



POLICY BRIEF

Citizens' Guide to Clark County Proposition 1 (Vancouver Light Rail)

*Uncertainties, Risk and Harm to Washington Businesses
Are Reasons Proposition 1 Is Bad Public Policy*

by Michael Ennis
Director, WPC's Center for Transportation

September 2012



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POLICY BRIEF

Key Findings

1. The November vote is a referendum on light rail.
2. If the measure is approved, the sales tax rate in Vancouver will have increased by more than 10% since 2005.
3. Ironically, the new tax would subsidize a train to make it easier for people to shop in Portland, harming Washington businesses and undermining current public revenue streams.
4. Significant unresolved issues could leave voters responsible for hundreds of millions of dollars more than they are actually voting on.
5. Voters do not know whether the tax increase would pay for just their share or Oregon's portion as well.
6. Portland TriMet officials have a history of uncontrolled spending, lavish union payouts and a current labor dispute that could spill over to Washington taxpayers, creating major risk and uncertainty.
7. The 0.1% sales tax increase raises more money than C-TRAN actually needs for Vancouver's downtown BRT system, resulting in no real savings for taxpayers.
8. C-TRAN's operating expenses are rising disproportionately faster than ridership; officials should contain these costs and bring operating expenses in line with passenger demand before asking voters for more money.

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Introduction

In November, the Clark County Public Transportation Benefit Area Authority (C-TRAN) board of directors will ask all voters living within the agency's taxing district to raise the sales tax rate to expand public transit in the Clark County region. Voters will be asked the following on Proposition 1:

Resolution BR-12-009 and RCW 81.104 authorize a proposition to increase the sales and use tax by 0.1 percent, or one penny on a ten dollar purchase, to fund the C-TRAN share of the maintenance and operations costs only of the Columbia River Crossing Project light rail extension between Expo Center and Clark Park & Ride and the local capital share and operations and maintenance costs of the Fourth Plain Boulevard Bus Rapid Transit project.

Should the proposition be Approved or Rejected?¹

If approved, the measure would increase the current sales tax rate by 0.1% in the C-TRAN district for a total of 0.8%, and it would initially raise between \$4–5 million per year. The money is supposed to fund Washington's portion of the annual costs to operate light rail across a new I-5 Columbia River bridge and the capital and operating costs of a bus rapid transit (BRT) system in downtown Vancouver. C-TRAN officials assume that federal taxpayers would pay for the construction of the light rail segment of the project.

This Citizens' Guide makes the following Key Findings:

- The November vote is a referendum on light rail.
- If the November light rail measure is approved, the sales tax rate in Vancouver will have increased by more than 10% since 2005.
- Not only would residents experience a higher tax burden, adding to the financial incentive to shop in Portland, the new taxes would be used to subsidize a train to make it easier for people to do it, and along the way would harm Washington businesses and undermine current public revenue streams.
- There are still significant unresolved issues that could leave voters responsible for hundreds of millions of dollars more than they are actually voting on.

¹ "Board Resolution BR-12-009," C-TRAN, approved July 10, 2012.

- C-TRAN officials have left the issue on who would pay for the light rail extension on the Oregon side of the border unresolved and voters do not know whether the sales tax increase would pay for just their share or Oregon's portion as well.
- Officials at Portland's transit agency, TriMet, have a long history of uncontrolled spending, lavish union payouts and a current labor dispute that could spill over to Washington taxpayers, creating major risk and uncertainty if a light rail partnership lures C-TRAN officials into funding the entire extension.
- The proposed BRT system in downtown Vancouver may operate more efficiently than the two bus lines it is replacing, but the 0.1% sales tax increase raises more money than C-TRAN officials actually need, leading to no real savings for taxpayers.
- The data show that C-TRAN's operating expenses are rising disproportionately faster than ridership, and officials should contain these costs and bring their operating expenses, particularly labor costs, in line with passenger demand before asking voters for more money.

