

POLICY BRIEF

Overview of Spokane's electric trolley proposal

The case, the cost and the concern over the \$72 million electric trolley plan for downtown Spokane

By Bob Pishue, Director, Coles Center for Transportation
and Chris Cargill, Eastern Washington Director

March 2015

Key Findings

1. *STA's Proposition 1 would increase the sales tax in most of Spokane County to 9 percent.*
2. *STA's portion of the sales tax would jump by 50 percent.*
3. *Proposition 1 includes a \$72 million, six-mile long electric trolley plan for downtown Spokane.*
4. *In addition, taxpayers would pay at least \$4.1 million a year to operate the trolley.*
5. *Moving transit riders on the trolley would be 20 percent more expensive per trip than a typical STA bus.*
6. *Any future economic development along the trolley line would likely be the result of major taxpayer-funded subsidies.*
7. *Enhanced bus or Bus Rapid Transit systems would better fit Spokane's needs, at a lower cost to taxpayers.*



POLICY BRIEF

Overview of Spokane's electric trolley proposal

The case, the cost and the concern over the \$72 million electric trolley plan for downtown Spokane

By Bob Pishue, Director, Coles Center for Transportation, Washington Policy Center and Chris Cargill, Eastern Washington Director, Washington Policy Center

March 2015

3	<i>Introduction</i>
3	<i>Background</i>
4	<i>The Electric Trolley Plan</i>
6	<i>Technical Problems & Costs</i>
8	<i>Spokane Transit Authority's spending and revenue</i>
9	<i>Spokane County Sales Taxes</i>
9	<i>Will drivers pay for Spokane's electric trolley?</i>
10	<i>The 'Economic Development' Argument</i>
12	<i>Other Options: Additional Buses, Enhanced Buses or Bus Rapid Transit</i>
15	<i>The "cool" factor</i>
15	<i>Conclusion</i>

Overview of Spokane's electric trolley proposal

The case, the cost and the concern over the \$72 million electric trolley plan for downtown Spokane

By Bob Pishue, Director, Coles Center for Transportation, Washington Policy Center and Chris Cargill, Eastern Washington Director, Washington Policy Center

Introduction

In an April 28th special election, Spokane Transit Authority (STA) wants voters to raise the transit agency's share of the local sales tax by 50 percent to fund its 10-year, nearly \$300 million "Moving Forward" plan. STA officials say the "centerpiece of the proposal" is a six-mile long, \$72 million electric trolley in downtown Spokane.¹

Proposition 1 would increase the sales tax in the Spokane Transit Authority's service area (most of the urban areas of Spokane County) from 8.7 to 9.0 percent. This level approaches Seattle's sales tax rate and would be one of the highest in the state.

Background

Spokane's trolley history dates back to the 19th century. The city's first trolley line appeared in 1888.² At first, the trolleys were powered by horses. Years later, the trolleys were steam powered or pulled by a running cable. Eventually, the transit service was electrified, and at one point more than 100 electric trolleys were in service across the city.

The city's dependence on the trolley ended decades ago. In fact, at one point the trolley lines were seen as so outmoded that stacks of retired trolleys were burned in a huge bonfire in 1936.³

Almost 80 years later, Spokane transit officials propose to bring them back in a very different way, as proposed in Proposition 1.

In 2010, STA gathered community leaders to determine if the city should add a unique transit service to downtown Spokane. This "Central City Line Alternatives Analysis" featured a diverse Sounding Board – including a Washington Policy Center representative – which held numerous public

1 "STA Moving Forward –A 10 year plan for more and better transit" brochure, Page 5.

2 Spokane's Trolley Cars, by Allie Honican, <http://spokanehistorical.org/items/show/499#.VOkBhhs5Dwo>.

3 Discovery School, Spokane History – Trolleys, Streetcars and Steam Dummies, <http://www.discovery-school.org/streetcars.html>.

meetings to identify a route and determine whether a different mass transit mode was needed in downtown Spokane.

