

# Austin American-Statesman

## Portland light rail's mixed track record

*As Austin considers jumping on the light rail train, a trip through the transit history of the rail-rich Oregon city reveals a complex picture of convenience and costs.*

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Many of the people who make transportation decisions in Austin have long had a serious case of Portland envy.

Rail, buses, bikes and walking are woven seamlessly into the fabric of everyday life in this improbably gorgeous Oregon city, at least in the central precincts, and some people who live and work in or near the city's core say they no longer need to own a car.

Almost a quarter of Portland's 300,000-plus workers ride transit, bike or walk to get to their jobs, about triple the percentage in Austin. And according to a recent survey by Metro, the area's transportation planning agency, close to half of downtown workers, including thousands from the suburbs, arrive via Portland's 53-mile-long (and growing) light rail system.

"In Portland, we haven't declared war on the car," U.S. Rep. Earl Blumenauer, D-Portland, said in a National Journal interview last year. "But we've decided not to surrender to it."

The Portland transportation scenario is one the Austin City Council — which Thursday voted to ask the public to OK \$600 million in bonds in November for a starter light rail line — would dearly love to replicate.

But while Portland and Austin share reputations for liberal electorates and scenic beauty, they have significant differences in history, statewide politics, geography and, perhaps most significantly, timing. What happened in Portland over the past several decades would be a much more expensive undertaking in Austin and might not be financially and politically possible, even if voters say yes this fall.

The Portland rail story, however, is complicated. Though the city's residents revel in the handy transit options, the system and how it came to be have carried significant costs: a transit agency with hugely underfunded retirement and health care obligations, labor unrest, bus service cutbacks and deferred maintenance of the expanding rail system. Meanwhile, hundreds of millions of city, county and school taxes were diverted to build the rail system and seed development along it.

And even in this showcase transit town, there's a stubborn and surging anti-rail current. Several suburban cities and a neighboring county in the past couple of years have passed referendums requiring voter approval of rail spending, a procedural step that has bedeviled Austin transit

supporters but one that Portland has managed to sidestep since the mid-1990s. And despite all the alternative transportation options, about seven in 10 people in greater Portland use a car to get to work, six of them driving alone.

No freeways have been built in the Portland area in the past 30 years, a source of unrest in suburban, conservative Clackamas County to the south and Washington state's Clark County just across the Columbia River. And despite all the rail lines, the metro area's road congestion, according to the Texas A&M Transportation Institute's most recent urban mobility report, is roughly equivalent to that of Austin.

## **A transit revolution**

Why did rail happen in a big way in Portland beginning three decades ago and lie more or less stillborn in Austin all this time? Credit — or blame, some would say — the different political cultures in the two states. And the late and mostly unlamented Mount Hood Freeway.

Broad swaths of homes and businesses, miles of them, would have been flattened in the 1970s to make way for the freeway cutting through Southeast Portland. The Portland City Council, Multnomah County commission and business community supported it, at least at first. And the federal government was ready to toss in about \$500 million, a huge sum in those days. But in the face of organized and passionate public pushback, that support crumbled.

Portland leaders, including a charismatic young mayor named Neil Goldschmidt, suggested an alternate plan. Redirect that money, at least some of it, into this emerging rail renaissance, specifically a 15-mile light rail line from downtown Portland to the eastern suburb of Gresham.

The city created a “transit mall” downtown, built the Pioneer Courthouse Square amphitheater on a former parking lot and razed a highway along the Willamette River to create a waterfront park.

Meanwhile, the Oregon Legislature and Republican Gov. Tom McCall, looking to preserve farmland and the environment, pushed through a law requiring Oregon cities to create “urban growth boundaries.” That in turn put pressure on the development community to build multistory, dense housing and fill in empty spaces within those boundaries.

The kind of urban design, in other words, most likely to generate transit ridership.

“That was the moment when you could feel the entire city changing its mind, going a different direction,” said Jarrett Walker, a Portland-based transit consultant. “The vision of urban development as being entirely oriented toward automobiles was defeated decisively, at least in Portland.”

By 1978, TriMet, Portland's transit agency, had approved construction of that first 15-mile line — with federal funding covering 83 percent of the \$214 million project — and it opened in September 1986. Extensions west, southeast, north and to the airport have opened every few years since, and a 7.3-mile extension south should open in about a year.

“That really was the revolution” in the 1970s, said Walker, who grew up in Portland. “Ever since then, we've just been managing a revolutionary government.”

## **Timing matters**

Portland's early entry into the light rail derby and the state government's attitude toward the approach have paid dividends not necessarily available to Austin.

By September 2015, when a \$1.5 billion Orange Line extension into suburban Clackamas County is set to open, TriMet and the city of Portland will have spent about \$4.1 billion building 82 miles of light rail, streetcar and commuter rail lines. The local share of that comes to \$1.38 billion, or about a third.