Vote Is a Referendum on Light Rail

Overshadowing the official plan is the view of many residents who see the ballot measure as simply a referendum on light rail. C-TRAN officials first tried to bring light rail to Vancouver in 1995, when voters overwhelmingly rejected it. Since then, officials have kept light rail in their planning models and eventually found a way to add it to the new Columbia River bridge project.

Despite the past rejection by voters and the poor performance and high cost overruns of many other light rail systems across the country, including Sound Transit in Seattle, C-TRAN officials persisted in moving forward and provoked the creation of a local and active grassroots movement opposed to light rail.

C-TRAN officials have already selected light rail as their preferred transit mode across a new Columbia River bridge, but it was accomplished without a public vote and was clouded by questions of officials underestimating costs, the lack of funding, and the existence of more efficient alternatives. And with two last-ditch efforts by C-TRAN officials to fund light rail without a vote and redraw the agency's taxing district to exclude potential opponents, the grassroots movement has grown more vocal than ever.

This election will be perhaps the only chance for voters to weigh in on whether they want light rail. Officials are quick to position the measure as simply a question of funding and are quicker to tell the public that light rail will proceed whether the November measure is approved or rejected.

However, supporters will likely perceive a successful vote as tacit approval and they will undoubtedly tell the public, federal lawmakers and anyone who will listen that "voters want light rail."

Given the possibility of defeat, supporters say the vote is not a referendum on light rail, but they will surely claim the public wants it if the measure is approved.

They cannot have it both ways and whether C-TRAN officials want to admit it or not, the perception of the public is that the November ballot measure is not about another tax increase or a Bus Rapid Transit (BRT) system in downtown, but whether or not to bring light rail to Vancouver across the Columbia River.

Light Rail Tax Increase Benefits Portland, Harms Washington Businesses

C-TRAN officials opened their doors in 1980 with a sales tax rate of 0.3%. Under state law, transit agencies can impose a sales tax of up to 0.9%, but C-TRAN officials were able to provide service at the initial rate set in 1980 for the next 25 years. Then in 2005 and with voter approval, C-TRAN officials raised the sales tax rate by 0.2% and just six years later, the rate was increased another 0.2%. Now, in back-to-back years, C-TRAN officials are proposing yet another increase.

If the light rail measure is approved, C-TRAN would have the authority to impose an additional 0.1% sales tax for a total of 0.8%.

Sales Tax History of C-TRAN

The combined local and state sales tax rate in the City of Vancouver is currently 8.4%, and it would increase to 8.5% if the November ballot measure is approved.²

1980	0.3%
2005	0.5%
2011	0.7%
2012 (proposed)	0.8%

In 2005, the total state and local sales tax rate in Vancouver was 7.7%.³ This means if the November light rail measure is approved, the sales tax rate in Vancouver will have increased by more than 10% since 2005.

There is no sales tax in Oregon and this tax advantage creates a financial incentive for Washington residents to cross the river and shop in Portland. By law, Washington residents are supposed to self-report this activity and pay the equivalent amount as a state use tax, but few people do. Likewise, the higher tax rate in Vancouver creates an incentive for Portland residents to stay in Oregon for their retail needs.

According to the Department of Revenue, Washington State loses about \$80 million a year in sales tax revenue to retail purchases in Oregon.⁴

There are two important factors voters should understand.

First, Oregon's tax advantage means C-TRAN officials would lose the ability to collect the sales tax revenue normally created through the economic

² "Local Sales and Use Tax Rates and Changes," Washington State Department of Revenue, Effective Oct 1 – December 2012, at www.dor.wa.gov/docs/forms/excstx/localsusetx/localsuseflyer_quarterly.pdf.

³ "Local Sales and Use Tax Rates and Changes," Washington State Department of Revenue, Annual 2005, at dor.wa.gov/Docs/forms/Excstx/LocSalUseTx/LocalSIsUseFlyer_05_A.pdf.