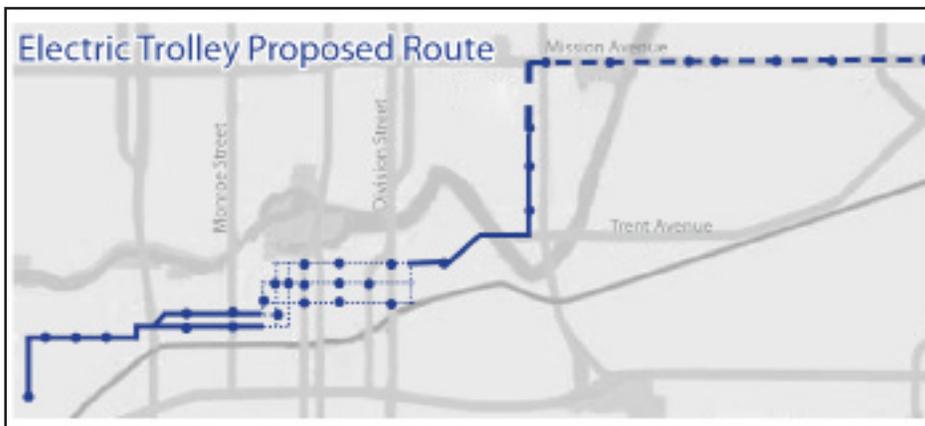
A variety of options were laid out by participants, including;

- Adding Additional Buses
- Creating a Bus Rapid Transit (BRT) system
- Building an Electric Trolley line
- Adding Streetcars
- Adding Enhanced Buses

In the end, based on targeted public feedback, officials chose a modern electric trolley system and an enormous price tag. The choice was a surprising one. Just 4 percent of daily trips in the Central City Line proposed area are taken on public transit.⁴

STA's own analysis concluded the enhanced bus option would have "high route flexibility and the highest flexibility to accommodate changes in demand."⁵ Analysts also said the enhanced bus service could do nearly everything the proposed electric trolley would, but at a much lower cost to taxpayers of \$3 to \$4.5 million per mile – a third of the cost of the electric trolley.⁶

The Electric Trolley Plan



STA officials propose building the electric trolley line to service Spokane's Browne's Addition neighborhood, the downtown core, the city's university district, Gonzaga University, and continue east to Spokane Community College.

Originally, the chosen mode was an electric trolley with overhead catenary lines that would service just three miles. But STA's plan quickly expanded, and so did the price. In

4 Economic and Land Use Impacts of the Spokane Central City Line, December 2014, Page 20, available at http://www.stamovingforward.com/wp-content/uploads/2015/01/STA_CCL-Report_ECO-Final.pdf.

5 Spokane Central City Transit Alternatives Analysis Summary Report, Pages 37-38, June 2012, CH2MHILL.

6 Ibid.

2014, a decision was made to double the length. With the change, the price tag also shot up to \$72 million – approximately \$12 million per mile.

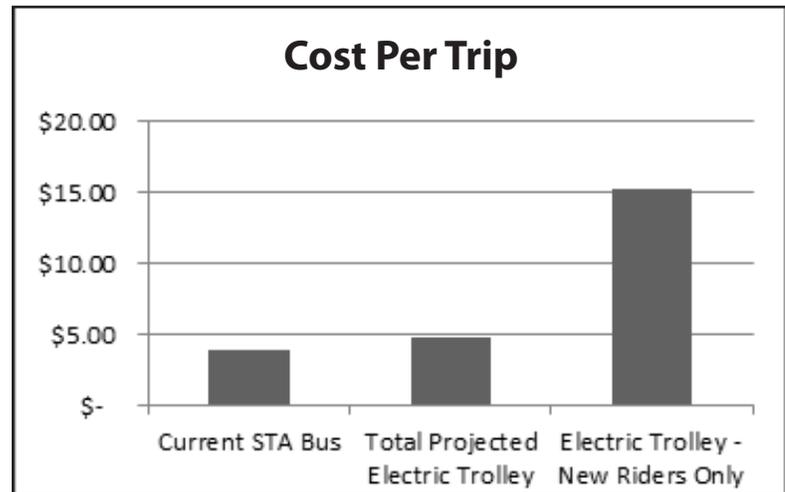
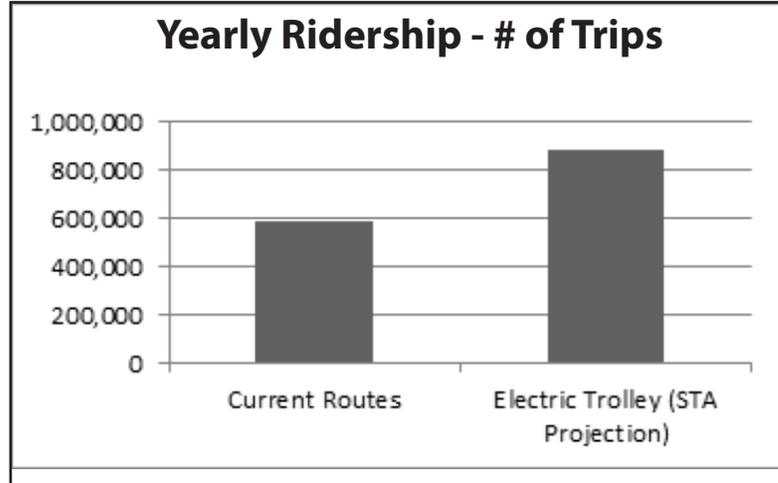
Instead of overhead power lines, STA officials now propose putting electric power chargers into the pavement or using claw-like arms atop the trolley to periodically grab power sources along the route.

