



POLICY BRIEF

Snohomish County Community Transit expanded bus lines are not a good use of taxpayer dollars

Mark Harmsworth,
Director, Center for Small Business

March 2021

Key Findings

1. Public transit is an important part of transportation infrastructure and there is a need for quality bus service for those who depend on it.
2. Community Transit is increasing bus route capacity without corresponding ridership demand which results in higher ridership costs.
3. Community Transit ridership has fallen by 5.8 percent since 2008, from 11.3 million riders in 2008 to 10.6 million riders in 2018.
4. COVID-19 has had a significant effect on ridership and the reduced demand should be considered in future expansion planning.
5. Swift Line infrastructure and operations increase congestion for the majority of road users.
6. Using federal capital funds to build new infrastructure does not fix the underlying structural cost deficiencies in funding of transit operations.
7. Community Transit recovers 4 percent less through fare recovery than the state average at 15 percent.
8. Fare increases are inevitable given the continued expansion Community Transit is pursuing.
9. Non-transit users pay an unfair, significantly higher proportion of transit costs.
10. Community Transit should reassess service levels based on current demand.



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Introduction

Community Transit is a public transit agency operating primarily in Snohomish County, providing transit services to Snohomish and King County and serving approximately 800,000 Snohomish residents. It operates several bus lines with traditional multi-stop, pay-as-you-enter buses and, more recently, a new Swift Line bus system that seeks to streamline the passenger boarding process and reduce travel times.

In 2019, Community Transit officials expanded service significantly through the addition of a new Swift Green Line. The Swift Green Line connects with an existing Swift Blue Line to create a Bus Rapid Transit (BRT) network in Snohomish County.¹ Unlike a pay-as-you-enter bus, BRT riders pay at the bus stop before the bus arrives. Fare collection is based on an honor system with a limited number of transit officers randomly checking for riders who have not paid.

Project development has also begun on a Swift Orange Line that will connect with the Blue and Green lines and will serve the Lynnwood Link light rail station when it opens in 2024.

An analysis of Community Transit's ridership levels and cost per rider shows that low service use by the public does not justify the continuing operational costs and the additional capital expansion costs that Community Transit officials are planning over the next few years.

The following analysis illustrates key performance measures of Community Transit and compares Community Transit performance against the other transit agencies in Washington. The analysis provides details for Community Transit ridership cost, growth, and service expansion goals that the agency has assumed will take place in the next 10 to 20 years.

The analysis uses the latest public data available up to 2018 and over a 10-year period prior to 2018 for trend analysis.

1 "Swift Green Line," Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/SwiftGreen>; "Swift Blue Line," Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/SwiftBlue>; "Swift Orange Line," Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/SwiftOrange2024>.

Background

Community Transit Services

Community Transit is a public transit agency operating primarily in Snohomish County, providing transit services to Snohomish and King County and serving approximately 800,000 Snohomish residents. The services it provides include:

- DART (Dial-A-Ride Transportation), which provides paratransit service for disabled people.
- The Swift Line bus system, which seeks to streamline boarding and reduce travel times.
- Traditional, fixed route and schedule pay-as-you-enter buses of up to 100 riders per bus.
- Vanpools of five riders or more each with driver-set schedules, pick-up and drop-off points.

Additionally, Community Transit offers several incentive discount programs to reduce the cost of ridership, including Commute Trip Reduction (CTR), ORCA cards, the School Transit Education Program (STEP), Travel Training Program, Title VI Program, Van Go, and Oxy Gene.²

Fixed Route and Swift Line Ridership

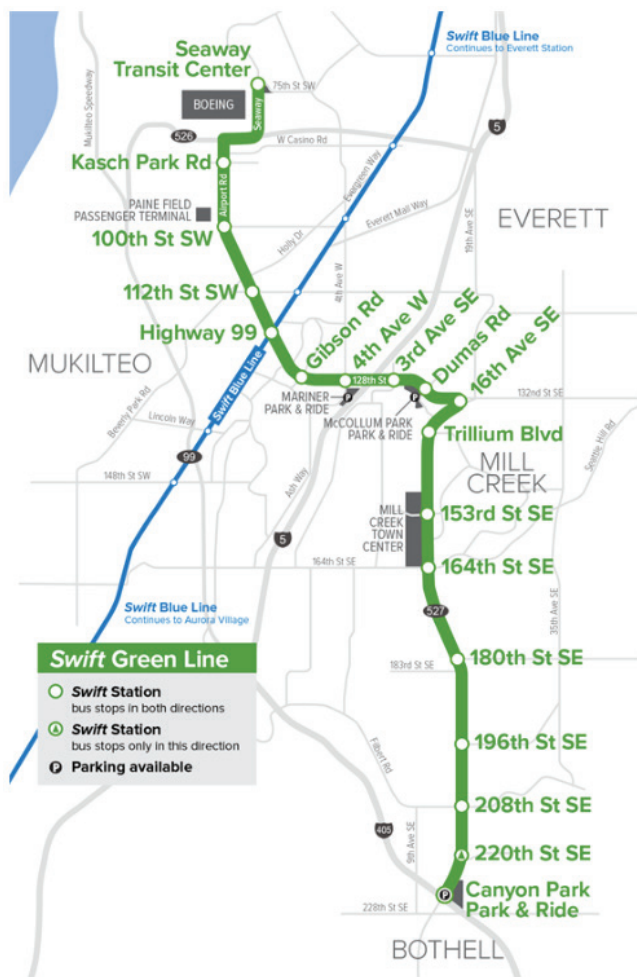
Community Transit expanded bus service in Snohomish County in 2019 by adding the Swift Green Line to the I-405/SR 527 corridor. The agency spent \$73.3 million on 34 new bus stops and buses to roughly double combined rider capacity with the existing 105 and 106 routes.³ The level of ridership itself, however, did not double.

