



Citizens League

STATEMENT

Light Rail Transit:

**The Regional Transit Board's Proposal
to the 1991 Minnesota Legislature**

*Public affairs
research and education
in the Twin Cities
metropolitan area*

CITIZENS LEAGUE STATEMENT

LIGHT RAIL TRANSIT:

The Regional Transit Board's Proposal to the 1991 Minnesota Legislature

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INTRODUCTION

The Citizens League issued its last full report on transit, *New Destinations for Transit*, in October, 1986. In that report and earlier studies, the League found:

- Transit is not a vehicle. It is riding, rather than driving alone -- riding in a bus, a van, a taxi or even in a car.
- To be used, transit must serve. It must respond to the dispersed travel patterns of the region's residents; it must recognize where people live and work; it must compete with the private automobile. Large vehicles on inflexible routes, which require users to come to a fixed line, will not accomplish this.
- The Regional Transit Board should concentrate on increasing ridership -- on getting drivers to ride -- in order to reduce congestion and to improve mobility. It should promote whatever vehicle best serves the trips that riders want to make.

During 1989 and 1990, the Regional Transit Board prepared a proposal for the 1991 Minnesota Legislature to fund and construct an extensive light rail transit (LRT) system that would cost at least \$1.6 billion (not including inflation and interest).

In 1990, the League's Community Information Committee convened a small task force to revisit the 1986 League report and to evaluate the Regional Transit Board's LRT proposal. Task Force members were Ted Kolderie, chair; John Boland, Jeffrey Hazen, Milda Hedblom, A. Edward Hunter, William Kelly, William Lahr, Scheffer Lang, Thomas Lehman, Charles Neerland and Dana Schroeder. Carl Cummins, Citizens League president, and Nancy Zingale, chair of the Community Information Committee, were ex-officio members. The Task Force produced this statement.

DISCUSSION

LRT: EXPENSIVE AND INEFFECTIVE

The Regional Transit Board (RTB) proposal that the 1991 Minnesota Legislature levy a new, one-cent metropolitan-area sales tax to build a light rail transit (LRT) system costing at least \$1.6 billion in 1991 dollars represents a highly unproductive, even wasteful use of taxpayer money.

The proposed system would be by far the most expensive single public capital undertaking in Minnesota's history. Yet it would serve only a miniscule number of the millions of trips that people make each day in the seven-county Twin Cities metropolitan area. And it would mainly carry people who already ride buses.

RTB and Metropolitan Council data demonstrate clearly what LRT WILL NOT do. The projections of these two agencies show plainly -- despite claims to the contrary -- that LRT:

- WILL NOT attract a meaningful number of people from their cars;
- WILL NOT relieve congested freeways;
- WILL NOT alter the metropolitan area's basically auto- and oil-dependent transport system;
- WILL NOT significantly reduce the area's air pollution; and
- WILL NOT carry substantially more passengers than already are riding buses.

Plainly, the Twin Cities metropolitan area needs better transit. But that means directing the area's scarce transit dollars (and the resulting transportation benefits) to more people. It means developing real solutions -- programs that will attract people out of their one-occupant cars.

If the Minnesota Legislature enacts the LRT proposal, legislators will be approving a huge capital investment for a tiny minority of the populace. Meanwhile, the vast majority will be unable to use LRT because it simply does not serve their transportation needs. They will continue to rely on cars. And freeway congestion will continue to increase.

LRT would not do away with the region's bus system. Although it would replace some current bus routes, basically LRT would simply be added on top of buses. It would, in fact, depend heavily on the very buses that LRT proponents say people won't ride. Buses would be essential to gather passengers and get them to the rail lines in order to transfer to LRT -- always assuming that people will be willing to complicate their trips with transfers. For some current bus riders, their trips would be faster. For others, their trips would take longer.

One result: The total annual cost of transit -- the capital and operating expenditures for both buses and LRT -- would about double, compared to today's buses-only system.¹ This 100-percent increase in cost would buy about 20 percent more riders, according to RTB and Metropolitan Council data.