Even that tab was split multiple ways, with three counties, the Portland Development Commission, Metro (Portland's transportation planning agency) and others kicking in. The federal government has paid about 56 percent, including almost 60 percent of the light rail cost, and the state has spent about 11 percent.

At best, Austin and Capital Metro will see 50 percent from the Federal Transit Administration for the area's first light rail line.

That assumes Congress continues transit grant funding at something like its current level — no sure thing, given the state of the federal highway trust fund and Washington's wheezing political culture — and that assumes Austin manages to shoulder its way to the front of a lengthy line of municipal supplicants for the money.

As for light rail grants from the state of Texas, while the Texas Department of Transportation recently gave Capital Metro \$50 million for rail and approved transit grants to other large Texas cities, that first-of-its-kind foray does not necessarily constitute a trend. The Texas Constitution mandates that fuel tax and vehicle registration revenue be spent only on roads.

Light rail construction costs nationwide have been increasing at a rate far outstripping inflation for reasons that aren't really clear. Portland's Orange Line will cost more than \$200 million a mile. Based on the \$1.4 billion cost estimate for the initial 9.5 miles of Austin light rail — \$147 million a mile — building a 60-mile system comparable to Portland's would cost \$8.8 billion.

As it stands now, if the feds cover half the cost, Austin-area taxpayers are looking at a long-term tab of \$4.4 billion. Absent help from state government or some other source of income, that would consume much of the city's bond capacity for decades to come.

## **Transplanted Texan**

Beeman Strong, an Intel hardware designer who lives with his wife and two sons in Northeast Portland, was raised in Houston and graduated from the University of Texas in Austin in 1996. Neither Texas town had rail when he was there.

"Growing up in Texas, I drove everywhere," Strong said. "I dabbled a bit with biking from my apartment to class at UT. But taking transit to get anywhere other than school wasn't something I ever considered."

No more.

Most weekday mornings Strong, who works in a suburb about 10 miles west of Portland, climbs on his red LeMond Poprad bike and heads west to downtown on one of the city arteries where bikes officially have priority over cars. About 20 minutes later, he glides into the Skidmore Fountain station just west of the Willamette River.

After a short wait, Strong hefts the bike on board, hangs it on a metal hook and settles in with his laptop. About 50 minutes later, the train pulls into his stop in Hillsboro. Another mile and a half on the bike, and he's at work.

Total one-way commute time: 75 minutes. Driving — if all goes well on the sometimes congested U.S. 26 — would take 45 minutes. The Strong's have two cars, so that time-saving option is available. He rarely takes it.

"I can spend an hour and a half each day getting absolutely nothing done and being stressed in traffic," Strong said. "Or I can spend 2½ hours, and only 45 minutes of that is lost while riding my bicycle. And even that is not lost, because it's exercise."

### **A complicated picture**

Rail critics in Portland, pointing to U.S. census statistics, assert that transit has become less popular there since rail's 1986 debut. In 1980, Cato Institute fellow Randal O'Toole says, the census reported that 9.8 percent of Portland area residents used transit (buses, at the time) to get to work. In 2012, 75 miles of rail transit later, that number had fallen to 7 percent.

But the picture is more complicated than that.

In fiscal 1987, the first year of operation for the original Blue Line, TriMet had about 48 million bus and rail boardings, about 130,000 a day. In 2013, after population growth of a little more than 50 percent, boardings had grown more than 100 percent to 100.4 million a year.

Transit ridership, in other words, is easily outpacing Portland's population growth. And the current level is almost three times the ridership that Austin's Capital Metro tallied last year while serving, primarily with buses, an area with a population only about 15 percent smaller than Portland's. Both agencies offered virtually the same amount of bus and rail service in 2013, about 1.6 million hours.

The Portland-area employment market has diffused over the years, particularly in Washington County to the west, where Nike is headquartered, and Intel has several facilities with tens of thousands of employees. Even O'Toole acknowledges that decentralization would tend to lower the transit commuting percentage.

Some critics say the rail expansion has come at a cost to Portland's poor, especially those who don't live near a light rail line. Bus service hours have dropped 9 percent since 1987, even as Portland's population has boomed.

"We need a more holistic, honest regional discussion about the trade-offs around rail," said Jonathan Ostar, executive director of Portland's OPAL Environmental Justice Oregon, a nonprofit that advocates for the poor. "We've seen an expansion of the rail system at the expense of the core bus service."

TriMet, meanwhile — despite fare increases, service cuts and elimination in 2012 of a no-fare zone downtown — has a \$1.1 billion unfunded liability for future employee health care benefits and employee pensions, according to a January audit by the Oregon secretary of state's office.