The Swift Green Line is the second Swift line Community Transit has deployed. The first line was the Swift Blue Line which was put into service in 2009. It runs between Everett Station and Aurora Village Transit Center, serving the communities of Everett, Lynnwood, Edmonds, and Shoreline. The Swift Blue Line connects with Swift Green Line at Highway 99 and Airport Road.

A proposed third extension, the *Swift Orange Line*, will connect south Snohomish County to the region's transit network in 2024 when Sound Transit's Link light rail extends to Lynnwood.

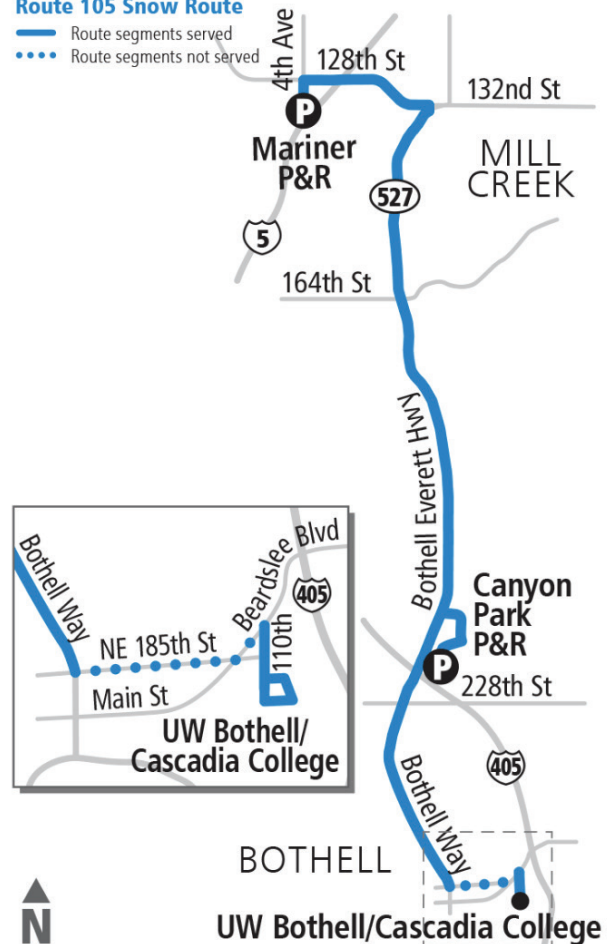
2 "Community Transit Programs", Community Transit, accessed on October 11, 2020, at <https://www.communitytransit.org>.

3 "Community Transit starts construction on Green Line stations," by Melissa Slager, The Everett Herald, accessed on June 20, 2020, at <https://www.heraldnet.com/news/community-transit-starts-construction-on-green-line-stations/>.



Route 105 Snow Route

- Route segments served
- Route segments not served



Source: Community Transit website

The Swift bus lines are promoted by Community Transit as supposedly new, faster, and easier bus transportation. Unlike traditional payment collection which occurs as riders board buses, the Swift bus system requires passengers to pay at the stop before they board, and has a different bus ingress/egress height to comply with the American Disabilities Act (ADA).⁴ These policies require new stops to be built at an average cost of \$633,000 per stop and new buses to be purchased at a cost of \$826,000 per bus.⁵ Riders use an honor system and pay at the bus stops before boarding. There is minimal fare enforcement, though Community Transit does contract with the Snohomish County Sheriff's office for bus safety and random fare compliance.

During the first few months of operation, Community Transit reported an increase in riders on the Swift Green Line and a decrease in riders on the existing 105 and 106 routes. The 105 and 106 routes follow essentially the same route as the

4 "Swift Green Line," Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/SwiftGreen>; "Information and Technical Assistance on the Americans with Disabilities Act," United States Department of Justice Civil Rights Division, accessed on June 21, 2020, at <https://www.ada.gov/>.

5 "Public Disclosure Request PDR 2019-107 Swift Green Line Accidents," received from Community Transit by Mariya Frost, Washington Policy Center on September 27, 2019.

Swift Green Line, almost identically on snow days.

Between the three services, there are approximately 275 buses serving 2,800 trips per day.⁶ Since the majority of riders take two trips per day and do not ride the complete route, typically only two to three people are on a bus at any one time. The buses have seating capacity of 60 people.

The existing 105 and 106 routes run a combined 84 buses per day for a rider capacity of over 4,000 riders. The Swift Green Line adds capacity for another 11,500 riders. Most buses, however, run near-empty most of the time.

Swift Green Line Corridor Daily Average Ridership by Day Type

	Route	Weekday	Saturday	Sunday
Pre Launch*	105	1,123	381	309
	106	205	No Service	No Service
Post Launch**	105	730	258	245
	106	188	No Service	No Service
	Swift Green	1,933	1,077	830

*Pre Launch is the Fall 2018 Service Change (9/23/2018-3/23/2019) excluding the snowstorm (2/3-2/16/2019)

**Post Launch is the Spring 2019 Service Change (3/25/2019-9/10/2019) excluding the day of launch 3/24



Swift Line creates potentially dangerous reconfiguration of intersections

A more controversial element of the Swift line deployments is the reconfiguration of intersections near the bus stops and the bypass lanes installed to favor buses over the rest of the traveling public.⁷

Car drivers and bike riders have experienced delays with the reconfiguration and additional bus stops adding to the flow of traffic on the corners of busy intersections. These stops, in some locations, are in addition to an existing bus stop, effectively double stacking the buses.

