

MINNPOST

Don't put another train on the kids' credit card

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We've heard the Metropolitan Council say for years that the federal government was on board to underwrite the expansion of the metro's light rail system. It was always inevitable; the funding train had left the station.

The controversial \$1.9 billion Southwest Light Rail Transit (SWLRT) was supposed to get \$929 million in federal funds, followed by the \$753 million for the \$1.5 billion Bottineau line. Instead, both appeared on list of transit projects that the U.S. Department of Transportation (DOT) has declined to select for full funding. "Future investments in new transit projects would be funded by the localities that use and benefit from these localized projects," according to an April 7, 2017, letter sent to Speaker Kurt Daudt and the Trump administration's budget blueprint.

This announcement is, among others things, a long overdue acknowledgment that the federal government is broke, and that revenues for transportation are dwindling. That means We the People are broke. We cannot afford to keep building expensive transit projects that do not deliver congestion relief.

Borrowing heavily from the future

Although it has dropped from the headlines, our country has been borrowing heavily from the future. According to the Congressional Budget Office, the federal debt hit the debt ceiling of \$19.9 trillion, up about \$10 trillion since 2008. Yet even with all that borrowing, the feds are still running big annual deficits (\$559 billion this year).

Borrowing from the future means that government is spending future tax revenues — and people's paychecks — to pay for today's, and even yesterday's, costs.

We are not just taking out loans for ourselves; we are taking out loans on behalf of our kids and grandkids. How are future generations supposed to pay for government if we have already spent their earnings and tax dollars, and left them with our debts?

The DOT's recommendation that we look to local funding has forced a tough conversation here at home. Are these good projects? And even if they are, can we afford them?

The answer from most state and local officials has been a resounding "No."

Light rail expansion has failed to get approvals and funding from the Legislature; that issue blew up the transportation bill last session, leaving the state without funds for road repairs and expansion. Suburban counties have rejected the plan, too. In fact, when presented with funding transit that serves a “city-centric” model favoring downtown Minneapolis at the expense of suburbs, Anoka and Dakota county decided to dissolve the Counties Transit Improvement Board (or CTIB). Exit negotiations are under way.

Burden on Hennepin County

If light rail expansion somehow moves ahead without state dollars, and suburban counties withdraw, light rail would come at a very steep cost to Hennepin County taxpayers. Even though it promised the Legislature in writing not to do it, the Met Council is planning to use an obscure borrowing scheme (Certificates of Participation) that would divert current tax revenues to pay down capital costs, while Hennepin County would raise taxes by \$125 million a year to fund operational costs of transit, including light rail.

So what was once a regional project that assumed state and federal backing is quickly becoming a Hennepin County project.

Why have so many elected officials rejected these projects?

“Light rail is an obsolete form of transportation that will be made even more obsolete in a few years by self-driving cars,” said Randal O’Toole, a CATO Institute senior fellow and public transit expert. “Congress should stop funding light rail, including the Southwest line, as well as other obsolete transit programs, such as an extension of the Northstar to St. Cloud.”

Supporters say the projects are too far down the track to stop now. The Met Council, for example, has already spent at least \$159 million on planning SWLRT, and besides, developers have bought land and planned apartment buildings and other development along the line.

Costs will only rise with time

First, the sunk costs of the project, while high, are nothing compared to what will be spent to build (\$2 billion), operate (\$20-30 million a year) and then replace SWLRT in 25 years. None of these projected costs include taxpayer subsidies planned for “affordable” housing and other subsidized development that planners say are needed to drive ridership. Next comes Bottineau and other transit lines.

Second, when developers speculate, they do so at their own risk. Yes, government should be an honest and reliable partner, but the Met Council’s long-term transit and housing plan has been met with fierce and growing opposition, so there was always a risk of cancellation.

What about losing “free” federal dollars? We absolutely need to get tax dollars back to Minnesota, but let’s spend the money on projects that relieve congestion where development has already happened, rather than borrowing more money for a speculative “build it and they will come” real estate development scheme.

DOT decides which project to fund

Congress allocates a lump sum of money to the DOT for transit, but DOT decides which projects will get funding. Not even the friendlier Obama administration advanced SWLRT or Bottineau

beyond the engineering phase. So unless the DOT does an about-face, neither of these projects will get federal funding.

That does not mean supporters have given up: State legislators, our congressional delegation and bureaucrats at the DOT are being lobbied hard by Hennepin County Commissioner Peter McLaughlin, Met Council Chair Adam Duinick, and developers and construction companies.

Who is lobbying the Legislature and Congress on behalf of future generations who will be stuck with traffic jams, aging and obsolete transit and the debts of their parents? Let's hope that our Legislature, congressional delegation and the DOT will resolve to stop that funding train.