⁴ "Border-hopping shoppers cost state millions in lost revenue," Azusa Uchikura, *The Seattle Times*, April 25, 2012, at blogs.seattletimes.com/uwelectioneye/2012/04/25/border-hopping-shoppers/.

activity of users traveling to Washington and purchasing goods. While Oregon users who take light rail from Portland to Vancouver would pay passenger fares, they would contribute very little to paying for the system's overall annual costs.

This means that without a direct funding source (which is currently under consideration but opposed by Oregon officials), Portland residents would pay next to nothing for their own light rail extension across the Columbia River bridge.

Second, this deal not only harms Washington taxpayers who would be stuck paying most of the bills, but it also harms Washington retailers who would lose more business to Oregon.

Knowing the state loses \$80 million a year in sales tax revenue and knowing the state sales tax rate is 6.5%, it is easy to estimate the impact on Washington businesses. Oregon's tax advantage means that Washington retailers currently lose about \$1.2 billion annually to people shopping in Portland. Raising the sales tax rate would further steepen these losses.

Adding insult to injury, consider the irony of raising sales taxes to subsidize a train the sole purpose of which is to take people to a city that does not charge sales tax.

Not only would Vancouver residents experience a higher tax burden, adding to the financial incentive to shop in Portland, the new taxes would be used to subsidize a train to make it easier for people to do it, and along the way, harm Washington businesses and undermine current public revenue streams.

The only winner in this arrangement is Portland.

Portland Light Rail Extension Is Chock-full of Uncertainty and Risk

The most controversial element in the ballot measure is the extension of Portland's MAX Yellow Line across the Columbia River bridge to Clark College in Vancouver. The new bridge is estimated to cost about \$3.6 billion to build, with nearly \$1 billion of that going toward the light rail program.

However, despite years of planning resulting in a ballot measure asking voters to fund the annual operations of the rail segment, there are plenty of significant uncertainties for voters to weigh.

It is still unclear whether Portland taxpayers would pay their share of operating light rail to Vancouver.

The proposed system would extend Portland's Yellow Line from where it currently terminates at the Expo Center, north of the city 2.9 miles across the bridge to Clark College in Vancouver.

C-TRAN officials have stated their taxpayers should only pay for the system on Washington's side of the border and Portland residents should be responsible for the portion on the Oregon side. C-TRAN officials currently estimate Washington residents would pay 64.9% of the annual operating costs

while Oregon taxpayers would cover the remaining amount.⁵

Oregon officials however, disagree and say that Washington residents should pay the entire annual amount, including the costs of operating the system on the Oregon side of the border.

An Expert Review Panel analyzed the project's overall financial plan and questioned the possibility that Washington taxpayers could be on the hook for even more risk than advertised:

While the interface of two transit agencies offers economies of scale ... it also could include C-TRAN inheriting at least some of the existing TriMet cost structure, potentially including unresolved labor arbitration settlements.⁶

Officials at Portland's transit agency, TriMet, have a long history of uncontrolled spending, lavish union payouts, and a current labor dispute that could spill over to Washington taxpayers, as mentioned.

A recent news article summed up Portland's transit situation this way:

Without a change, employee health costs will probably consume more than 50 percent of TriMet's annual payroll-tax revenue for basic operations by 2020, essentially transforming the transit agency into a health care provider.⁷

TriMet's current path creates major risk and uncertainty for Washington taxpayers if a light rail partnership lures C-TRAN officials into funding the entire extension.

Recognizing the danger and its potential negative impact on an election, the Expert Review Panel even went so far as to recommend "that as many of these variables as possible be resolved prior to a public vote."⁸

Despite these warnings, C-TRAN officials have left the issue unresolved and voters will not know whether the sales tax increase would pay for just their share or Oregon's portion as well.

It is also likely that if the ballot measure is approved, C-TRAN officials will lose most of their leverage to negotiate any financial contributions from Oregon taxpayers, because the November sales tax increase would provide enough revenue to pay all the annual costs. This means voters should reasonably assume they will eventually have to pay Oregon's share of extending Portland's light rail line (and maybe more as the Expert Review Panel noted) if the ballot measure is approved.