While this reduces the time a bus is required to wait before it can pull back

⁶ "About Swift Lines", Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/aboutswift/>.

⁷ Ibid.

into traffic, it creates a dangerous situation where cars are forced to stop in intersections and often switch lanes at the last minute to avoid a collision with the bus. Community Transit has reported several accidents in safety-related incidents and car collisions with buses at the intersections.⁸

Green Swift Line Accidents reported by Community Transit (collision only)

Event Number	Department	Event Date	Event Time	Street1	Event Type
19-021810	Community Fixed Route	09/25/2019	16:10	HWY 99 and Airport Road	Collision With: Other Vehicle
19-021550	Community Fixed Route	08/24/2019	13:28	Airport Road and 112th ST	Collision With: Fixed Object
19-021525	Community Fixed Route	08/19/2019	14:46	Hwy 527 and 153rd St	Collision With: Other Vehicle
19-021087	Community Fixed Route	08/13/2019	12:39	WA-527 & 178th St SE	Collision With: Other Vehicle
19-020888	Community Fixed Route	08/02/2019	22:47	HWY 527 and 186th PI SE	Collision With: Other Vehicle
19-020833	Community Fixed Route	07/22/2019	15:20	Hwy 99 and Airport Road	Non Collision: Near Miss / Sudden Stop
19-020239	Community Fixed Route	06/29/2019	18:54	Seaway Transit Center	Collision With: Fixed Object
19-020227	Community Fixed Route	06/28/2019	10:27	HWY 527 and 164th St SE	Collision With: Other Vehicle
19-020385	Community Fixed Route	06/19/2019	05:44	WA-527 & 164th ST SE	Collision With: Other Vehicle
19-019611	Community Fixed Route	05/24/2019	08:55	HWY 99 and Airport Road	Collision With: Other Vehicle
19-019507	Community Fixed Route	05/18/2019	10:17	1802 75th Street Southwest	Collision With: Other Vehicle
19-019936	Community Fixed Route	05/11/2019	11:38	Airport Road & Kasch Park Road	Collision With: Fixed Object
19-018810	Community Fixed Route	03/27/2019	06:11	Seaway Transit Center	Non Collision: Property Damage
19-018529	Community Fixed Route	03/07/2019	12:14	WA-527 & 153rd St SE	Collision With: Fixed Object

Source: “Public Disclosure Request PDR 2019-107 Swift Green Line Accidents”, requested from Community Transit by Mariya Frost, Washington Policy Center on September 27, 2019.

Bus drivers, by using the Transit Signal Priority System, can keep an intersection light green as the bus approaches, while blocking other vehicles.⁹ This delay in the light signal disrupts the synchronization of surrounding area intersection lights which subsequently increases traffic congestion.

Community Transit Budget

Community Transit had an annual operating budget of \$213 million and a capital budget of \$119 million in 2020.¹⁰

In 2018, the agency provided 822,688 hours of operation for 7.8 million riders on directly operated buses.¹¹

8 “Public Disclosure Request PDR 2019-107 Swift Green Line Accidents,” received from Community Transit by Mariya Frost, Washington Policy Center on September 27, 2019.

9 “Comprehensive Evaluation of Transit Signal Priority System Impacts Using Field Observed Traffic Data,” Washington State Transportation Center (TRAC) 2008, accessed on June 21, 2020, at <https://www.wsdot.wa.gov/research/reports/fullreports/699.1.pdf>.

10 “Board of Directors Budget Notebook - December 31, 2019,” Community Transit, accessed on June 20, 2020, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

11 Ibid.

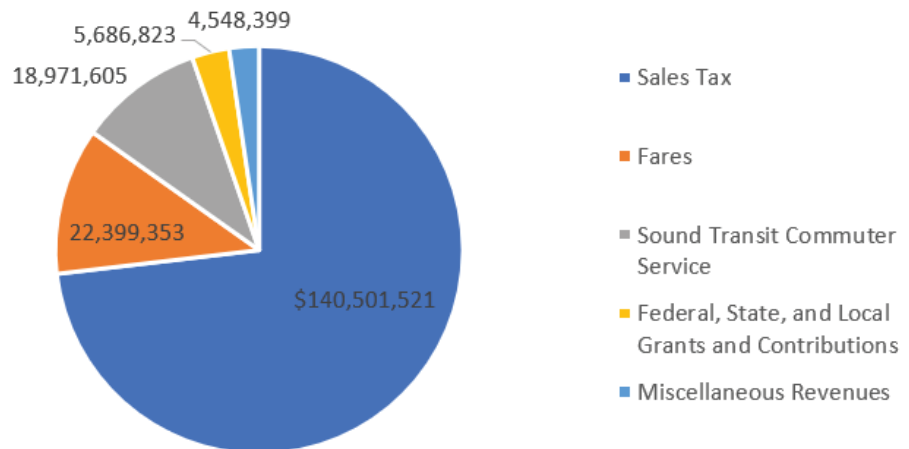
Year	Directly Operated	Motor Bus Directly Operated	Commuter Bus Directly Operated	Contract Commuter	DART Paratransit	Vanpool	Total: Community Transit Service	Sound Transit
2009	8,521,071	-	-	1,771,177	217,909	862,341	11,372,498	2,642,636
2010	7,337,474	-	-	1,642,463	217,648	843,551	10,041,136	2,631,195
2011	6,951,171	-	-	1,606,732	204,291	892,936	9,655,130	3,136,037
2012	6,473,033	-	-	1,505,441	194,862	920,252	9,093,588	3,467,994
2013	-	5,311,451	1,169,446	1,499,566	188,222	927,660	9,096,345	3,226,043
2014	-	5,871,816	1,194,937	1,625,988	192,633	924,912	9,810,286	3,676,480
2015	-	6,103,118	1,175,876	1,656,233	190,366	912,637	10,038,230	3,646,063
2016	-	6,321,906	1,184,766	1,683,375	194,175	867,776	10,251,998	3,645,267
2017	-	6,413,837	1,168,082	1,721,767	194,471	861,372	10,359,529	3,648,400
2018	-	6,584,139	1,223,332	1,770,703	200,010	869,370	10,647,554	3,732,917

Data Source: Board of Directors Budget Notebook - December 31, 2019.