In addition to the cost to build the electric trolley, taxpayers will also be charged to operate the system every year. Spokane Transit officials predict the annual operating costs for the electric trolley will be more than \$4.1 million enough to buy more than 91,000 riders a monthly bus pass every year.⁷

Transit officials also optimistically predict the trolley will serve

880,000 trips per year. A ‘trip’ is defined differently than a rider, in that a rider is counted as a ‘trip’ every time they step on board. So a worker who used the trolley every day would be counted at least twice – once for the ride to work and again returning home.

The question is what percentage of that 880,000 projection is new riders? Will Spokane taxpayers simply be paying more to move the same people?



⁷ STA Store, Fares and Passes, \$45 monthly bus fare, available at <https://www.spokanetransit.com/fares-passes/sta-store-home>.

Spokane Transit officials say there are currently 1,600 bus boardings on routes along the proposed trolley alignment,⁸ or 584,000 trips per year. If all of those people shifted to the electric trolley, transit officials would anticipate 296,000 new/additional trips per year on the route.

If transit officials are correct in their projection of 880,000 total trips per year, the per-trip cost for the trolley would be \$4.73. That is 20 percent higher than the cost of servicing a regular STA bus - \$3.92 per trip.⁹ Spokane taxpayers would simply be paying more to move the 584,000 current boardings along the electric trolley route.

If only new/additional 296,000 boardings were counted, the trolley would cost taxpayers \$15.24 per trip.

Technical Problems and Costs



The evolving technology Spokane Transit officials propose to use to power the electric trolley involve a number of unresolved technical problems.

STA officials say the extended range battery technology they want to use is “newer and less proven.”¹⁰ As for inductive charging, STA officials say there are “technical unknowns to be explored” and admit there are “engineering and commercial risks of a fast-moving technology.”¹¹

8 Central City Line Supportive Materials, 2. Refinements to locally preferred alternative, PPT #14-WSDOT, slide 19, 1,600 daily bus boardings along alignment today on multiple routes, available at <http://www.stamovingforward.com/files/1-refinements.zip>.

9 National Transit Database, 2012, Page 22, available at [http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit percent20Profiles percent202012 percent20Full percent20Reporters.pdf](http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit%20Profiles%202012%20Full%20Reporters.pdf).

10 STA “Moving Forward” Power Point presentation, June 6, 2014, page 26.

11 STA “Moving Forward” Power Point presentation, June 6, 2014, page 27.

Inductive charging is being tested on a trial basis in the United Kingdom and South Korea.¹² Utah State University recently tested the technology for buses. Testing is still in the early stages. And the systems are not built in the United States, which would make the Spokane trolley project ineligible to receive federal funding, as local transit officials have promised.

The Antelope Valley Transit Authority in California is trying inductive charging buses on a trial basis.¹³ The cost for each bus was more than \$860,000. Chargers for the buses cost \$700,000.¹⁴

Price Comparison	Electric Bus/ Trolley Cost	Charging Pod Cost	Hybrid Bus Cost
Antelope Valley, CA/AV Transit Authority	\$862,500	\$700,000	\$610,000*
King County, WA/Seattle Metro	\$1,285,000	N/A (Overhead Wire)	\$785,000
Spokane, WA/Spokane Transit	Unknown	Unknown	\$572,000**

*see footnote below ¹⁵

**see footnote below ¹⁶

While inductive charging is not used in Seattle, the price of each one of King County Metro’s electric buses (power by overhead lines) is nearly \$1.3 million.¹⁷ The typical hybrid bus costs roughly half that.

Overhead power lines produced their own potential challenges for Spokane, even though they were looked upon as a way to achieve “permanence.” Still, STA officials say the “advantages” of inductive charging would “contribute to permanence.” That same permanence, however, could also be achieved with different modes, without the “technical unknowns” of an inductive charging trolley.