⁵ "High Capacity Transit System and Finance Plan," C-TRAN, July 2012, Section 3, p. 28, at www.c-tran.com/assets/HCT/HCT_System_and_Finance_Plan-Final.pdf.

⁶ "Expert Review Panel C-TRAN HCT Plan," June 2012, p. 10, at www.highcapacityerp.com/Presentations/FindingsandRecommendations6_28_12.pdf.

⁷ "TriMet workers, management appear headed for a major collision over benefits," Joseph Rose, *The Oregonian*, May 12, 2012, at blog.oregonlive.com/commuting/2012/05/trimet_workers_management_appe.html.

⁸ "Expert Review Panel C-TRAN HCT Plan," June 2012, p. 10, at www.highcapacityerp.com/Presentations/FindingsandRecommendations6_28_12.pdf.

Another area of uncertainty is C-TRAN’s reliance on federal funds and what officials say would happen if they are not awarded to the Columbia River Crossing (CRC) project.

The sales tax increase would fund just the annual operating costs of the light rail line, while C-TRAN officials assume federal taxpayers would pay about \$850 million for the capital program. Relying on such a large amount of federal money leaves a lot of uncertainty for voters, and C-TRAN officials recognize this issue in their financial plan:

C-TRAN has been fairly successful in competitive grant awards; however the agency cannot be absolutely certain of any FTA discretionary funding in the future. Delay in receipt of federal funds, or no awards, will force the agency to reprioritize the capital program and potentially not move infrastructure projects forward.⁹

To help determine which projects receive federal money, the Federal Transit Administration (FTA) rates projects on a scale from low, medium-low, medium, medium-high, and high.¹⁰ The higher the score, the more competitive a project is viewed and the better its chances at receiving a federal grant.

The FTA gave the CRC project an overall ranking of medium-high.¹¹

While C-TRAN officials may point out the project received the second highest ranking, it should also be noted that FTA officials did raise concerns, and gave much lower ratings in the areas of capital and operating cost estimates and overall funding.

Given the current economic and political climates at both the local and national levels, the medium-high ranking still leaves voters uncertain about whether the project would receive adequate federal funds.

If federal funds do not materialize voters would presumably still pay the higher sales tax rate, despite not receiving the light rail service they were promised.

Adding to the uncertainty is the fact that final bridge design is not complete, including a dispute with the Coast Guard over the bridge height above the Columbia River.

The current bridge allows large vessels to pass underneath by raising the deck, similar to a draw bridge. The new bridge however, would be static and built higher to allow vessels to pass under it without raising the deck, which allows for continuous vehicle traffic flow.

The original design had a bridge height of 95 feet, but Coast Guard officials said that is not high enough to accommodate larger ships. CRC officials now say they can reach a height of 110 feet, but this would add up to \$22 million in costs.

⁹ “High Capacity Transit System and Finance Plan,” C-TRAN, July 2012, Section 3, p. 30, at www.c-tran.com/assets/HCT/HCT_System_and_Finance_Plan-Final.pdf.

¹⁰ “Capital Investment Program FY 2012 Evaluation and Rating Process,” Federal Transit Administration, at http://fta.dot.gov/documents/FY12_Evaluation_Process%281%29.pdf.

¹¹ “Columbia River Crossing Project Vancouver, Washington Preliminary Engineering (Based upon information received by FTA in December 2010),” Federal Transit Administration, at www.fta.dot.gov/documents/WA_Vancouver_Columbia_River_Crossing_complete_profile.pdf.

Some believe the bridge needs to be 160 feet high to accommodate the largest ships, but CRC officials estimate that height would add significantly higher costs to the project, including the possibility of redesigning some light rail components. According to *The Columbian*,

If the Coast Guard, which holds permit authority over the bridge, isn't a willing partner at 110 feet, the impacts to Vancouver and the project as a whole would be severe. Among the potential problems are closed streets downtown and an additional \$200 million in construction costs — and possibly completely scrapping plans as they are now.¹²

The final design remains unresolved and if costs rise, taxpayers would be on the hook for millions more.