The average gross cost per rider on fixed-route services is approximately \$20 per trip. Only about \$2 to \$3, or around 10%, of that cost is recovered through fare collection.¹²

Community Transit revenues come from several sources. The majority of the funding is from sales taxes.

2018 Community Transit Revenue by Source



Data Source: Community Transit Board of Directors Budget Notebook - December 31, 2019.

¹² "Board of Directors Budget Notebook - December 31, 2019," Community Transit, accessed on June 20, 2020, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

Community Transit compared to other transit agencies

Washington State Department of Transportation's (WSDOT) 2018 Summary of Public Transportation was released in November 2019.¹³ The report shows operating cost increases for most transit services provided by agencies in the state and initial numbers reported from the agency show this trend is continuing.

Operating costs per passenger trip	2013	2014	2015	2016	2017	2018	One year change (%)
Fixed route	\$4.76	\$4.83	\$4.93	\$5.26	\$5.73	\$6.08	6.10
Route deviated	\$8.39	\$8.75	\$9.97	\$10.24	\$12.24	\$13.78	12.64
Demand response	\$39.46	\$40.76	\$41.97	\$43.38	\$47.39	\$48.47	2.27
Vanpool	\$3.36	\$3.52	\$3.23	\$3.40	\$3.76	\$4.11	9.46
Commuter rail	\$13	\$11.94	\$10.52	\$10.30	\$10.24	\$11.28	10.20
Light rail	\$5.26	\$5.43	\$5.23	\$4.62	\$4.17	\$4.86	16.54

Washington State's population increased by 1.6 percent between 2017 and 2018. However, transit use during that same period increased only 0.9 percent. This happened despite continued spending on transit made year over year, including, and while funded separately, Sound Transit's \$54 billion Sound Transit 3 ballot measure, passed by voters in 2016.

The report shows a decrease in transit ridership when population increase is factored into the calculation.¹⁴ The percentage increase in transit use should keep pace with population growth to justify investment at current levels. Currently, population growth is exceeding transit ridership as new residents to the area are preferring other modes of transportation over transit.

The exception to the increasing costs is vanpools. Vanpools are highly cost-effective compared to other transit services. Compared to light rail, for example, a vanpool costs only \$25 to operate per hour, or just six percent of the light rail cost, which is \$415.51 per hour.¹⁵

Agencies' dependence on tax revenues to operate transit is also increasing, with a year-over-year trend to less farebox recovery (the amount a rider pays when boarding the bus) and an increasing tax burden on the taxpayers of Washington. The average bus recovers only 15 percent of its running cost from fares, while the remaining 85 percent is subsidized by taxpayers.¹⁶

13 "Washington State Summary of Public Transportation," Washington State Department of Transportation, accessed on June 20, 2020, at <https://www.wsdot.wa.gov/Publications/Manuals/M3079.htm>.

14 "Sound Transit 3," Sound Transit, accessed on June 20, 2020, at <http://soundtransit3.org/>.

15 "Board of Directors Budget Notebook - December 31, 2019," Community Transit, accessed on June 20, 2020, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

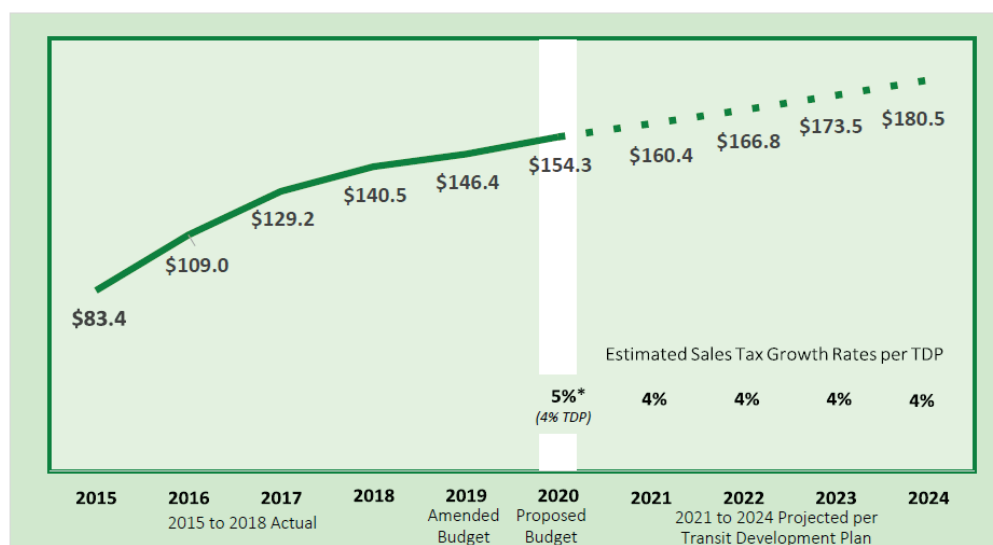
16 "Washington State Summary of Public Transportation," Washington State Department of Transportation, accessed on June 20, 2020, at <https://www.wsdot.wa.gov/Publications/Manuals/M3079.htm>.