12 Another transit system tests inductive charging buses, IEEE Spectrum, January 10, 2014, available at <http://spectrum.ieee.org/tech-talk/transportation/infrastructure/another-transit-system-tests-inductivecharging-buses>.

13 Mass Transit Magazine, January 10, 2014, Antelope Valley Transit Authority purchases BYD electric buses, available at http://www.masstransitmag.com/press_release/11292100/ca-antelope-valley-transit-authority-purchases-byd-electric-buses.

14 Antelope Valley Transit Authority, Electric Bus Battery Demonstration Program budget, available at <http://www.avta.com/modules/showdocument.aspx?documentid=946>.

15 Antelope Valley Transit Authority Press Release, AVTA Fleet Sparkles, March 2013, available at <http://www.avta.com/modules/showdocument.aspx?documentid=288>.

16 *Spokesman-Review*, New Year Will Bring Clean-Running Hybrid Buses, December 2007, available at <http://www.spokesman.com/stories/2007/dec/10/new-year-will-bring-clean-running-hybrid-buses-to/>.

17 King County Trolley Bus Evaluation, May 2011, available at http://metro.kingcounty.gov/up/projects/pdf/Metro_TB_20110527_Final_LowRes.pdf.

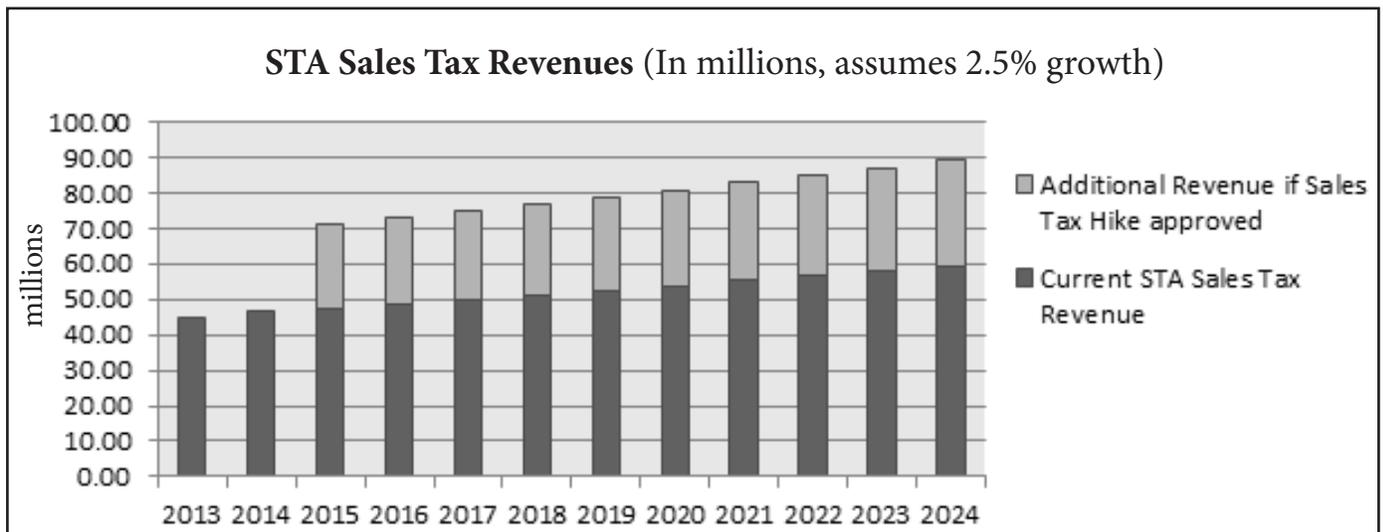
Spokane Transit Authority's spending and revenue

Washington state law limits transit agencies to collecting a maximum local sales tax rate of 0.9 percent. If the STA ballot measure is approved, Spokane Transit's sales tax rate would rise to 0.9 percent and its taxing authority would be exhausted. This means it could not ask voters for another tax increase unless legislators raised the sales tax rate local transit officials are allowed to seek.

Spokane-area taxpayers are already very generous in the amount of money they provide public transit. Spokane Transit's operating revenues were in excess of \$66.2 million in 2014.¹⁸ More than \$45 million of that came from sales tax revenues.

