  • % on payroll tax
  • increase in property tax
  • private sector funding mechanisms such as developer contributions, institutional and organizational capital contributions
Passenger Numbers & Capacity

- **UK**
  - 8 cities with working systems
  - 196.5 million passenger journeys, up 5.5% between 09/10 to 10/11
  - 9% increase in revenue 09/10 to 10/11
  - Most planning expansions to networks

- **USA**
  - 100+ cities in USA with or planning for light rail
  - Integrated transit system is integral to Portland’s liveability – new social norms
Community Response

- A happy coexistence
- Pressure to extend and a challenge to keep up with demand
- Increased transit patrons previously car users
- Accessibility has given greater independence to the elderly and mobility impaired
- Greater connectivity for lower sociology economic neighbourhoods to places of work and training
- Increased social housing and equity purchase product
Outcomes

- Mixed use regeneration projects – surplus/redundant land, blighted areas
- Private sector investment both domestic and international - transport infrastructure providers, transport operators, commercial, retail and residential developers
- Premium for developments within catchment
- Employers of choice if on route
- Regeneration of public spaces around stations
- Economic development around stations and on route
Issues

• Price tag, treasuries reluctant to fund when business case evaluation often same criteria as bus
• Strong bus lobby, some reticence to fund second generation trams
• Sourcing of infrastructure internationally – Siemens, Skoda
• Funding and contracting arrangements
• Selecting the operator
• Finding the personnel to operate and service new generation equipment after an often 50 year hiatus
• Competing on price with embedded subsidies for other modes
• Competing with the car
• Governance for decision making, implementing and managing contracts
What can Perth learn?

- Leverage and learn from the journey of others – UK/Europe sophisticated networks, USA many in the planning, people with expertise who can assist in governance, route design, funding models, infrastructure selection, public consultation/communication, etc
- Terminology is interchangeable – light rail/tram/streetcar
- Funding models are often specific to region and require commercial know how and political courage
- Private sector funding is a component – circa <20% of upfront capital cost
- Getting the right deal is complex – long term nature of contract, KPIs
- Choosing suppliers and infrastructure can be difficult – a level of customisation required
- Construction phase is painful – causes economic and social impacts and requires political nerve to be held
- Take up is instant and creates further demand
- Connecting large employment nodes essential to route success
Response to government

- 20 year plan contemplates light rail along extended knowledge arc route but 100% funded by private sector
  - Contract researcher preparing response to all elements except funding, circa $10K
  - Academic research into all funding models contemplated in the plan by PhD candidate James McIntosh, $15K
  - Study Tour, circa $20K
  - Offer to bring a cohort of experts from other jurisdictions, ‘fighting fund’ to be established