Farebox recovery ratio	2013	2014	2015	2016	2017	2018	One year change (%)
Fixed route	26.0%	26.3%	26.2%	25.2%	23.1%	22.1%	-1.00
Route deviated	4.4%	4.0%	9.1%	9.0%	7.3%	6.3%	-1.00
Demand response	2.8%	2.8%	2.8%	2.7%	2.5%	2.3%	-0.20
Vanpool	89.4%	89.7%	79.0%	76.7%	69.9%	65.3%	-4.60
Commuter rail	24.6%	26.1%	29.4%	30.6%	33.1%	31.9%	-2.20
Light rail	25.9%	23.8%	27.2%	32.5%	37.2%	32.7%	-5.30

Community Transit recovers 4 percent less than the state average at 15 percent.

COVID-19 impact on Community Transit's budget

Community Transit, in addition to fares, depends on sales tax, grants, advertising, and interest earned to fund its projects.



Source: Board of Directors Budget Notebook, Community Transit, December 31, 2019.

The agency reports that tax revenues, unsurprisingly, are lower than what was projected for 2020. Ridership has declined during COVID-19 on Community Transit's services, reducing revenue from fare collections.¹⁷

Projections are based on current information and do not include the impacts from a prolonged economic recession or changes in people's travel behavior after COVID-19 subsides. Surveys indicate a shift in travel preferences, as more people telecommute and choose to drive rather than take public transit. It is highly likely that even after the state economy is fully reopened, transit ridership will build slowly, and some ridership losses will not be recovered.

As reported by the National Transit Database, February 2021, Community Transit ridership for 2020 is down 48% compared to 2019.¹⁸

The five percent sales tax revenue increase the Community Transit budget projected for 2021 and later is unlikely to materialize, and Community Transit may

¹⁷ "Reduced Service Schedules [close up text] in Response to COVID-19," Community Transit, accessed June 21, 2020 at <https://www.communitytransit.org/reducedservice>.

¹⁸ "National Transportation Database," accessed on February 8, 2021, at <https://www.transit.dot.gov/ntd/ntd-data>.

see reduced tax revenues and ridership for the remainder of 2021.¹⁹

Community Transit has changed its service and operations levels because of COVID-19. Operations were initially decreased but have subsequently started to return to pre-COVID levels. Additional cleaning procedures, mandatory masks for employees and riders and boarding at the front of the bus and exiting at the rear have been implemented.²⁰

Despite the economic impact of COVID, Community Transit has assumed a 5.4 percent increase in revenue in 2021.²¹

Policy Analysis

Community Transit service expansion proposals

Projected population growth for Snohomish County is 480,000 new residents by 2050.²² Transit market share in Snohomish County remains at three to four percent, which has not changed significantly over the last 30 years.²³ Community Transit officials assume they will potentially gain an additional 1,800 transit users in Snohomish county every year for the next 30 years.²⁴

There are, however, several problems with this growth assumption. It ignores the rise of private demand-based transportation network companies (TNC) like Uber and Lyft, the arrival of autonomous vehicles, the increase in telecommuting due both to COVID-19 and to general work-from-home changes, and after COVID-19, the natural reluctance people will have about being packed on full buses when there are safer options available.

The Puget Sound Regional Council (PSRC) recently updated its growth plan for 2050. The previous 2040 plan was wrong, showing that the growth that was

19 “Board of Directors Budget Notebook,” Community Transit, December 31, 2019, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

20 “Safe and Healthy Tips for Riding Transit,” Community Transit, accessed on August 30, 2020, at <https://www.communitytransit.org/coronavirus>,

21 “Board of Directors Budget Notebook,” Community Transit, December 31, 2019, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

22 “Puget Sound Regional Council 2050 Vision,” Page 3, Puget Sound Regional Council, accessed on June 20, 2020, at <https://www.psrc.org/sites/default/files/vision2050alternativespaper.pdf>.

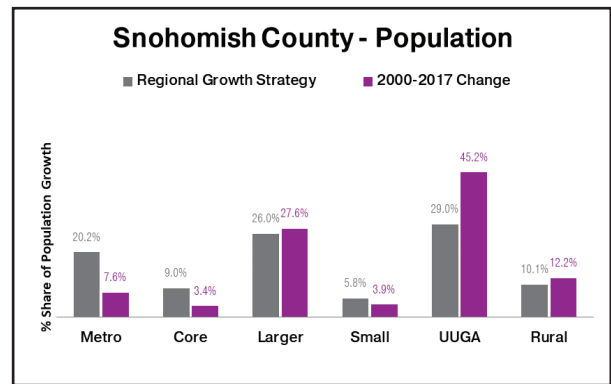
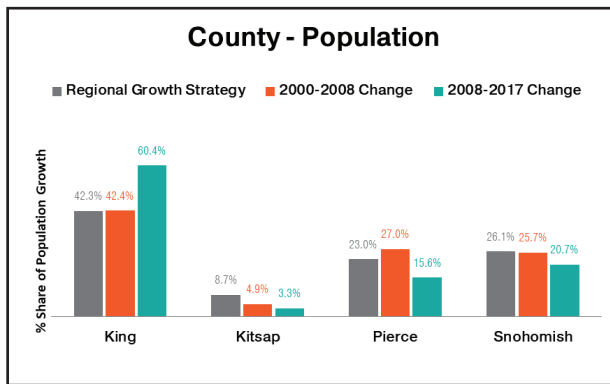
23 [Use “Ibid.” each time a footnote repeats the one just before it] “Puget Sound Regional Council 2050 Vision,” Puget Sound Regional Council, accessed on June 20, 2020, at <https://www.psrc.org/sites/default/files/vision2050alternativespaper.pdf>.