By way of comparison, the yearly budget of the Spokane Fire Department is approximately \$35 million, and the Spokane Police Department's annual budget is about \$53 million.¹⁹

Raising STA's sales tax rate by 50 percent, from a rate of 0.6 percent to 0.9 percent, would obviously result in a significant increase in STA's sales tax revenues. Assuming a 2.5 percent growth in sales tax revenues each year, the same growth rate predicted by STA itself²⁰, the transit agency would impose an additional \$23 million tax bill on the citizens of Spokane in the first year, rising to an extra \$29 million in local sales tax collections by the tenth year. In total, approval of the ballot measure would increase STA's sales tax revenues by nearly \$267 million over ten years.



18 Spokane Transit Authority 2014 Adopted Budget, Page 12, available on http://www.spokanetransit.com/files/content/2014_Adopted_Budget.revised.pdf.

19 City of Spokane proposed budget schedule, 2015, available on <https://static.spokanecity.org/documents/budget/2015/2015-proposed-budget-summary-schedules.pdf>.

20 Spokane Transit Authority Board Minutes, December 18, 2014, page 7, available on <https://www.spokanetransit.com/files/content/sta-board-minutes-december-2014.pdf>.

The STA proposal includes a 10-year sunset provision. If voters do not approve an extension of the tax increase, or transit officials do not seek to maintain the higher tax, STA's sales tax rate would return to 0.6 percent.

Spokane County Sales Taxes

If the Spokane Transit plan is approved, the sales tax rate in most of Spokane County would jump to one of the highest levels in the state – 9.0 percent. That tax is charged on most purchases excluding most food products and medicine.

Current Spokane Sales Tax Breakdown		Proposed Spokane Sales Tax Breakdown	
State of Washington –	6.5 percent	State of Washington –	6.5 percent
Local –	1.6 percent	Local –	1.6 percent
Spokane Transit –	0.6 percent	Spokane Transit –	0.9 percent
TOTAL: 8.7 percent		TOTAL: 9.0 percent	

Currently, citizens in most of Spokane County pay a sales tax of 8.7 percent on purchases. Sales tax revenues are eventually distributed to a number of different government agencies including Spokane Transit.

Will drivers pay for Spokane’s electric trolley?

Spokane Transit officials are counting on federal and state funds to compliment a local sales tax increase and complete funding for their proposed electric trolley.

Federal taxpayers would pay for the electric trolley in the form of a Small Starts Grant. Ironically, Spokane Transit’s pursuit of the federal tax money comes at a time when similar projects are becoming less popular around the country.²¹

When the 2015 Washington State Legislature convened and Senate leaders put forward their transportation package, \$10 million was set aside for the Spokane electric trolley proposal.²²

Washington already has one of the highest gas taxes in the country at \$0.375 per gallon. The funding for the Senate package would come from

21 A Streetcar Not Desired?, *Politico*, December 31, 2015, online at http://www.politico.com/story/2014/12/a-streetcar-not-desired-113804.html?hp=rc3_4.

22 2015 Washington State Senate Gas Tax Proposal, Funded Projects, Page 2 – Central City Line, Spokane.

a nearly \$0.12 per gallon increase in the state gas tax and numerous fee increases on drivers in Washington state.

Under the legislature's transportation proposal, state drivers would contribute funding to Spokane's electric trolley project.

The 'Economic Development' Argument

Spokane Transit officials say one of the reasons they want to build the electric trolley in downtown Spokane is to spur economic development. However, research shows economic development is not likely to happen without other local government action, some of which would be funded by taxpayers.

Research by Professor David Levinson with the Department of Civil Engineering at the University of Minnesota found: "We have no evidence that streetcars, of themselves, promote economic development in the context of present-day US cities. That is, there is no case where modern streetcars were built, nothing else was done by the public sector (no road reconstruction, no public subsidies for development, no change in development regulations), and the level of private sector economic development changed measurably, and more than in an otherwise comparable control case."²³

Spokane Transit officials claim building the electric trolley would result in \$175 million worth of economic development in Spokane, and would increase land value by \$45 million.²⁴

Such economic development claims are not new. Transit agencies across the country frequently say their projects will result in economic development. Reviews of the transit lines years after they are built, however, often show little new economic development. The exceptions are areas where additional major public subsidies may have been provided by local taxpayers.

In fact, STA's own economic analysis says subsidies, zoning changes and incentives would need to be offered. The STA study says, "supportive measures (regulations, zoning and direct development subsidies), where justified, are an important catalyst for transit-oriented development."²⁵

In addition to the \$72 million they spend to build, and the \$4.1 million they spend each year to operate, additional subsidies paid by local taxpayers

23 Do streetcars promote economic development?, by David Levinson, August 2013, Streets.mn, available at <http://streets.mn/2013/08/26/do-streetcars-promote-economic-development/>.