The proposal to build a light rail "demonstration" in the so-called "central corridor" between downtown Minneapolis and downtown St. Paul raises exactly the same problems, albeit on a smaller scale. It would cost about \$400 million but would not increase ridership -- it would move no more people than would ride buses if no LRT were built in this corridor, according to Metropolitan Council-RTB projections.

In addition, this line would not be a true "demonstration" at all; it is proposed simply as the first of nine lines. The RTB plans to begin construction on many of these lines well before the central corridor has been completed, much less demonstrated anything.

THE LEGISLATIVE PROPOSALS

The principal RTB request to the 1991 Minnesota Legislature is to build a "10-year maximum" LRT system -- nine lines radiating outward from the central-city business districts with an as-yet undetermined number of costly tunnels, including one under downtown Minneapolis. (In addition, at least two other tunnels in Minneapolis and one in St. Paul are under review.)

The construction cost would be at least \$1.6 billion in 1991 dollars, not including inflation or interest. The first line, with construction beginning in 1993, would be between the two downtowns. Construction then would begin on one additional new corridor every 12 months.

The RTB is asking the Legislature to impose a new, one-cent sales tax (\$212 million annually, in 1991 dollars) in the seven-county metropolitan area to build this system. Half the new sales tax would cover the capital expense of LRT, if this cost does not escalate; the other half is dedicated for "transportation" purposes -- presumably it would go to metropolitan cities and counties to build roads and streets.

The RTB proposal is silent on where the cities, counties or state would find tax money for the increased operating costs of the bus and LRT systems. This presents an extremely daunting problem, since the RTB and the Metropolitan Transit Commission in late 1990 were struggling with significant shortfalls and service cuts for simply the current operation over the next two years. In addition to fare increases, it appeared that higher property taxes and/or a larger share of the state motor vehicle excise tax (MVET) would be required to fund the operating deficit of just the current system.

An RTB consultant's analysis in mid-1990 showed that a one-cent metropolitan sales tax could pay for any two of these goals -- building LRT, building more local roads, and operating the LRT and bus systems -- but not all three. This analysis assumed capital contributions of \$30 million in local (county) money and \$200 million in federal money.

This situation suggests a return to the circumstances -- fare increases and services cutbacks -- that led to public ownership and subsidy of the bus system in the first place. Public policy today should concentrate on transit serving as many people in as many parts of the area as possible, which almost certainly will mean additional subsidy for existing service. To plow large amounts of limited public dollars into a few LRT corridors at the expense of transit service for the broader region would be self-defeating at best.

¹ The Citizens League compared the total capital and operating costs of the today's transit system to the total annualized costs of the current system plus LRT. The League used RTB data for 1989 transit operations, including Metro Mobility, and RTB low-case projections for its 10-year LRT proposal, all in 1988 dollars. Operating costs would rise from a total of \$121.2 million to \$152.3 million a year, while the annual average capital costs for 10 years would jump to \$139.2 million from \$20.5. Thus, total annualized costs (capital and operating) would rise from \$141.7 million to \$291.5 million, or just over 100 percent.

Meanwhile, the Metropolitan Council supports a significantly different plan. The council opposes dedicating any broad, general levy such as a sales tax exclusively to any single category of capital improvement. And it recommends only a half-cent regional sales tax.

The council would direct about half of this new tax to: (1) metropolitan-type expressways -- not to local governments for local streets; (2) recreational open space; (3) land acquisition for needs such as a new airport and (4) a variety of other transit, housing and human services needs.

The council would use the remainder -- a quarter of a cent -- for only the "central" LRT line, making it a true demonstration. When this corridor is built, new LRT lines (if any) would need to be cost-justified and to compete with other regional capital-spending projects.

Finally, with the full "system" proposal very much on the table, some RTB interests are simultaneously proposing the Midway line as a "demonstration" to be built first, to show that LRT "works," supposedly before any other lines are started.