24 “Puget Sound Regional Council 2050 Vision,” Puget Sound Regional Council, accessed on June 20, 2020, at <https://www.psrc.org/sites/default/files/vision2050alternativespaper.pdf>.

projected in Snohomish came in 21 percent lower than expected.²⁵ The majority of population growth has been in the Seattle and Bellevue areas, driven primarily by the influx of new high-tech jobs.

In Snohomish County, most of the growth has occurred in cities with populations under 40,000, urban growth areas (UGA), surrounding rural areas and not in the metro areas. This changes the type and need of transit use. High frequency, high-capacity transit is expensive and not practical for smaller towns and rural areas, as the population tends to be more geographically dispersed.

The best option for those communities will always be the individual automobile. However, transit services that can work those that are demand-based, and that offer point-to-point service. Vanpools, TNCs, autonomous vehicles, and carpools have the ability to meet on-demand travel needs in more cost-effective ways than mass-transit buses.



Source: PSRC Vision 2050 Planning

Adjusting for the population growth error of 21 percent in PSRC 2040 planning documents, small towns, Urban Growth Areas (UGA) and rural areas represent over 50 percent of the projected growth.²⁶ If the growth is occurring primarily in rural areas, this reduces the projected transit demand from 1,800 more riders a year to only about 700 new riders a year.²⁷

Additionally, this does not consider the long-term impact of COVID-19 on travel, including increased telecommuting, and riders moving away from transit corridors. Reliable data for this transit demand change will likely remain unavailable for several years.

25 "Puget Sound Regional Council 2050 Vision," Puget Sound Regional Council, accessed on June 20, 2020, at <https://www.psrc.org/sites/default/files/vision2050alternativespaper.pdf>.

26 Ibid.

27 Estimated ridership; 79 percent of 1,800 riders at 50 percent is 700 riders.

Community Transit ridership projections

The approach Community Transit officials have taken to estimate ridership levels for 2050 is flawed because they do not take into consideration the changing demographics and the nature of population growth in Snohomish County. Agency officials are highly optimistic about ridership increases and overestimate revenue from sales tax and fare recovery. Their estimates are likely to be wrong again.

Community Transit ridership has fallen by 5.8 percent since 2008, from 11.3 million riders in 2008 to 10.6 million riders in 2018.²⁸ Ridership has not increased at the rate that Community Transit has projected. Despite this, Community Transit officials continue to build and deploy additional bus service without a corresponding increase in ridership.

Community Transit officials assume in their ridership projections that transit use will increase significantly, a trend that has not materialized in the last 30 years, despite massive government spending. Community Transit officials assume increases will be realized if drivers start using transit in greater numbers due to frustration with increased traffic congestion. This is the assumption both PSRC and Community Transit make in the Vision 2050 planning documents.

As the population of Snohomish County increases, congestion will also increase without the appropriate level of investment in infrastructure improvements. The Community Transit jump-ahead lanes, preferential treatment for intersection light control, and the in-line bus stations that block the roadway for other road users will add to traffic congestion problems. Community Transit officials are, in effect, creating the congestion problems they say will justify their own budget growth.

This approach to favoring a few transit riders over the majority of road users is not a good use of public transportation dollars.

Community Transit revenue and costs – Capital vs Operational

Community Transit is avoiding operational budget deficits by using capital grants to replace its aging bus fleet and infrastructure. This approach to budgeting hides the true cost of running the transit service.

As an example, the grant request for federal funds for the Swift Green Line was \$70 million dollars.²⁹ The operational cost to replace these new buses and infrastructure should be included in the Community Transit operating budget. Instead, Community Transit has assumed new capital money will be available when the Swift line infrastructure needs to be replaced in 10 to 15 years and is not budgeting for its replacement.

A \$70 million bond with interest would cost Community Transit approximately

28 “Board of Directors Budget Notebook,” Community Transit, December 31, 2019, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

29 “Puget Sound Regional Council Funding Application,” Community Transit, accessed on June 18, 2020, at https://www.psrc.org/sites/default/files/tip2018-fhwa-community-transit-swift-orange-line-expansion-buses_web.pdf.

\$10 million a year for 15 years, or more than twice the revenue it would raise. Fares would need to increase by 33 percent to cover the additional cost, a level that is unrealistic and unachievable.

Community Transit recovers four percent less revenue at the farebox (or only 11 percent) than the state average of 15 percent.

Fare increases are inevitable given the continued expansion Community Transit is pursuing. If ridership increases do not materialize as Community Transit anticipates, Community Transit will need additional sales tax revenue or higher fare recovery. Since the passage of the \$54 billion Sound Transit package, several cities in Snohomish County are hitting the cap on the sales tax rates they impose on people, and they cannot increase the taxes further without legislative action.³⁰

Community Transit has placed itself in the position of being forced to increase fares to cover the new operating costs of the expanded Swift line service. Community Transit may also need to shut down existing routes to reduce its operational costs.

Ironically, the addition of the new Swift routes and the required zoning changes that are required will reduce sales tax revenue by requiring sales tax-generating businesses to close. In Mill Creek, the proposed Swift Orange Line route will re-zone one of the last business districts in town, pushing out several well-established sales tax-generating businesses.³¹

With COVID-19 and changing commuter transit use significantly affecting revenue and ridership numbers, there will not be enough revenue to pay for the planned expansions.