24 Economic and Land Use Impacts of the Spokane Central City Line, December 2014, Summary Findings, Pages x & 42, available at http://www.stamovingforward.com/wp-content/uploads/2015/01/STA_CCL-Report_ECO-Final.pdf.

25 Ibid.

would likely have to be provided to achieve the promised level of economic development in Spokane.

The STA study authors caution that transit agencies should not place new transit service where there is little demand, noting it may have a “modest or even negative effect on property.”²⁶

STA officials say Spokane should be eager to build and obtain federal funding, because “the money would otherwise not be available to the Spokane area for other projects - the spending is a net gain to the economy, not a transfer.”²⁷

This view fails to take into account Spokane taxpayers are also federal taxpayers.

Case Study: Portland

Supporters of public transit projects like light rail and electric trolley lines often point to Portland, Oregon as an example of how a transit project can promote economic development. They say the addition of the MAX Light Rail system, coupled with the Portland Streetcar, created millions of dollars in economic development along the areas they serve.

The Portland Streetcar is a plan very similar to the one proposed for Spokane: an original, four-mile long “Central City” system that was later expanded to seven miles and operates in the downtown area. The initial cost to build the system was \$88.7 million.²⁸ Unlike the Spokane proposal, the Portland Streetcar runs on steel rails embedded in the street surface.

Supporters of the Portland Streetcar say more than \$3.5 billion in economic development has been invested near the streetcar line.²⁹ However, the streetcar system has been audited numerous times and was found that transit officials inflated ridership numbers by 19 percent.³⁰ Still, the mayor of Portland recently said the streetcar system was “the best investment the city has made.”³¹

26 Economic and Land Use Impacts of the Spokane Central City Line, December 2014, Summary Findings, Page 15, available at http://www.stamovingforward.com/wp-content/uploads/2015/01/STA_CCL-Report_ECO-Final.pdf.

27 Ibid.

28 Portland Streetcar Development Impacts, Richard Brandman, December 2006, available at <http://www.reconnectingamerica.org/assets/Uploads/portlandimpacts.pdf>.

29 Portland Streetcar Development Report, April 2008, available at http://www.portlandstreetcar.org/pdf/development_200804_report.pdf.

30 KOIN6 News, Audit shows streetcar ridership overstated, December 2014, available at <http://koin.com/2014/12/11/audit-shows-streetcar-ridership-overstated/>.

31 KOIN6 News, Portland Streetcar: ‘The Best Investment We’ve Made’, February 25, 2015, available at <http://koin.com/2015/02/25/portland-streetcar-best-investment-city-has-made/>.

A review of the development in Portland shows taxpayers spent millions of dollars, not only to build and operate the transit systems, but to subsidize development along its routes. One extensive study found the city of Portland

“...used tax-increment financing to provide hundreds of millions of dollars of subsidies to developers along the route. TIF essentially allows cities to use the taxes paid on new developments—taxes that would otherwise go for schools, fire, libraries, and other urban services—to subsidize those developments. By 2010, Portland had sold \$725 million worth of bonds that would be repaid out of property taxes on new developments... to subsidize developments along the original streetcar line.”³²

The study found city officials waived \$12,000 in fees for many of the houses built near the streetcar line. The review found that, “according to tax assessors, hundreds of those housing units have also been exempted from property taxes for ten years, providing an effective subsidy of at least \$25 million more.”³³ The cost of this favorable property tax treatment was shifted onto the tax bills of other property owners in the region.

In total, almost a billion dollars in subsidies were given to developers along sections of the streetcar line.³⁴ Conversely, the review found almost no new development took place on portions of the route where developers received no additional subsidies.³⁵

Other Options: Additional Buses, Enhanced Buses or Bus Rapid Transit

In their “Spokane Central City Transit Alternatives Analysis” report, STA officials showed enhancing bus service, not creating a streetcar-style alternative, would yield the most benefit in the “effectiveness and efficiency of transit, serving land use changes and accommodating growth.”³⁶ Enhanced bus service was also the least costly of all reviewed modes. Spokane Transit also determined enhancing bus service would meet both environmental and transit ridership objectives.

However, despite the cost and performance benefits, STA officials opted to build the more expensive trolley line, apparently because it required more infrastructure spending and was electric-powered.³⁷

32 The Streetcar Scam, by Randal O’Toole, the Cato Institute, available at <http://object.cato.org/sites/cato.org/files/articles/streetcarscam-otoole.pdf>.

