



Streetcar Questions Loom

Ongoing Operations Financing and Help for H Street Businesses are up in the Air

PHOTOS AND ARTICLE BY PAUL D. SHINKMAN

As the city approaches the abrasively humid dog days of a DC summer, locals turn to establishments like the Philadelphia Water Ice Factory at 1204 H Street, NE for some cooling comfort. Unfortunately for owner Khadijah Bronson, her customers cuing at the walk-up window now have to compete with pedestrians and construction workers funneled into the three feet between the building's façade and an open, active municipal construction site.

"I'm losing business," said Bronson, who claims patronage to her establishments has fallen 80-85% since the project first began. "It shouldn't be because of the city."

For the past three years, the DC Department of Transportation has been working to install on H Street and Benning Road an inaugural segment of a roughly \$1.7 billion city-wide streetcar project. There is an air of excitement about the resulting economic development and increased connectivity — this line will link the Minnesota Avenue metro station across the river to Union Station — but many local businesses are taking a big hit from the disruption to foot and vehicular traffic along the length of the corridor.

DDOT predicts construction on the new tracks will continue until at

least next summer.

"I think it's really a waste of money," added Bronson, who also owns Spoiled and Rotten Kids Boutique & Spa at 1012 H St. "They should have just redone the sidewalks, streets and lighting."

Hae Jun "Susan" Park, who came to H Street five years ago, owns and operates a wig and hat store at the corner of 12th and H streets. She is three months behind in paying her rent, despite her landlord lowering the rate \$300 for six months.

"I cannot make money, everyone left," Park said of the local clientele's response to the construction immediately outside her store.

In addition, Park recently found out that her building has become structurally unsound — due to the construction, she claims — and that she will have to vacate the premises for fear the building to "collapse at any time," according to a letter from her landlord.

Park, who emigrated from South Korea to the United States almost 20 years ago, approached Ward 6 City Councilmember Tommy Wells' office to explain her situation. She has not yet heard back.

Fiscal troubles are a common theme with this project. As the track

construction continues to chug down the corridor, DDOT has not yet nailed down a specific plan for funding and operating the city-wide project.

Capital Financing

DDOT representatives peg the remainder of the H Street line capital costs at \$63 million. This includes finishing the track installation and "streetscape" renovations, and purchasing the trolley cars, which cost between \$2.5 and \$3.5 million each. DDOT hopes for a fleet of six cars for this line allowing one to run every ten minutes.

"It will be funded with local and federal money, and maybe private funds," said DDOT spokesman John Lisle of the city-wide project, which will require an eventual 37 miles of track. DDOT is simultaneously working on a half mile continuation of the Anacostia streetcar track to open in 2012, and plans for an eastward extension track on Benning Road to 45th Street NE by 2015.

The transportation department will find out this month if it is selected to receive a \$24.99 million Urban Circulator Grant from the Federal Transit Administration to help fund capital costs.

Operations Funding

According to an April letter from Scott Kubly, associate director of

DDOT's Progressive Transportation Services Administration, fares from the streetcar (which will match fares for the DC Circulator Bus, Kubly told *The Hill Rag*) will only pay for 30% of the operating costs for the entire system. This means the city must come up with \$3.5 million to cover the rest of the cost of running the vehicles, he wrote.

This is a "relatively small part of" the roughly \$250 million annual public transportation budget, he said. Kubly mentioned hearing rumors from business owners on H Street that the city would raise area taxes to help pay for the streetcar operations.

"Not true," he said.

What's The Plan?

The enduring ambiguity in DDOT's plans has concerned some in the city government.

DC Council Chairman Vincent Gray recently approved \$47 million for DDOT — enough to finish the track construction on H Street, but only enough to purchase three streetcars. He also warned DDOT that they must soon solidify the projects' financial and logistical details.

"The chairman has never waived on support for the streetcars," said Doxie McCoy, Gray's communica-

tions director, "but he has expressed deep concerns with planning."

Gray submitted a letter to DDOT Director Gabe Klein on May 14 asking for specifics on funding and logistics for the H Street-Benning Road line. It elicited a 24-page response from the DDOT director, but that did not seem to put the chairman's concerns to rest.

"The response was not satisfactory," McCoy said, "there are still certain questions."

In addition to determining how to pay for the project, DDOT does not yet know where the H Street-Benning Road line will begin and end, how it will be powered, how it will connect with the maintenance facility slated for Anacostia, where it will be temporarily maintained and how it will turn around.

McCoy added that the future of streetcar funding will depend on "how the [DDOT] planning goes."

Lisle did not say when DDOT expects to resolve the remaining issues for the project, but many other organizations are weighing in.

Local non-profit DC Surface Transit commissioned the Brookings Institution last summer to research how other American cities have paid for streetcar systems. By analyzing models in Portland, OR and Seattle, WA, the study outlines hypothetical, and controversial, methods of financing a streetcar program. These include capturing some of the revenue generated by the presence of a streetcar, such as greater property values and increased business, which could then alleviate tapping any federal financing or the general fund of the DC government.

However, DC is a much more complicated case. Unlike the other cities, which only had to deal with a few landowners on their proposed streetcar lines, there are almost 3,000 separate parcels of land along the H Street-Benning Road line alone.

"Whenever we need to build something, we figure it out," said DC Council Member Tommy Wells (Ward-6), citing recent municipal projects like Nationals Ballpark, which opened in 2008, and the new Washington Convention Center, completed in 2003. "I'm more concerned with the operating costs than

the capital costs."

As they keep tabs on the costs of the invasive project, city officials are also looking for ways to prevent H Street businesses from going under.

Helping Small Businesses in the Interim

In an attempt to attract more commercial traffic to the corridor during the construction, Council Member Wells helped organize a bus to shuttle customers and employees between Union Station and H Street. The overarching streetcar project also includes a \$50 million initiative for "streetscape improvements" to the corridor, he said.

Wells also introduced legislation the Council passed in March delaying the property tax due date until this September. Since it is not guaranteed that landlords will pass these savings on to their tenants, Wells hopes to earmark up to \$3 million to distribute directly to local businesses. He is not yet sure how this will be done.

"The city needs to be more small business friendly," said Anwar Saleem, executive director of neighborhood organization H Street Main Street, who supports the streetcar project but believes the city could be doing more to help. "We need relief, not delay."

Saleem cited the positive effect of Councilmembers Kwame Brown (At-Large) and Wells' initiative to advertise for H Street businesses on local busses and bus shelters.

"It will be well worth it to have a daytime presence," said Julia Christian, executive director of CHAMPS, the Capitol Hill Chamber of Commerce, explaining how currently H Street is largely a nighttime destination whose patrons use taxis to get in and out. Christian also cites the inherent difficulty for area small businesses.

"Across the board, DC is one of the worst in the country for this kind of business, with fees and taxes," she said. "I think the city could be doing a lot more...to level the playing field."

"Small business is really the backbone of the city," said Christian, adding that without support, "you begin to cut into the backbone of what makes DC unique." ★



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