That is generally how LRT has been developed elsewhere in this country; only one (relatively inexpensive) surface line was put into operation; subsequent lines, if any, were built later. But do not be misled: The RTB legislative request is not for the modest, one-line LRT start other cities have made. Here is why:

- The RTB and its county advisory committee continue to seek legislative financing for the full, \$1.6-billion, nine-line "10-year maximum" proposal, with its schedule of building one new line every year for nine consecutive years.
- The proposal still incorporates an expensive downtown Minneapolis tunnel (and an unspecified number of additional tunnels) as part of the "demonstration," even though the downtown tunnel is totally unjustified if only one LRT line is built. The argument for a downtown tunnel is solely that the SIX lines Hennepin County wants to build can't all be handled easily on downtown Minneapolis streets.
- Hennepin County is spending millions of dollars for engineering, environmental studies and other activities on ALL its proposed LRT corridors.

LOW RIDERSHIP

The RTB projects LRT trips in the year 2010 at from 12,000 a day on the least-patronized line (so small that building it is not justified, according to Metropolitan Council guidelines) to 32,400 (down 23 percent from a 1990 estimate of 41,900) on the most-patronized line.

Despite impressions to the contrary, LRT would carry relatively few people -- trips would total some 205,000 per day (the number of individuals using LRT would be about half this number, since most would travel two ways and be counted twice). This means fewer LRT passengers, 20 years hence, than the bus system enjoys today. In 1989, MTC regular route bus ridership was 237,600.

Equally discouraging is the extremely small number of current car trips that LRT would replace, according to RTB data. Of the 205,000 total daily LRT trips, only some 43,000, or 21 percent, would be "new" riders (about 21,500 individuals) -- people attracted out of cars. The remainder, or almost 80 percent of the trips, would be made by bus if no LRT were built.

For 80 percent of its patrons, LRT means either simply replacing the bus or -- more typically, since many would need to ride a bus to an LRT station -- adding a transfer and an LRT trip to what is now just a bus trip.

The 205,000 projected LRT trips a day 20 years from now represent only 2.5 percent of the current daily eight million trips in the Twin Cities region; the 43,000 new transit trips (those attracted

out of cars) represent one half of one percent (.53 percent) of the current total trips. At \$1.6 billion, the RTB proposal would require a capital outlay of more than \$37,000 for each such new trip.

Such a painfully small contribution to transit ridership in the Twin Cities area cannot possibly produce meaningful progress toward the RTB's professed goals of reducing the area's dependence on cars (and gasoline), relieving air pollution and reducing highway congestion.

Why would an expensive new system carry such a small proportion of trips? The answer is basic and straightforward: The fixed LRT lines will not (and cannot) match the trips that people make in today's metropolitan area.

The fixed LRT routes -- radial spokes leading to (or from) the two downtowns -- and the technology are a half-century behind reality. They roughly match the physical and economic development of the Minneapolis-St. Paul area until after World War II, and the trips that people then made.

THE METROPOLITAN AREA'S DIFFUSE TRAVEL PATTERNS

Today residential, commercial and other development in the Twin Cities metropolitan area is widely dispersed. Density is low. In addition, people choose to live in one part of the area and work in another part. Naturally, trips match this development pattern. They connect the locations where people live, work, shop and engage in myriad other activities. They criss-cross the area in an every-which-way pattern.

A large and increasing proportion of travel is from one suburban location to another. No single center enjoys a significant portion of trips. Today's trips do not concentrate in a few diagonal corridors and end in downtown Minneapolis or St. Paul. They do not resemble the old, radial pattern proposed for LRT.

For example, of the metropolitan area's 6.7 million average daily (weekday) trips in 1982, only about 235,000, or 3.5 percent, went to the central-city downtowns. And of 1.1 million daily work trips that year, only 184,000 (16.7 percent) went to the downtowns, combined. By 1988, this ratio had shrunk notably, based on Metropolitan Council estimates: Of 1.47 million daily home-to-work trips that year, only 169,300 (11.5 percent) went to the downtowns -- 8 percent to Minneapolis, 3.5 percent to St. Paul.

