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Summary:

Portland's streetcar is not the economic and urban redevelopment driver its proponents want to believe. Development made the streetcar possible, not the other way around.

Word Count 557

“...[A]n urban renewal area was created, and the streetcar came along a few years after the birth of the urban renewal area. Development made the streetcar possible, not the other way around.”

“Streetcar Drives Development”— Portland’s Urban Legend

By Eric Fruits, Ph.D.

For much of human history, mass transit has had the utilitarian goal of quickly moving people from place to place. Even Portland’s early streetcars were designed with speed in mind.

Advertisements touted how quickly people could get around by streetcar. One ad from 1920 boasted that University Park in North Portland was only 20 minutes from downtown by streetcar. That works out to a speed of more than 15 miles an hour.

Times have changed. Modern streetcars have become the pleasure boats of public transit: flashy, expensive, and slow.

Today, Portland’s streetcars quietly glide through the streetscape at a leisurely pace. Portland’s new Central Loop covers 3.3 miles in about an hour and a half. At 2.5 miles an hour, that’s slower than most people walk.

If streetcars don’t improve transit times, then what do streetcars do?

Many ascribe the development of Portland’s heralded Pearl District to the streetcar. In truth, the streetcar was more of an afterthought. The Pearl’s success began with a few pioneering developments that took advantage of historic building tax abatements to convert warehouses into condos. The success of these pioneering developments attracted other investments and more developments.

After these successes, an urban renewal area was created, and the streetcar came along a few years after the birth of the urban renewal area. Development made the streetcar possible, not the other way around.

It’s impossible to find a clear-cut example of where streetcars are the single factor driving development. It’s impossible because streetcars are always just one part of a complex development package. The packages can include roadway improvements, tax abatements, rezoning, and environmental cleanup. There is no way to determine whether a streetcar system is just one of many factors that boost development potential or is a vital linchpin without which development would be impossible.



Supporters argue that streetcars and other rail projects provide a magic key that unlocks zoning and uses of an area. They point to the “condotopia” that grew out of the banks of the Willamette River in Portland’s South Waterfront urban renewal area, now served by a streetcar and an aerial tram.

As early as the mid-1990s, however, private developers had their eyes on Portland’s South Waterfront. Yet, every single effort was shot down or stifled by the city’s planning process. One development didn’t follow a city commissioner’s vision for an ideal street pattern. Another development would have exceeded the city’s maximum allowable building height at the time (35 feet, or about three stories).

Even so, Portland’s planning class continues to argue that the aerial tram and streetcar have magically unlocked the ability to build waterfront skyscrapers.

In reality, there is nothing magical about streetcars and trams. City commissioners held—and still hold—the keys to unlock an area’s development potential. If rail and tram expenditures had been invested in roadway improvements, the South Waterfront would be celebrating its 15th anniversary of redevelopment instead of suffering round after round of fire sale condo auctions.

It remains to be seen whether the streetcar’s Central Loop can breathe life into Portland’s Central Eastside, Convention Center, and Lloyd District. Large-scale rezoning to unlock development potential doesn’t need a streetcar. Investments in roadway improvements best serve the way the people actually travel, rather than the way we wish they would travel.

A streetcar by itself does nothing without these other key improvements.

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