It is not unusual for complex transportation projects to encounter these types of problems. What is unusual is they remain unresolved during an election asking voters for funding. Uncertainty generally leads to higher cost, which in this case, could put the public on the hook for hundreds of millions of dollars more than what they are actually voting on.

Downtown Vancouver Bus Rapid Transit

The other half of the sales tax increase would fund a bus rapid transit (BRT) system in downtown Vancouver. Known as the Fourth Plain Transit Improvement Project, the system would replace two of C-TRAN's most-used bus routes, 4 and 44. C-TRAN officials estimate the sales tax increase would pay for the line, which would cost up to \$56 million to build and an additional \$140 million to operate through 2035, for an annualized average of \$7 million per year.¹³

There is no hard definition of a BRT system and they can take many forms. On one hand some systems look very much like traditional bus lines that just operate with more frequency. On the other hand is a rail-like system, with luxury coaches operating on exclusive guideways with very few stops. Other systems fall somewhere in between.

Common among BRT systems is higher frequency, express service with fewer stops, train-like amenities, automated fare collection systems, all-door boarding, and pre-purchasing fares to avoid dwell times.

In high-demand corridors, successful BRT programs can (but not always) operate with greater efficiency than traditional bus routes, carrying more people at lower costs.

C-TRAN officials estimate the existing bus routes along the Fourth Plain corridor are over capacity, have poor reliability and will not be able to accommodate future population and job growth.

¹² "CRC: New I-5 bridge clearance could be 110 feet," Andrea Damewood, *The Columbian*, August 20, 2012, at www.columbian.com/news/2012/aug/20/crc-max-height-for-bridge-is-110-feet/.

¹³ "High Capacity Transit System and Finance Plan," C-TRAN, July 2012, Section 3, p. 27, at www.c-tran.com/assets/HCT/HCT_System_and_Finance_Plan-Final.pdf.

To address these issues, officials proposed a BRT system and estimate it would improve reliability, operate at lower costs and carry more people than the two routes it is replacing, and the Expert Review Panel largely agrees.

The successful experience of other transit agencies around the country shows BRT systems can perform more efficiently than traditional buses or even light rail. Given the high demand along the Fourth Plain corridor, BRT seems like a good fit for moving more people at less cost. It is also encouraging that C-TRAN officials propose a plan that does not obligate bonding and is consistent with the agency's current financial policy to remain debt free.

However, there are a few concerns of which voters should be aware.

(1) C-TRAN officials estimate the BRT system would save about \$17 million in operating costs through 2035 by replacing the existing and less efficient bus routes.¹⁴

This is a good thing but C-TRAN officials have stated they would use the money saved to pay for other services within the C-TRAN system.¹⁵ This means taxpayers would not actually save any money at all, and in fact, they would just be paying more.

It also means C-TRAN officials are raising the sales tax rate more than they actually need to. State law requires that sales taxes be raised in one-tenth increments, so C-TRAN officials are asking for the minimum amount possible. But voters should be aware of this and understand that the sales tax increase is not only funding light rail operations and BRT in downtown Vancouver, but in effect it is also funding existing transit services, a point that may be difficult to accept just one year after a 0.2% sales tax increase that also funded existing transit services.

(2) C-TRAN officials compared all the possible alternatives to a no-build option, which is standard practice in transit planning when federal grant funding is sought. However, officials made several assumptions in the process, including the existence of Portland's light rail system across the Columbia River bridge into Vancouver.

Like all transit agencies across the country, CRC officials have been criticized for overestimating ridership while underestimating costs. Their optimistic projections, which include unrealistically doubling transit demand across the CRC, would impact the BRT evaluation and skew the alternatives assessment.

Furthermore, there are still many design and funding challenges and it remains uncertain whether Portland's light rail system will ever extend into Vancouver.