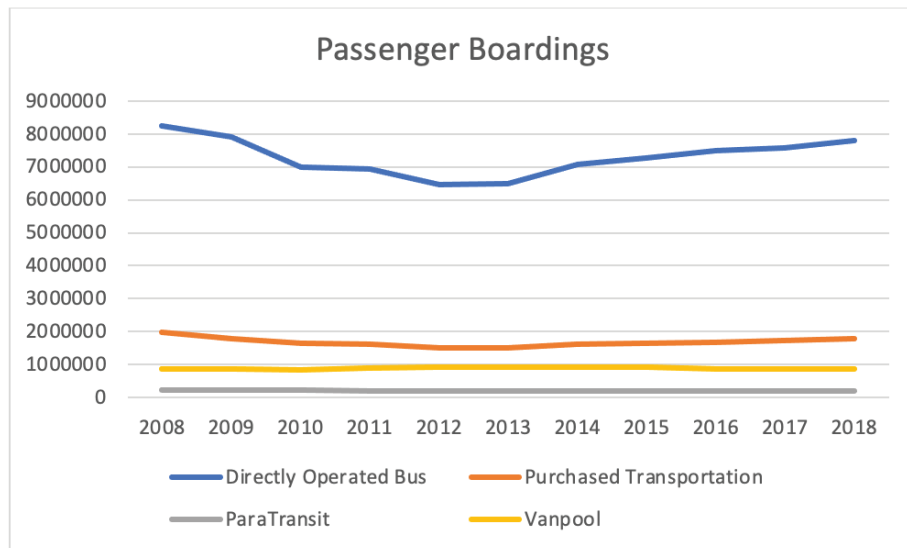
Ridership vs Revenue – The cost to run Community Transit

Comparing the cost to run Community Transit with the actual number of trips taken over the last 10 years illustrates the poor use of public money. As previously stated, ridership dropped by 5.8 percent between 2008 and 2018, despite agency officials increasing their costs by 98 percent. Fare revenue for the same period fell by 63.2 percent.

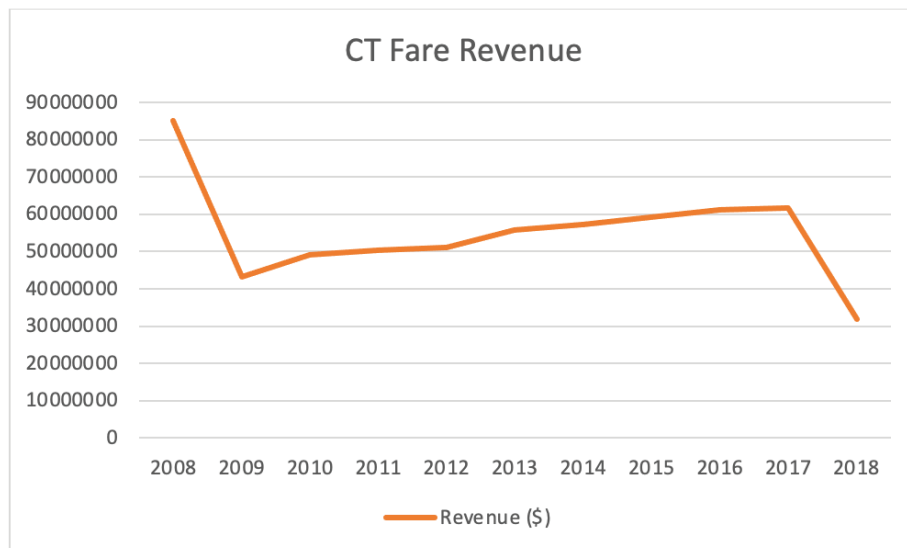
The graphs on the following page are based on the data Community Transit reported to the National Transportation Database between 2008 and 2018.

30 “Washington Sales Tax Rates: Mill Creek,” Sales Tax Handbook, accessed on June 20, 2020, at <https://www.salestaxhandbook.com/washington/rates/mill-creek>.

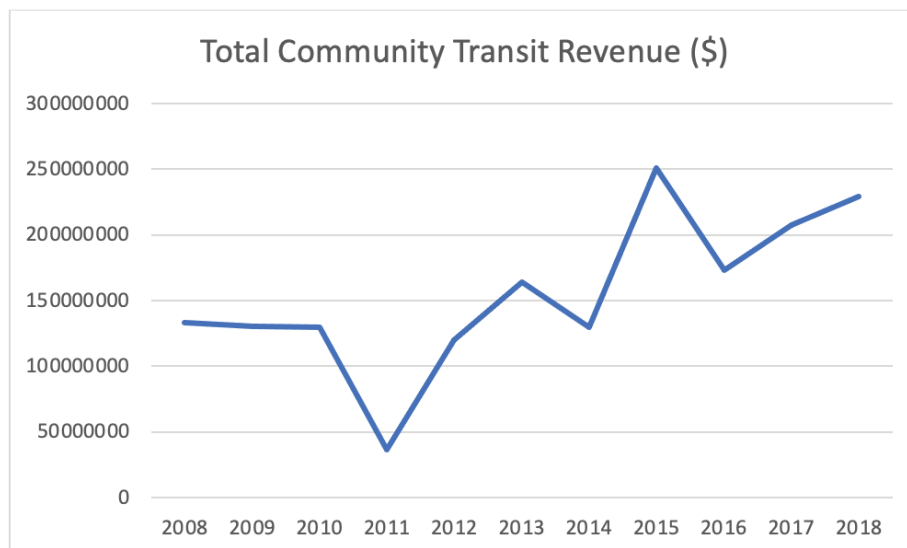
31 Ibid.