Even heavy traffic in certain traditional corridors does not mean that these vehicles are bound for downtown. State traffic counts show that only 25 to 30 percent of the north-bound traffic on I-35W in south Minneapolis enters the central business district, for instance; the remainder is bound elsewhere.

Today's development will continue, with or without LRT. This means that not only the bulk of residential growth, but the majority of new jobs, as well, will occur in outlying areas. Less than one percent of the metropolitan area's employment gain between 1970 and 1986 was in the central cities, and only six percent of the new jobs through 2000 will be in those cities, according to the Metropolitan Council; 71 percent will be in outer-ring suburbs and outlying areas virtually untouched by the proposed LRT system.

In 1984, 72 miles of 580 miles of metropolitan area freeways and expressways experienced "severe" congestion, according to the Minnesota Department of Transportation (MnDOT). By 2000, this will increase to 125 miles; most of the new congestion will occur well outside the area LRT would serve. The projected cost of building and improving highways just to keep congestion at current levels is about double current expenditures, according to a MnDOT study. LRT would not alleviate this need, since the bulk of the mileage is outside the area LRT would serve.

THE FLAWED LRT PLANNING PROCESS

The low projected ridership for LRT, particularly compared to its capital cost, might also be partly a function of the planning process.

The Minnesota Legislature gave the individual counties LRT planning responsibility with the understanding that the counties would pay for LRT, presumably from their property-tax levies. But when the counties and the RTB settled on a large and expensive "system," they sought a new regional sales tax to pay for it. The counties' share of the cost dipped from 100 percent to about six percent.

The RTB simply combined the individual county plans, a process that provided no opportunity for application of an overall metropolitan perspective or metropolitan priorities. The Metropolitan Council has criticized this process, arguing that it invited each county to push for as much LRT as possible. The Council pointed out that "an LRT system is not a local system" and county-level decisions might not "coincide with overall regional objectives."

In fact, the approval processes of the RTB, an RTB advisory committee composed primarily of commissioners from the seven metropolitan counties, and the Metropolitan Council itself involved log-rolling and political considerations of several kinds.

First, the RTB and its advisory committee sought a larger tax than is necessary to build the proposed lines because LRT essentially would not serve Scott, Carver, Dakota or Washington counties; the additional tax gains their support by providing transportation dollars in those counties.

Second, exceptionally low-ridership corridors (from St. Paul south to Dakota County, for example) were included in the 10-year plan, also to gain broad county support.

Last, the "central" corridor or Midway line between downtown Minneapolis and St. Paul received first priority for construction, partly out of deference to St. Paul and Ramsey County. (While this line has the highest projected ridership in the RTB proposal, it also carries a relatively high capital cost. This corridor already has the Twin Cities' most successful bus line, plus downtown-to-downtown express service.) The central LRT line is projected to carry no more passengers than would buses without LRT.

RECOMMENDATIONS

The Full Proposal

The nine-line, \$1.6-billion LRT proposal is prohibitively expensive and would be a highly imprudent use of taxpayer dollars. Since it would attract few new transit riders, this proposal would not -- despite proponents' claims -- produce noticeable reductions in highway congestion, pollution or the metropolitan area's basic dependence on oil for transport. (The RTB proposal contains no data substantiating such claims.) The Legislature should not fund it.