Given the potential of BRT in downtown Vancouver, it would be practical to make alternative comparisons that did not include a light rail component on the CRC project.

¹⁴ "High Capacity Transit System and Finance Plan," C-TRAN, July 2012, Appendix B, p. 136, at www.c-tran.com/assets/HCT/HCT_System_and_Finance_Plan-Final.pdf.

¹⁵ Ibid.

(3) Finally, the BRT alignment through downtown Vancouver is coincidentally very near the proposed terminus of the light rail line across the CRC.

Despite its obvious inefficiencies and given the commitment of C-TRAN officials to bring light rail to Vancouver, it would not be surprising to see a future proposal to replace the Fourth Plain BRT system with passenger rail.

C-TRAN's Poor Ridership Does Not Justify Ballooning Costs

Regardless of how Clark County voters feel about light rail or BRT, expanding C-TRAN in southwest Washington always comes with higher costs, but it does not always lead to better performance.

C-TRAN's annual operating costs have more than doubled (up 112%) since 1996, rising from \$17 million per year to \$36 million per year.¹⁶ C-TRAN officials claim many of these higher expenses are out of their control, but 94% of the growth is attributed to rising labor costs, much of which is determined by agency leaders. In fact, since 1996 C-TRAN officials have doubled workers' average annual salaries.¹⁷

To look at the rapid rise in salaries another way, in 1996 there were only two C-TRAN employees who received more than \$75,000 per year in wage compensation, for a total annual cost of about \$163,000.¹⁸ By 2010, the number of these high-wage employees had grown to 21 and they now cost taxpayers more than \$1.8 million per year.¹⁹

More alarming is the fact that employee wages now represent 78% of C-TRAN's total annual operating budget. C-TRAN's share of wages on its total operating budget is now the highest of all urban transit agencies in Washington state.²⁰

It is true that the rapid growth in annual operating costs might be justified if passenger demand was growing proportionately. But for C-TRAN officials, this is not the case. The following chart compares C-TRAN's total ridership to the agency's annual operating expenses and annual salaries between 1996 and 2010.

¹⁶ "Transit Agency Profiles," National Transit Database, 1996–2010, at www.ntdprogram.gov/ntdprogram/cs?action=showRegionAgencies®ion=0.

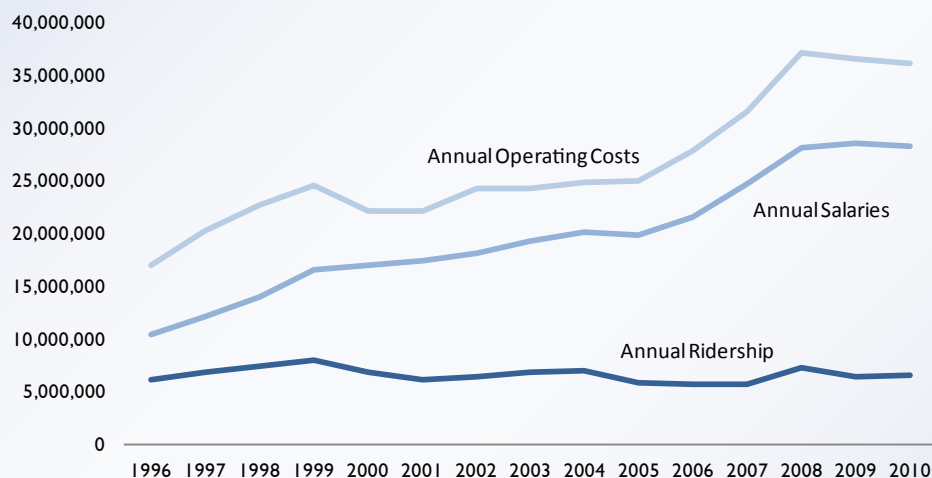
¹⁷ Salary information was provided directly from C-TRAN officials. For more information see Key Facts about Clark County Transit (C-TRAN), Washington Policy Center, July 2012, at www.washingtonpolicy.org/publications/facts/key-facts-about-clark-county-transit-c-tran.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ There are seven transit agencies defined as urban in Washington state. The state defines urban as "local public transportation systems serving populations more than 50,000 ... as defined by the U.S. Bureau of the Census as of April 1, 2000." The seven urban transit agencies, along with their wage-to-budget share, are: C-TRAN, 78%; Community Transit, 55%; Everett Transit, 72%; King County Metro, 58%; Pierce Transit, 55%; Sound Transit, 33%; and Spokane Transit, 70%. Annual wages and benefits and operating expenditures were obtained from the 1996 and 2010 National Transit Database for each agency.