Source: National Transit Database August 2020 Adjusted Database.



Source: National Transit Database August 2020 Adjusted Database



Source: National Transit Database August 2020 Adjusted Database

Despite fare recovery decreasing, which should have incentivized higher ridership, ridership has not increased as Community Transit officials expected.

The data shows that despite large capital investment, operational costs almost doubling from 2008 to 2018 and fare recovery decreasing, ridership is not increasing.

In 2018, Community Transit served 5.8 percent fewer riders for 98 percent higher cost than it did in 2008. The service is becoming less popular even as it is imposing a high sales tax and spending more public money.

Policy recommendations

Adding bus routes and buses to create ridership demand artificially, rather than serving existing ridership, is not a cost-effective way to spend public money.

Public transportation spending should be proportionate to the number of people who want to use it. Projections from the PSRC indicate there will be minimal increases in transit ridership over the next 30 years.³² The state, however, continues to spend over 70 percent of the transportation budget on public transit, which represents less than four percent of actual daily trips that people take. Transit spending is projected to increase in the next few years, while the number of riders will likely decline or remain flat.³³

In the early 1990s, the percentage the state spent on roads compared to transit was almost exactly the opposite of the proportions spent today. In the past, state officials spent a much higher proportion of transportation dollars on public roads and fixing infrastructure. Since the early 1990s, state officials have under-invested in public roads and, as a result, there is a maintenance backlog of \$1 billion per year.

Low Swift line passenger volumes raise questions about the fairness of Community Transit's taxing authority. Transit officials should always provide taxpayers with the best value, including a reduction in the rate of taxes imposed on the public whenever possible. Community Transit's policy of increasing operational and capital spending as service ridership falls raises questions about the honest fiscal management at the agency.

For the last five years, where comparable data is available, operational costs have increased 27.5 percent while the number of per-rider miles has increased only 2.3 percent. Fare recovery for the same period increased 10.4 percent. Operational costs are projected to reach \$224.7 million by 2024, an increase of about 300 percent

32 "Guess what? Government officials say you'll be stuck in traffic for years to come," Mariya Frost, Washington Policy Center, accessed June 21, 2020, at <https://www.washingtonpolicy.org/publications/detail/guess-what-government-officials-say-youll-be-stuck-in-traffic-for-years-to-come>.

33 "Public Transit System Capital Funding Needs Study," Washington Joint Transportation Committee, accessed June 30, 2020, at <http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2019%20Agendas/June%2026%202019/TransitCapitalNeedsPPT.pdf>; "What you need to know about traffic," by Vic Bishop, Eastside Transportation Association, accessed on August 3, 2020, at https://static.wixstatic.com/ugd/f6e4d1_95472707b2c045dc800c7473f3448834.pdf.

over operational costs in 2014, ten years earlier with no proportional increase in ridership demand.³⁴

Year	Operating Expenses	Fare Revenues	Passenger Miles
2018	116,088,631.00	31,913,904.00	111862102
2017	107,484,665.00	30,837,934.00	110745139
2016	97,378,049.00	30,595,173.00	109625782
2015	108,286,201.00	29,628,648.00	107164848
2014	84,183,864.00	28,566,284.00	109373644

*Source: National Transit Database*³⁵

The Swift Orange Line and other planned bus lines need additional analysis by Community Transit officials to assess rider demand and to project viability before they begin construction.³⁶

Community Transit officials should focus spending on expanding efficient vanpool services or popular demand-response services to provide affordable and cost-effective public transportation.

Community Transit officials should also re-write their operating budget to include capital replacement costs and not assume that they will automatically get more federal grants in the future.

Additionally, shortening the life of equipment and facilities prematurely to meet federal grant requirements, which only cover new purchases, is fiscally irresponsible. This approach with the Swift Blue and Green lines has resulted in two bus stops next to each other, because the new Swift buses don't fit at the existing bus stops.

Community Transit officials should focus their services on well-utilized routes and contract with on-demand providers to serve people who live along less-traveled routes.

Community Transit officials should lower the sales tax rate they impose on people so the public does not continue to pay high taxes for a public service that is increasingly unpopular. People use their service less today than in 2009 and, based on historical trends, officials are unlikely to see any significant ridership increases in the next ten years.

34 "Board of Directors Budget Notebook," Community Transit, October 11, 2020, at https://www.communitytransit.org/docs/default-source/about-documents/budget-financials/2020-budget-notebook_adopted.pdf?sfvrsn=7cf2b779_2.

35 "National Transit Database," Federal Transit Agency, accessed on August 30, 2020, at <https://www.nationaltransitdatabase.org/washington/snohomish-county-public-transportation-benefit-area-corporation/>.

36 "Swift Orange Line," Community Transit, accessed on June 21, 2020, at <https://www.communitytransit.org/SwiftOrange2024>.

Conclusion

Public transit is an important part of transportation infrastructure and there is a need for quality bus service for those who depend on it. However, there is also a need for a transit service that respects the public, is cost-effective, and is focused on well-used public routes.

In a post-COVID-19 world, transit use by the public is likely to decrease due to health concerns and more people working at home. Continually increasing costs and expansion without justification should not continue.

Community Transit officials should focus their services on well-utilized routes and contract with on-demand providers to serve people who live along less-traveled routes. Community Transit officials should stop expansion of their outdated transit systems and consider more supporting cost-effective ways to provide transit service as they develop plans for future investment and expansion strategies.

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Prior to the legislature, Mark served two terms on the Mill Creek City Council and was elected Mayor Pro-Tem in his last year.

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