The "Demonstration"

The so-called "demonstration" project presents precisely the same drawbacks, and the Legislature should also reject it. Were the Legislature to authorize a true pilot project, it would:

- Assure taxpayers of a true demonstration by prohibiting construction of any additional corridors until the pilot project is built and operating and the Legislature has had a full opportunity to evaluate its costs and benefits.
- Choose a line with a lower projected capital cost (the Hiawatha corridor in south Minneapolis would cost only about one-fourth as much as the central corridor) and tell the county proposing it to pay for the demonstration.
- Establish criteria for judging the success or failure of any demonstration. What percentage of LRT riders would be new transit passengers -- people attracted from driver-only cars, as opposed to people already in car pools or riding buses? How much (if any) highway congestion would the pilot project eliminate? How would it compare, in cost and ridership, to alternatives such as high-occupancy vehicle (HOV) lanes and improved bus service?
- Specifically rule out a downtown Minneapolis tunnel as part of any demonstration, since there is general agreement that a tunnel would be desirable only if multiple additional lines are constructed.

Dedicated Funding

The Legislature should avoid tying its own hands by dedicating a broad, general tax, such as a sales tax, solely to LRT or transportation. Legislators almost surely will be forced to balance LRT and roads against other metropolitan needs, as the Metropolitan Council argues. Equally important, the Legislature might well find it necessary to use any state sales-tax increases for state-level needs, such as balancing the state budget, holding down property taxes and funding education and a variety of social/human services.

Our Opposition

Although the Citizens League has long been skeptical about expensive, technologically oriented "solutions" to traffic congestion, we did not arrive at our decision to urge defeat of the current LRT proposal lightly or without a deep appreciation of the importance of improved transit in the Twin Cities metropolitan area. Unfortunately, the more we learned about the cost and ridership of this proposal, the more convinced we became that it does not deserve legislative or public support.

Our opposition is dominated by one simple, general conclusion -- Metropolitan Council and RTB projections establish clearly that LRT would attract so few people from driver-only cars that it could not significantly increase transit ridership. Both agencies deserve credit for avoiding the inflated, unrealistic ridership claims that have plagued LRT planning elsewhere. Now, the Legislature and other elected officials should recognize the reality of these projections.

Legislative Action

This does not mean that the Legislature cannot improve transit in this metropolitan area. But the Legislature must look to real solutions. It will need to recognize, first, that hard facts demonstrate that the glamorous proposal will not be effective and, second, that continued planning and political emphasis on a prohibitively expensive, ineffective technology will only postpone progress toward any true relief of highway congestion. The Legislature should:

- **Repeal** the provision in current law that grants the seven metropolitan counties authority to levy \$42 million a year in property taxes for LRT.
- **Direct** the RTB to refocus its efforts, concentrating on reasonable-cost strategies based not on a particular technology or transportation corridor, but on service that will persuade drivers to ride.

Emphasize that turning drivers into riders is vital to truly reducing auto use and congestion. Reasonable strategies for the RTB include car- and van-pooling; HOV lanes; improved buses and better bus service, including more express service, comfortable, climate-controlled stations and good park-and-ride facilities; para-transit; staggered work hours; lower parking rates for multi-occupancy vehicles and higher rates for driver-only vehicles; and new service (perhaps leading to fixed-guideway transit) within major centers rather than between them.

- **Assign** responsibility for highway-related transit development jointly to the metropolitan agencies and to MnDOT.

Direct them to propose annually, as part of the metropolitan transportation development program, appropriate locations for HOV lanes and exclusive busways, based on service needs. (Eventually, when and if development density and ridership justify, these locations might be candidates for fixed-guideway transit.)

Require that with each proposal for new or expanded highway capacity, the metropolitan agencies and MnDOT use ridership considerations to determine whether the capacity should be provided as regular lanes, HOV lanes or busways.

ABOUT THE CITIZENS LEAGUE . . .

The Citizens League, founded in 1952, is an independent, non-partisan educational organization in Twin Cities area, with some 3,600 members, specializing in questions of government planning, finance and organization.

Citizens League reports, which provide assistance to public officials and others in finding solutions to complex problems of local government, are developed by volunteer research committees, supported by a fulltime professional staff.

Membership is open to the public. The League's annual budget is financed by annual dues of \$15 (\$25 for family memberships) and contributions from more than 500 businesses, foundations, and other organizations.

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