C-TRAN Transit Demand and Costs, 1996-2010



Source: National Transit Database 1996–2010

In 1996, C-TRAN served about 6.1 million passenger trips.²¹ By 2010, C-TRAN transit services carried 6.6 million passenger trips, an increase of just 6.6% over 14 years.²² Despite facing the same financial and economic challenges as C-TRAN officials, the other urban transit agencies in Washington averaged more than 35% in ridership growth over the same time period.²³

C-TRAN’s poor growth in demand stands in stark contrast to its explosive growth in total spending.

In 1996, C-TRAN officials spent a total of \$24.3 million to serve 20,722 passenger trips per day.²⁴ By 2010, C-TRAN officials were spending nearly 80% more to serve only 21,947 daily trips.²⁵

Serving nearly 22,000 daily trips is important, but the vast majority of people simply do not use C-TRAN’s services.

Residents living within the C-TRAN service area make an estimated 500 million person trips annually. This means residents pay over \$40 million per year to C-TRAN officials who then spend it, serving only 1.29% of the region’s annual person-trip demand. In fact, transit’s mode share has steadily fallen since 1996. The following chart shows the share of all trips taken annually in the C-TRAN service area on public transit since 1996.

²¹ “Transit Agency Profiles,” National Transit Database, 1996–2010, at www.ntdprogram.gov/ntdprogram/cs?action=showRegionAgencies®ion=0.

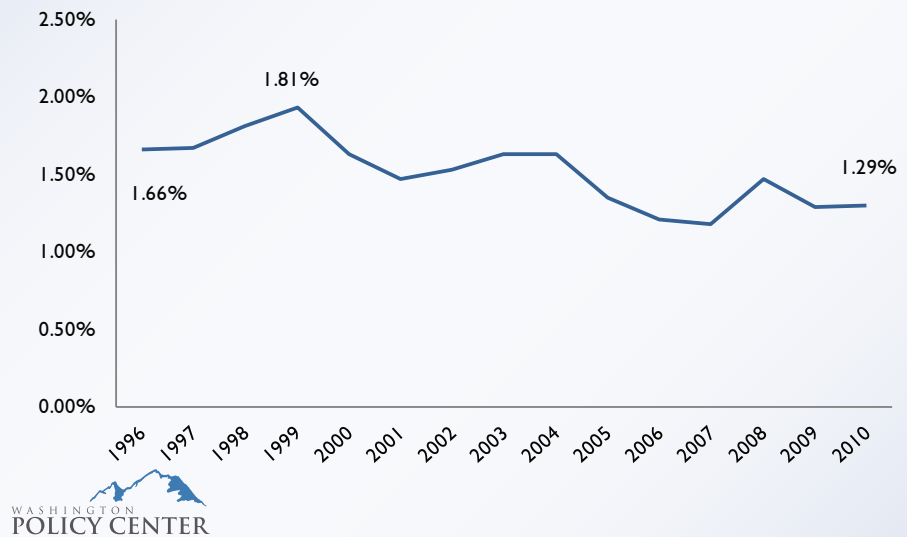
²² Ibid.

²³ Ibid. This excludes Sound Transit because it was newly formed and not fully operational during the time frame studied.

²⁴ “Transit Agency Profiles,” National Transit Database, 1996–2010, at www.ntdprogram.gov/ntdprogram/cs?action=showRegionAgencies®ion=0.