The agency's executive director, Neil McFarlane, told the American-Statesman that those pending, uncovered costs are not related to rail spending. Rather, he said, former TriMet leaders made unwise concessions in negotiations with the union representing transit workers.

“That was a bad call long ago,” he said.

With just one driver piloting a train almost 200 feet long that can carry several hundred seated and standing passengers, rail is much more efficient — after original capital costs have been covered — than buses, advocates argue.

In 2013, according to TriMet statistics, the agency spent \$2.58 on operations and maintenance for each rail boarding, and fares covered almost half that cost. Each bus rider costs TriMet \$4.02. Customers covered about a quarter of that cost buying tickets, a fare recovery rate more than two times what Capital Metro sees in Austin.

### **Stimulating debate**

Aside from the ease of getting around Portland's core and the choice available to commuters to take rail instead of a car, light rail and streetcar supporters have always pointed to the stimulative effects on development of building rail.

Well, not always.

Current Portland Mayor Charlie Hales, back in 1996 when he was a City Council member and the first light rail line was a decade old, at a public meeting noted how little development had occurred along the line “in the hottest real estate market in the country.”

Hales called for incentives to developers because, he said, it was a “myth” to think the market would take care of development along transit corridors.

Even now, while Hales touts rail's stimulative effect on development, he says that merely installing rail is not enough.

Government has to help in various ways, he said. “It's not just sprinkle this magic dust on the landscape and cool new housing will spring up.”

Those incentives Hales advocated 18 years ago have occurred in a big way. Portland has a civic animal absent from the Austin scene: the Portland Development Commission. This arm of city government, created in 1958, over time has formed 25 urban renewal areas throughout Central Portland, in each case collecting property taxes growing from the increased land and building values in those districts.

Between 1996 and 2013, the commission took in almost \$1.3 billion in such “tax increment” revenue — money that might otherwise have been spent on schools or city or county services — and so far it has spent about \$775 million, according to figures from the commission.

That money has been used to spur development in a variety of ways: forgivable loans to businesses; grants; property tax abatements; environmental remediation of former industrial sites; and construction of parks, streets, sidewalks and other streetscape improvements.

The commission has thrown money directly into the rail kitty from time to time, as well, Executive Director Patrick Quinton told the American-Statesman. It put \$30 million toward the Yellow Line to Northeast Portland, \$10 million into the ongoing Orange Line construction and at least \$40 million into the streetcar projects.

While he acknowledges some nexus between the presence of rail lines and development, Quinton downplayed the strength of that connection.

“I’m not a particular fan of this notion that if you build streetcar, it’ll come,” he said, referring to development nearby. “That has not necessarily been the case everywhere in Portland.”

Quinton says any effect rail has on development — despite it being a common talking point of rail supporters in Austin and other places — is perhaps beside the point.

“My answer would be, ‘It’s not the right question,’” Quinton said during a tour of the South Waterfront, a collection of high-rise residences with a streetcar line running through them that was seeded by millions of dollars of development commission money over the past decade.

The question, he said, is “‘What kind of community do you want to create?’ In healthy, livable communities, people aren’t dependent on their cars.”

Hales says all those urban renewal districts, and all the tax revenue invested in them, are about to begin paying off for local government treasuries. The urban renewal district encompassing Portland’s trendy Pearl District on downtown’s north edge was recently reduced in size by 30 percent, the mayor said, returning about \$1 billion of property to city, county and school district tax rolls. Another \$2.5 billion will come along in a few years, he said.

“And that’s just one neighborhood,” he said. “We’re only getting started.”

Portland rail critics contend that no connection exists between rail construction and nearby development. Portland’s startling central city renaissance over the past generation, as well as clutches of development near some of the light rail system’s outlying stations, is based almost entirely on what they estimate is \$2 billion in government incentives over the past couple of decades.

“Light rail doesn’t attract development. It repels it,” said John Charles, executive director of the Portland-based Cascade Policy Institute, a Libertarian think tank. “Anything that light rail can do, buses can do better, cheaper and faster.”

Charles and his employees have made Portland’s rail push something of a crusade, spending endless hours at various places counting cars and people to gauge transportation choices. At one huge Intel location in suburban Washington County, Charles said only about 3 percent of the 10,000 employees use the Blue Line about a half-mile to the south.

Walker, the transit consultant, said it is a mistake to look at low suburban transit use and conclude that the investment is not worth it. Light rail in particular, he said, requires a dense,

easily walkable urban environment to produce high enough ridership to justify the huge cost shared by taxpayers throughout a metro area.

Portland — with 600,000 residents packed into a tightly knit area less than half Austin's size, priority streets for bicycles and shady, wide sidewalks — has that.

The question for Austin voters, in the end, is whether sprawling Austin, Texas, has what light rail requires — or ever will. And if so, can the city, coming so late to the game, afford to play?