33 Ibid.

34 The Great Streetcar Conspiracy, June 2012, by Randal O’Toole, Cato Institute, available at <http://object.cato.org/sites/cato.org/files/pubs/pdf/PA699.pdf>.

35 Ibid.

36 Spokane Central City Transit Alternatives Analysis, Spokane Transit Authority, June 2012, available at <http://www.stamovingforward.com/files/2-alternatives-report.zip>.

37 Ibid.

A BRT system, however, would provide many of the same elements STA officials say they are looking for; off-boarding ticketing, frequency, permanency elements including built stations and a bus design that looks and feels very different than a typical transit bus.

Despite changes that brought it closer to BRT, unfortunately, the STA electric trolley proposal is still different than a Bus Rapid Transit system. In addition to the enormous cost for electric buses and charging stations, the STA proposal does not include key BRT elements like dedicated lanes and signal priority – each which can make a BRT system much more efficient.

Case Study: Eugene, Oregon

EmX BRT
Location: Eugene, OR
Original length: 4 miles
Capital cost: \$24.5m
Operating cost:
\$2.08 per trip



Thousands of passengers use Eugene’s EmX Bus Rapid Transit system every month. The original four mile-long route connects downtown Eugene to downtown Springfield. The total cost to build the system was \$24.5 million, which came in under budget and included six vehicles.³⁸ At four miles long, planners spent roughly half the cost per mile (\$6.25 million) of the proposed Spokane electric trolley.

Travel times have decreased for riders using the EmX, which operates in dedicated lanes and has signal priority.³⁹ In addition, the EmX line has covered stations along the route, each housing a ticketing kiosk and map of the route. Branding is also considered an important element of Eugene’s EmX transit line. Extensions have been made to the line since it initially was built in 2007, and those extensions have not been without controversy.

Specially-designed 63-foot hybrid buses are used along the route. While they had a steep price tag due to their size and design – \$960,000 each – the costs were included in the overall \$25 million price tag for the Eugene EmX.

³⁸ The EmX Franklin Corridor, BRT Project Evaluation, April 2009, online at http://www.fta.dot.gov/documents/EmX_FranklinCorridor_BRTProjectEvaluation.pdf.

³⁹ Ibid.

Operational costs for Eugene’s EmX are also extraordinarily low at \$2.08 per trip⁴⁰ – less than half the projected operating costs of the proposed Spokane electric trolley.

Case Study: Everett, Washington

Swift BRT
Location: Everett, WA
Original length: 17 miles
Capital cost: \$29.5m
Operating Cost:
\$6.71 per trip



Although a longer system, Everett’s popular *Swift* transit is also a Bus Rapid Transit model that could work for Spokane.

Launched in 2009, the nearly 17-mile long system brings thousands of people in and out of Everett and Shoreline each day. Original costs for Everett’s *Swift* system were approximately \$29.5 million – \$2.5 million under budget.⁴¹

Like Eugene’s EmX, the Everett *Swift* operates in dedicated lanes for at least seven miles and has signal priority for another 10 miles.⁴² The system’s 62-foot buses are accompanied by covered stations which include off-boarding ticket kiosks and route information.⁴³

Operational costs for Everett’s longer *Swift* system, however, are much higher than typical Bus Rapid Transit operations.⁴⁴ A review of Community

40 National Transit Database, Eugene BRT Operating Cost per trip, Page 26, available at [http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit percent20Profiles percent202012 percent20Full percent20Reporters.pdf](http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit%20Profiles%202012%20Full%20Reporters.pdf).

41 LCT Magazine, Community Transit to launch hybrid BRT service, 2009, available at <http://www.lctmag.com/bus/article/211316/community-transit-to-launch-hybrid-brt-service>.

42 Swift Bus Rapid Transit, Texas A&M Transportation Institute, available at http://tti.tamu.edu/group/transit-mobility/files/2012/10/Seattle_Swift-10-26-12.pdf.

43 Community Transit, *Swift*, Hitting its prime as it turns 5, available at <http://www.commtrans.org/swift/>.

44 National Transit Database, Snohomish County Public Transit Benefit Area (Community Transit), 2012, available at [http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit percent20Profiles percent202012 percent20Full percent20Reporters.pdf](http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2012/Transit%20Profiles%202012%20Full%20Reporters.pdf).