²⁵ Ibid.

Percentage of Annual Trips Using C-TRAN, 1996-2010



In 1996, an estimated 1.66% of all trips made by persons living within the C-TRAN service area were served by public transit. By 2010, the percentage of residents using C-TRAN services had fallen to 1.29%.

Public transit is important. In fact, public transit provides a vital transportation link to certain segments of the population. But that transit must be provided at a cost that is relative to its use.

The data show that C-TRAN's operating expenses are rising disproportionately faster than passenger demand. C-TRAN officials should contain these costs and bring their operating expenses, particularly labor costs, in line with demand before asking voters for more money.

Conclusion

In Clark County, using a sales tax increase to pay for a train that takes people to Portland where there is no sales tax is incomprehensible. Besides the obvious irony, there is a real and measurable harm to Washington businesses and existing sales tax streams across Clark County. Whatever benefit exists from Vancouver employees using light rail to commute to Portland is far outweighed by the harm it does to Washington businesses.

The major uncertainties surrounding the light rail project are also significant, likely leaving taxpayers on the hook for hundreds of millions of dollars in higher costs in the years ahead.

For example, it is still unclear who would pay for Portland's share of operating light rail to Vancouver. C-TRAN officials have stated their taxpayers should only pay for the system on Washington's side of the border and Portland residents should be responsible for the portion on the Oregon side. Oregon officials however, disagree and say that Washington residents should pay the entire annual amount, including the costs of operating the system on the Oregon side of the border.

C-TRAN officials have left the issue unresolved and voters do not know whether the sales tax increase would pay for just their share or Oregon's portion as well.

Given the current economic and political climates at both the local and national levels, the grade given to the light rail project by the Federal Transit Administration still leaves voters uncertain about whether the project would receive adequate federal funds.

And the final bridge design is not complete, including a dispute with the Coast Guard over the bridge height above the Columbia River, which could add up to \$200 million to the project's costs.

Despite the higher efficiencies of a BRT system in downtown Vancouver, the 0.1% sales tax increase raises more money than C-TRAN needs (about \$17 million through 2035), which officials would spend on current transit services, resulting in no real savings for taxpayers. This is a point that voters may find difficult to accept just one year after a 0.2% sales tax increase that also funded existing transit services.

The C-TRAN measure is a windfall for Portlanders because they would receive an extension of their light rail system into Vancouver, which they likely would not have to pay for, bringing more shoppers to their downtown businesses and drawing more economic activity away from Clark County.

With its obvious harm to Washington businesses, C-TRAN officials' failure to keep transit costs proportional to demand, and the uncertainty and risk surrounding the light rail project, Proposition 1 is bad public policy. Columbia River Crossing officials should return to the drawing board and find more efficient transit alternatives to connect Vancouver with Portland across a new bridge. And given the potential of BRT in downtown Vancouver, C-TRAN officials should propose a funding source that is directly proportional to expenses and pass the real savings on to taxpayers.

About the Author

Michael Ennis is Director of the Center for Transportation at Washington Policy Center. He is the author of numerous studies on transportation policy issues, including WPC's *Five Principles of Responsible Transportation Policy*. He appears regularly in print and broadcast media across Washington and policymakers on both sides of the aisle in Olympia seek his input and legislative testimony.



Before joining WPC, Michael worked for the Washington state Senate and House of Representatives and was formerly a staff assistant for U.S. Senator Slade Gorton. Michael served in the U.S. Army with the 2nd Ranger Battalion and is currently on his third term on the Enumclaw City Council. He earned his Bachelor's degree from the University of Washington where he studied Political Science. He also earned his Master's of Public Administration degree from the Daniel J. Evans School of Public Affairs at the University of Washington.

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Washington Policy Center
PO Box 3643
Seattle, WA 98124-3643
Online: www.washingtonpolicy.org
E-mail: wpc@washingtonpolicy.org
Phone: 206-937-9691

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