Transit's budget shows high allocations for salaries and benefits in Snohomish County.⁴⁵

Everett is making plans to extend the Swift system another 12 miles at a cost of \$48 million, or just \$4 million a mile – a third of the cost per mile sought for Spokane's electric trolley.⁴⁶

The “cool” factor

For many advocates, the public drive to build an electric trolley system in Spokane, seems to come down to seeing the street trolley as “cool.”

Suggestions were made that STA adopt a less expensive, Bus Rapid Transit system or simply add more buses to the routes. Those ideas were rejected by STA officials.

Why? In explaining her agency's rejection of the more cost-efficient Bus Rapid Transit service, Spokane Transit's Chief Executive Officer said “we don't think we can meet all of our objectives with a bus, we don't think people will see it as the kind of cool transportation mode we're looking for.”⁴⁷

Conclusion

A policy decision that costs taxpayers \$72 million, plus another \$4 million every year to operate, should not be made based on what some transit executives think is “cool.”

Spokane Transit provides a valuable public service to the Spokane area and, when compared with other transit agencies in our state, STA's spending is certainly more efficient.

Public transit is not underfunded. In fact, Washington's 31 transit agencies collect more than \$2 billion in tax revenue each year – more than the state's yearly gas tax revenues – despite the fact transit provides less than 3 percent of daily trips.⁴⁸

45 Ibid.

46 Swift II, Everett, Washington, Small Starts Project Development, available at http://www.fta.dot.gov/documents/WA__Everett_Swift_II_Profile_FY16.pdf.

47 Reaction Mixed to downtown Spokane trolley line”, KXLY4 News, July 18, 2011, available at <https://www.youtube.com/watch?v=ItGoojuGpO0>.

48 WPC Recommendations on State's 2012 Transportation Tax: Do not create a state level tax or fee to fund local transit agencies, January 2012, available at <http://washingtonpolicy.org/publications/legislative/wpc-recommendations-2012-transportation-tax-package-part-ii>.

In April, voters in Spokane and surrounding areas will decide whether they want to increase the local sales tax to increase transit spending and build the \$72 million electric trolley system in downtown Spokane.

In addition to the initial \$72 million price tag, the trolley would require \$4.1 million in operating costs – every year. That is a 20 percent higher per-trip cost than is typical for STA bus service.

The experience in other cities like Portland shows any future economic development would likely not be provided by natural market forces, but would arise because of major zoning changes or taxpayer-funded incentives and subsidies.

If there is a real transit need, STA officials could add more buses along the proposed trolley route. Or they could build a less-expensive Bus Rapid Transit (BRT) system, in place in other Northwest cities like Eugene and Everett.

Revenue figures show Spokane taxpayers are already generous in the amount of money they give to Spokane Transit Authority officials. STA officials receive more public tax revenue each year than either the Spokane Police Department or the Fire Department.

The goal of public transit is to move people from point A to point B as efficiently and safely as possible. The proposed electric trolley included in the April ballot proposal would add greatly to the cost of the sales tax and to local transit.

Published by Washington Policy Center

Washington Policy Center is an independent research organization in Washington state. Nothing here should be construed as an attempt to aid or hinder the passage of any legislation before any legislative body.

Chairman	Craig Williamson
President	Daniel Mead Smith
Vice President for Research	Paul Guppy
Communications Director	Lisa Shin

If you have any comments or questions about this study, please contact us at:

Washington Policy Center
PO Box 3643
Seattle, WA 98124-3643

Online: www.washingtonpolicy.org
E-mail: wpc@washingtonpolicy.org
Phone: (206) 937-9691

© Washington Policy Center, 2015

Bob Pishue is director of WPC's Coles Center for Transportation. Prior to joining Washington Policy Center in 2013, Bob interned at the Washington Research Council where he produced policy briefs on initiatives and referenda. His most recent role was the IT and HR Manager for a Bellevue-based retailer for eight years. A Washington resident throughout his life, Bob grew up in Everett and graduated from Central Washington University with a bachelor's degree in economics. Bob serves on his church's annual audit committee and is also an avid golfer. He lives in Kirkland.



Chris Cargill is the Eastern Washington Director for Washington Policy Center. A sixth-generation Eastern Washingtonian, Chris grew up in Spokane and graduated from Gonzaga University with a bachelor's degree in broadcast communication studies and political science. Before joining WPC in 2009, he worked in TV news for 10 years. Chris has authored many of WPC's studies specific to Eastern Washington. Chris is also an ex-officio for the Spokane Valley Chamber of Commerce and the Tri-City Regional Chamber of Commerce, and formerly served on the Spokane Regional Transportation Commission Advisory Committee and other mass transit sounding boards.

